



# ***Productivity in Britain: The Workers' Perspective***

## **First Findings from the Skills and Employment Survey 2017**

**Alan Felstead, Duncan Gallie, Francis Green and Golo Henseke**

### **HEADLINES**

Almost a decade after the financial crisis began, productivity growth has failed to recover to its pre-recession level. This report examines productivity growth from the workers' perspective.

- Almost a fifth (18%) of employees identified changes which, if implemented, would make them a great deal more productive and one in eight (13%) made suggestions which contributed a great deal to making work more efficient. Even more (71%) claimed to have taken the initiative to make such improvements on more than one occasion.
- Channels to greater productivity are at their most effective when employees have: more autonomy to decide how to do their jobs; more supportive line management; more meaningful appraisals; and their views and those of their colleagues are heard.
- However, since 2006 these productivity drivers have become less prevalent, precisely at a time when productivity growth has been sluggish and the economy would have benefited from them most.

*The Skills and Employment Survey 2017 is funded jointly by the Economic and Social Research Council, Cardiff University and the Department for Education with funding from the Welsh Government to boost the sample in Wales (ES/P005292/1). The project is hosted by Cardiff University and is directed by Alan Felstead (Cardiff University and Visiting Professor at the UCL Institute of Education) in collaboration with Duncan Gallie at the University of Oxford, Francis Green at the ESRC Centre for Learning and Life Chances in Knowledge Economies and Societies (LLAKES), UCL Institute of Education and Golo Henseke (also at LLAKES).*

## 1. The Importance of Productivity

As the Nobel prize-winning economist Paul Krugman famously observed 'productivity isn't everything, but in the long run it is almost everything'. Productivity matters since a country's ability to improve its standard of living over time is almost entirely dependent on it. For example, had the amount of output produced from a given level of inputs and the efficiency of their use failed to increase since 1850, UK living standards today would have only reached late Victorian levels.

However, while labour productivity – defined as the value added produced per hour worked – can be tracked and reported by the Office for National Statistics (ONS), our understanding of the determinants of its growth is far from complete. It is an historical fact, for example, that labour productivity has grown by around 2% per year since the 1970s, but since the 2008-2009 recession it has stagnated and has failed to bounce back to its pre-recession growth rate. This unprecedented and unexplained slump has become known as the 'productivity puzzle'.

As productivity growth has stalled, so too have wages, and public finances have also been hit as lower tax revenues push up public borrowing. Kick-starting productivity growth would benefit many – employers because it makes businesses more competitive, workers because it may provide the foundation for wage rises, and government because it increases tax revenues and eases pressure on public finances.

## 2. Previous Evidence

The UK has a longstanding labour productivity gap with its international competitors. Following the 2008-2009 recession the situation worsened, with workers in France, Germany and the US producing on average as much in four days as UK workers do in five.

Previous results from the Skills and Employment Survey series show that this is *not* because workers in Britain are lazy. On the contrary, Britain is towards the top of the European league table according to a number of work intensity measures. Recent results show that British workers are working harder, faster and to tighter deadlines than they did in the past. If effort were all that mattered, one might expect productivity to be booming, not stagnating.

There are other more plausible culprits for the slowdown. Some come from macro-level pressures, some from changes within workplaces. The decision by policy-makers, for example, to keep interest rates exceptionally low for so long has led to the suggestion that the cleansing effect of recession may have been muted, thereby keeping many otherwise unproductive or 'zombie' employers in business. On the other hand, decisions taken at the level of the workplace have also been offered as an explanation.

Employers, for example, have been more reticent to shed labour and have hoarded labour for longer, even though output fell sharply as a result of the 2008-2009 recession. The capital-labour ratio has therefore fallen – a process known as capital shallowing – leaving workers with poorer tools and equipment, hence pushing downward on productivity. However, given the unexplained heterogeneity of productivity performance across similar firms, it is surprising that the role played by employees in enhancing productivity has received so little attention since a decline in their role might explain some of the slowdown.

Instead, most existing productivity studies are based on evidence which does not give the workers' perspective – compilations of different macro-level time series data, matching official productivity data with plant-level management surveys and polls of employer behaviour. Our approach is to survey workers in Britain in order to get a bottom-up, and complementary, perspective on what drives productivity and what could be done to spark its revival.

## 3. The Skills and Employment Survey 2017: A New Source of Evidence

The Skills and Employment Survey 2017 (SES2017) allows us to examine productivity from the workers' perspective. It collected data from working adults aged 20-65 years old in England, Wales and Scotland who were interviewed in their own homes in 2017. The sample was drawn using random probability principles subject to stratification based on a number of socio-economic indicators. Only one eligible respondent per address was randomly selected for interview, and 50% of those selected completed the survey. Data collection was directed by ourselves and conducted by GfK.

SES2017 is the seventh in a series of nationally representative sample surveys of individuals in employment aged 20-60 years old (although the 2006, 2012 and 2017 surveys additionally sampled those aged 61-65). The numbers of respondents were: 4,047 in the 1986 survey; 3,855 in 1992; 2,467 in 1997; 4,470 in 2001; 7,787 in 2006; 3,200 in 2012; and 3,306 in 2017. For each survey, weights were computed to take into account the differential probabilities of sample selection, the over-sampling of certain areas and some small response rate variations between groups (defined by sex, age and occupation). All of the analyses that follow use these weights. For more information on the series see Felstead, A, Gallie, D and Green, F (2015) (eds) *Unequal Britain at Work*, Oxford: Oxford University Press.

## 4. Indicators of Sources Productivity Growth and Potential Gains

SES2017 provides new, and previously uncollected, data on five sources of productivity growth as reported by employee respondents (the self-

employed are excluded from the analysis). First, employees who had been in the same job with the same employer for at least one year were asked whether they had ever – individually or as part of a work group – ‘taken the initiative in making improvements to work processes, products or services’. If they had, they were asked if they had done so once or more often. Those answering more than once are referred to as occupying *initiative taking jobs*.

Second, data were collected on the extent to which innovation is built into jobs. To capture this, all respondents were asked how important three aspects of work were to their jobs: ‘keeping up-to-date and applying new knowledge’; ‘developing new or improved work processes, products or services’; and ‘developing plans to put new ideas into practice’. We define *innovation-rich jobs* as those where employees said that these three aspects of work were, on average, ‘essential’ or else ‘very important’ to their jobs.

To capture employees’ ideas, employers sometimes set up formal mechanisms to collect their views about how to improve work processes, products or services. Therefore, those taking part in problem-solving groups and management consultation meetings were asked what contribution employees’ views had. Responses were collected on a 4-point scale. We define high impact as those who said that these views contributed ‘a great deal’ to improvements. These two questions were restricted to employees who had been in the same job with the same employer for at least one year, thereby giving respondents a reasonable time period over which to make such judgements. They are the third and fourth source of productivity growth, referred to here as *high impact groups* and *high impact consultations* respectively.

Fifthly, employees may individually make suggestions. The survey, therefore, asked if respondents had ‘made suggestions to the people you work with, or to your managers, about ways of improving the efficiency with which work is carried out’ over the last year. If so, they were asked to estimate the scale of the impact. Here, we report the proportion of employees who said that these suggestions made a ‘great deal’ of difference, labelled here as *high impact suggestions*.

To summarise these five sources of productivity growth, we create an index which counts the number of affirmative responses. The resulting index ranges from 0 to 5 and we take scores of 3 or more as an indicator of *high productivity enhancing jobs*, scores of 1 or 2 to indicate medium capacity to enhance productivity and scores of 0 as low capacity. Given that one of the component indicators is based on a question which asks respondents to recall activity over the last year and three are based on questions asked of employees who have been in the same job with the same employer for at least one year, the

productivity enhancing index and three binary job indicators are based on a sub-sample of employees who have been in the same post for one year or more.

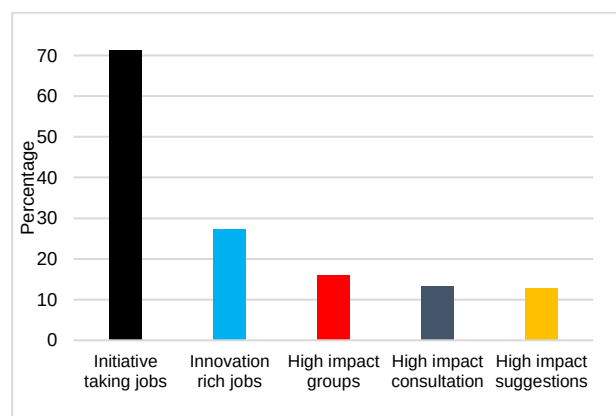
Finally, employees were asked ‘what changes, if any, would make you personally more productive in your current job’ and what impact these changes would have. They were offered a 4-point response scale with the top category ‘a great deal more productive’. This response is taken to indicate that *high impact productivity potential*. We split the remainder in two. Those who reported changes that would make them ‘quite a lot’ or ‘somewhat more productive’ are defined as in jobs which offered *medium impact productivity potential*. However, employees who failed to identify any changes or else ones which would only make them ‘a little more productive’ were in jobs with *low impact productivity potential*.

All of these indicators are based on employees’ assessments and may therefore be subject to social desirability bias. They do, nevertheless, give a unique perspective on the productivity debate. Furthermore, all of these indicators – averaged at the 2-digit industry level – correlate positively and significantly with logged industry variations in ONS productivity data for 2017 ( $p < 0.01$ ).

## 5. Findings

### Sources of Productivity Growth and Potential Gains

**Figure 1: Sources of Productivity Growth, 2017**



*Initiative taking jobs* are a potent source of productivity growth. Four out of five employees reported taking the initiative by making improvements to work processes, products or services, on at least one occasion; seven out of ten (71%) claimed to have done so more than once.

*Innovation rich jobs* are also not uncommon. According to our survey, innovation is a daily aspect of over a quarter of jobs in Britain (27%) with keeping up-to-date, making improvements and developing plans to put new ideas into practice an essential or very important aspect of many jobs.

There are also ways in which employees’ ideas are harnessed by employers. Employee contributions to

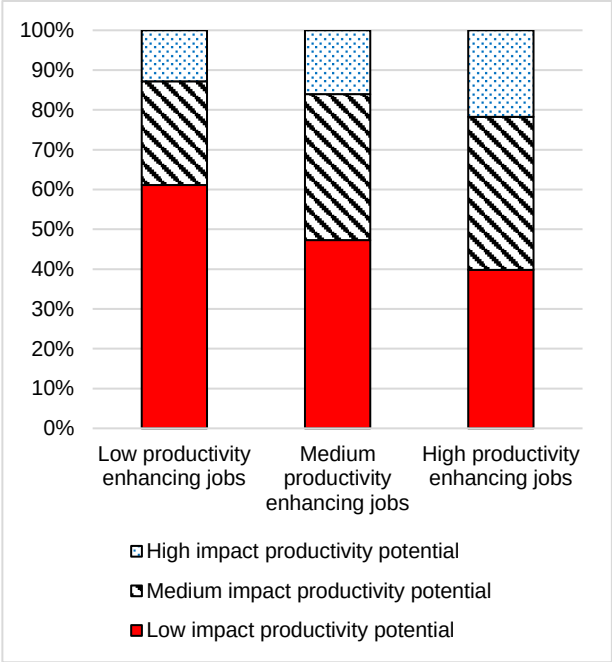
management instigated forums, such as employee groups and consultation meetings, can improve work processes, products or services ‘a great deal’ – 16% employees took part in *high impact groups* and 13% were involved in *high impact consultations*.

Furthermore, one in eight (13%) employees made *high impact suggestions* in the past year to management and/or their colleagues about how to improve efficiency (Figure 1).

While only a handful of employees reported involvement in all five sources of productivity growth, a sixth (17%) reported contributing to three or more – what we refer to as *high productivity enhancing jobs*. On the other hand, around a fifth (22%) were in jobs with none of these routes to productivity enhancement. The remainder (61%) were in medium impact enhancing jobs.

Looking beyond current arrangements, around a fifth (18%) of employees identified changes with *high impact productivity potential*. However, almost half (46%) were only able to identify potential changes that would, if implemented, increase their productivity a little – 42% were not able to identify any changes at all. The remaining third (37%) identified potential productivity gains of medium impact.

**Figure 2: Productivity Enhancing Jobs and Potential Productivity Gains, 2017**

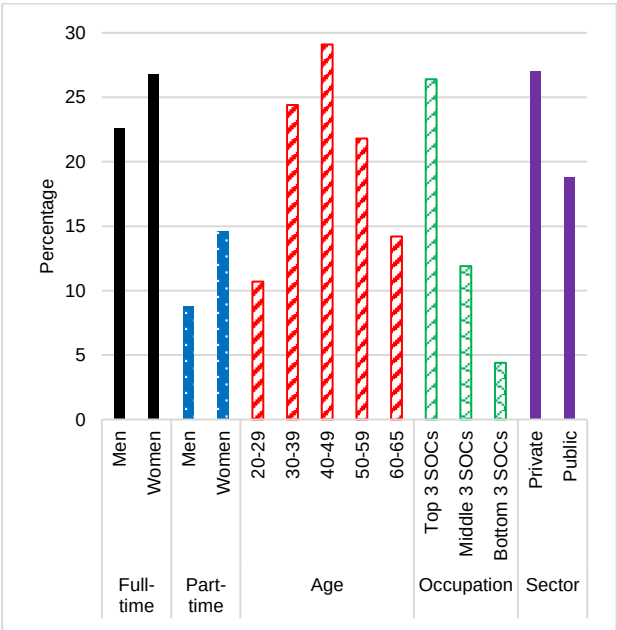


Interestingly, jobs with higher productivity enhancing characteristics were positively and significantly related to jobs where suggested future changes were estimated to have greatest effect ( $p<0.01$ ). So, for example, over a fifth (22%) of those in *high productivity enhancing jobs* were able to identify

further changes that, if implemented, would have a high impact on employee productivity compared to an eighth (13%) of those in *low productivity enhancing jobs* (Figure 2). This finding sheds new light on what may be behind the co-existence of high productivity and low productivity firms. It suggests that the former benefit from giving their employees productivity enhancing opportunities as well as encouraging them to think of further efficiency boosting changes. The suspicion is that those which make up the UK’s long tail of low productivity firms do neither and therefore suffer a double blow.

#### Variation by Demographic and Other Characteristics

**Figure 3: High Productivity Enhancing Jobs by Demographic and Other Characteristics, 2017**



Given the importance of these high productivity enhancing jobs to the economic health of the nation, identifying the associated characteristics and drivers of these jobs is of particular policy interest. Notably, the distribution of these jobs varies little by gender (Figure 3). However, such jobs are significantly more prevalent among 30-59 year olds than either younger or older workers. Prevalence is also significantly higher among those in the top occupational groups as well as those working in the private sector ( $p<0.1$  or better). In addition, high productivity enhancing jobs are more prevalent in industries such as information and communication, professional services and education, and more abundant in Wales and the North West, while less prevalent in London and Scotland.

#### Correlates of Productivity Growth

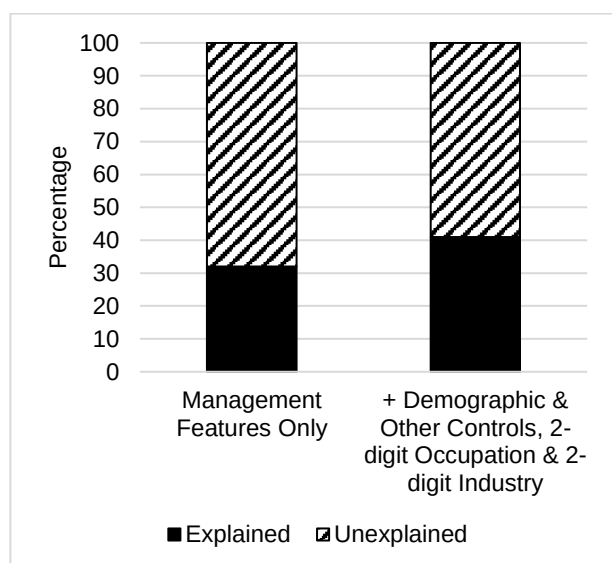
What, then, are the correlates of the sources of productivity growth? Every row in Table 1 demonstrates that where employees have a greater

**Table 1: Innovation Rich, High Impact Suggestions, Initiative Taking and High Productivity Enhancing Jobs by Management Features, 2017**

| Management Features                                        | Present or Not | Initiative Taking Jobs | Innovation Rich Jobs | High Impact Suggestions | High Productivity Enhancing Jobs |
|------------------------------------------------------------|----------------|------------------------|----------------------|-------------------------|----------------------------------|
| A great deal of influence on how to do job tasks           | Yes            | 82.1                   | 38.4                 | 21.1                    | 24.5                             |
|                                                            | No             | 64.3                   | 20.8                 | 8.2                     | 12.1                             |
| Member of employee problem-solving group                   | Yes            | 84.7                   | 39.4                 | 18.9                    | 35.1                             |
|                                                            | No             | 62.3                   | 20.2                 | 9.6                     | 5.3                              |
| Meetings where employees can express views                 | Yes            | 81.5                   | 34.0                 | 16.3                    | 25.0                             |
|                                                            | No             | 54.0                   | 15.8                 | 7.5                     | 3.3                              |
| An active appraisal system influencing training and/or pay | Yes            | 84.5                   | 39.8                 | 17.0                    | 28.0                             |
|                                                            | No             | 63.8                   | 20.8                 | 10.9                    | 10.2                             |
| A great deal of help from line manager in improving work   | Yes            | 90.9                   | 34.8                 | 20.3                    | 28.2                             |
|                                                            | No             | 78.4                   | 24.6                 | 10.4                    | 13.3                             |

influence over how to do the job, can exercise greater voice in what goes on at work or receive greater help from management on a day-to-day basis or through formal appraisal, the greater the prevalence of initiative taking, innovation, high impact suggestion making and high productivity enhancing jobs. What is more, these results remain robust in multivariate analyses which take into account factors such as occupation, education and industry.

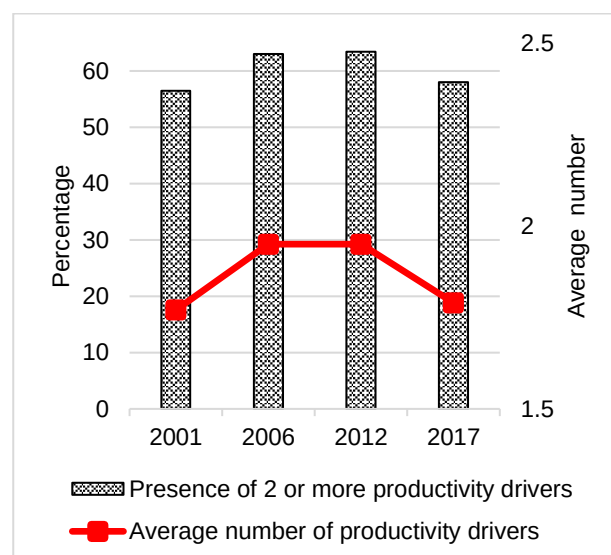
**Figure 4: Explaining the Variation in the Productivity Enhancing Index, 2017**



Previous studies have highlighted the importance of good management to productivity growth. Our results offer further support for this suggestion with the way labour is managed explaining almost a third (32%) of the variation in the productivity enhancing index (Figure 4). In other words, labour management has around three times the same explanatory power as demographic and other controls, occupational and industrial correlates taken together. However, around three-fifths (59%) of the variation remains unexplained by the variables observed.

#### *Trends in Drivers of Productivity Growth*

**Figure 5: Recent Trends in Drivers of Productivity Growth, 2001-2017**



Data on four of these drivers have been collected since 2001. Figure 5 shows that the average number of drivers (and the percentage with two or more) rose from 2001, then plateaued between 2006 and 2012, before falling in 2017. This pattern of rise and fall is statistically significant ( $p < 0.01$ ) and comes at a time when productivity growth has been sluggish and the economy needs these drivers most.

#### **6. Policy Implications**

Much of the recent policy discussion of productivity growth has centred on large infrastructure projects, key economic sectors and regional disparities. However, the findings of this report suggest that more needs to be done – and can be done – to raise productivity across the whole economy. Greater involvement of workers is the key, but this is where management practices have taken a backward step in recent times with sluggish productivity one of its unwelcome consequences.

## Further Reading

Bryson, A and Forth, J (2015) [‘The UK’s productivity puzzle’](#), *NIESR Discussion Paper No. 448*, London: National Institute of Economic and Social Research.

Felstead, A and Green, F (2017) [‘Working longer and harder? A critical assessment of work effort in Britain in comparison to Europe’](#), in Grimshaw, D, Fagan, C, Hebson, G and Tavora, I (eds) *Making Work More Equal: A New Labour Market Segmentation Approach*, Manchester: Manchester University Press.

Haldane, A G (2017) [‘Productivity puzzles’](#), speech given by Andrew G Haldane, LSE, 20 March 2017.

Robinson, H (2017) [Management practices and productivity among manufacturing businesses in Great Britain: Experimental Estimates for 2015](#), Newport: Office for National Statistics.

## Reports in the First Findings Series

1. *Productivity in Britain: The Workers’ Perspective.*
2. *Skills Trends at Work in Britain.*
3. *Fairness at Work in Britain.*
4. *Work Intensity in Britain.*
5. *Participation at Work in Britain.*
6. *Insecurity at Work in Britain.*

All titles, along with technical reports, are downloadable free from the survey website at [www.cardiff.ac.uk/ses2017](http://www.cardiff.ac.uk/ses2017) (1-3 after 18/7/18; 4-6 after 2/10/18).

Also you may like to take the Job Quality Quiz which is an additional output emanating from the project, [www.howgoodismyjob.com](http://www.howgoodismyjob.com)

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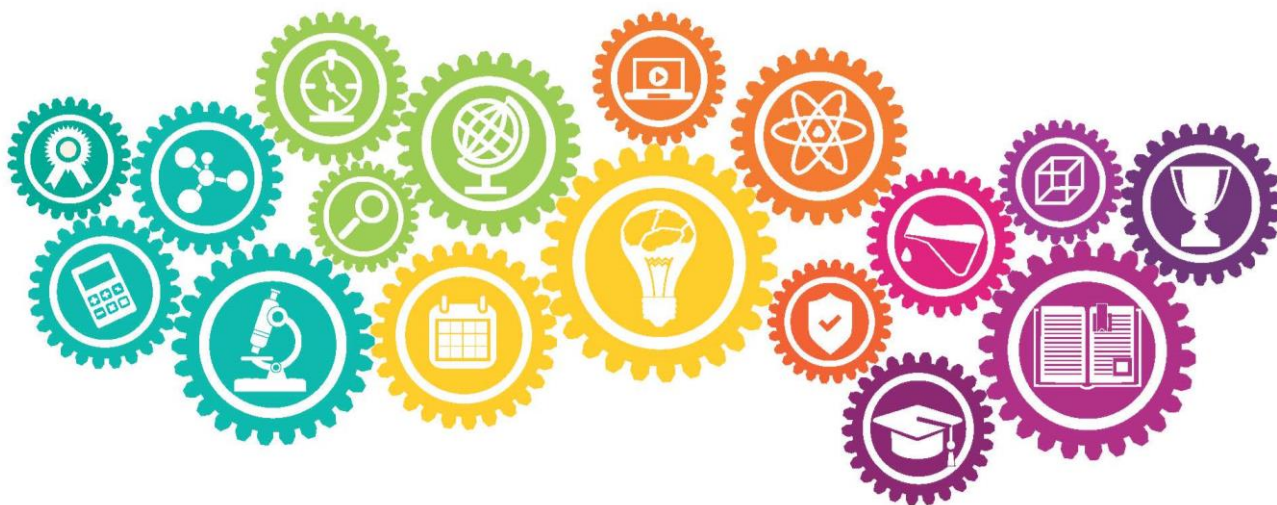
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# ***Skills Trends at Work in Britain:***

## **First Findings from the Skills and Employment Survey 2017**

**Golo Henseke, Alan Felstead, Duncan Gallie, Francis Green**

### **HEADLINES**

Skilled jobs benefit workers and the economy alike. This report examines the evolution of job skills, the changing importance of post-graduate qualifications and gender gaps in job skills over the last 20 years in Britain. Skills trends are contrasted with faltering technical and organisational change.

- Our findings suggest that the growth of skills demand has slowed and even reversed in some domains since 2012. Literacy and numeracy skills have declined in importance, graduate-level jobs have not expanded significantly, and required workplace learning and training have continued on a downward path.
- Against this overall pessimistic backdrop, gender gaps in job skills have narrowed, and in the case of graduate-level jobs, reversed. By 2017, a greater proportion of women worked in graduate-level jobs than men.
- The economy has faced a slowing intensity of technical and organisational change since 2012. In addition, technical change has become gradually less skill-biased over the period 2001-2017. In contrast, organisational change has become more skill-biased over the same time period.

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## 1. The Race Between Education and Technology

It is widely believed that recent technological change has been skill-biased. Modern information and communication technology (ICT) has enabled skilled workers to work more productively, thereby allowing the rising number of graduates to find good, well-paid jobs. At the same time, these trends have contributed to the decline of middle-skilled jobs. Their employment share has fallen as the work tasks involved in these jobs have increasingly been carried out by computers and/or computerised machines.

However, recent studies from the United States have cast doubt on whether this engine of high-skill growth will continue unabated. A weakening demand for cognitive tasks has pushed skilled workers into positions further down the job skills ladder. As a result, recent higher education graduates have increasingly struggled to secure employment in typical graduate jobs. Other scholars have pointed to the rising potential of a new generation of white-collar automation that will replace knowledge work tasks in a process of digital Taylorism.

## 2. Previous Evidence

Up until now, the evidence either way has not been clear cut. Data from the 2012 Skills and Employment Survey, for example, did not confirm a definite slowdown in the demand for skills. On the contrary, skilled jobs requiring higher education continued to rise, as did the use of a range of generic job skills. These trends began as far back as the 1980s. But analyses of the graduate labour market have revealed rising pay inequalities coinciding with widening pay gaps by degree class or level during this period. This indirect evidence hints at a potentially increasing mismatch between job skills demand and supply. By examining what has happened to job skills in Britain in 2017, this report contributes new, up-to-date evidence on the state of job skills demand.

## 3. The Skills and Employment Survey 2017: A New Source of Evidence

The Skills and Employment Survey 2017 (SES2017) provides us with a unique trend picture of job skills, knowledge requirements, and potential drivers of high-skill demand from the workers' perspective. It collected data from working adults aged 20-65 years old in England, Wales and Scotland who were interviewed in their own homes in 2017. The sample was drawn using random probability principles subject to stratification based on a number of socio-economic indicators. Only one eligible respondent per address was randomly selected for interview, and 50% of those selected completed the survey. Data collection was directed by ourselves and conducted by GfK.

SES2017 is the seventh in a series of nationally representative sample surveys of individuals in

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## 4. Indicators of Job Skills, Knowledge Requirements and Workplace Changes

With repeated, cross-sectional information from the SES series, it is possible to illuminate trends in generic job skills, qualification requirements and potential drivers of the rising demand for skills.

Survey respondents report the importance of 36 job tasks covering activities that draw on manual, cognitive as well as social skills. For each job task, five response options were offered ranging from 'essential' to 'not at all important'. From this, we identify jobs in which *literacy*, *numeracy*, *complex problem-solving*, *self-planning* and *social skills* are 'essential' or 'very important' to assess high level use of *generic skills*. Participants are also asked to assess the importance of *computer use* on the same response scale. These questions have been repeated in each survey since 1997. This enables us to depict long-term trends in the evolution of job skills over the last two decades.

Generic skills are an important but not the only facet of skills requirements of the job. To give a comprehensive picture, we also examine the changing proportion of workers who report that one would need a *graduate-level* qualification to get their job. This is contrasted with jobs that require *no qualifications* as assessed by workers.

Since an ever increasing share of the labour force has graduated from higher education, differentiation by, for example, field of study, degree class or the degree level may have become more important. Using SES, we break down graduate-level jobs into jobs requiring *post-graduate*, *graduate* or *professional* qualifications.

Many skills needed at work are gained not at school or university, but on-the-job. SES asks respondents to quantify how long it took them to learn to do their work well and whether they have undertaken job training for their line of work. For both *learning* and *training requirements* there are seven response options, ranging from 'less than 1 week' to '2 years or more'. We converted the response scale to months.

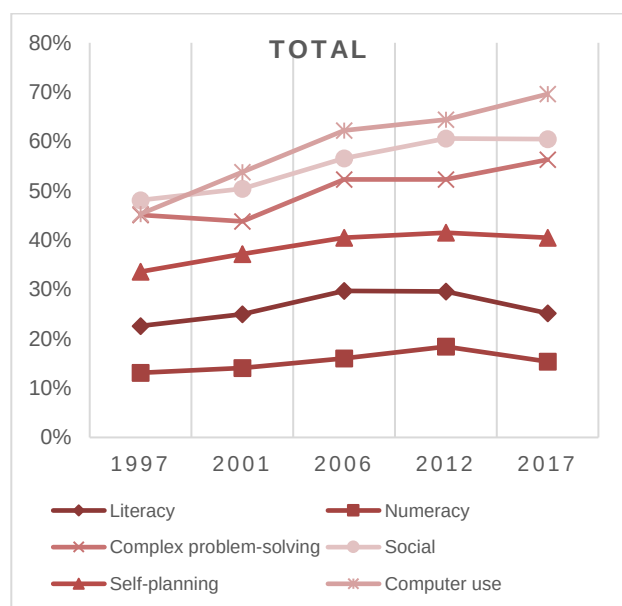
To trace the impact of technical and organisational change, SES questions workers about recent changes in the workplace. Drawing on this, we identify whether there was a change in the way work was organised, and whether new communications, computerised or automated equipment was introduced into the workplace. We treat the former as indicator of *organisational change*, while the latter indicates *technical change*.

Trends in job skills as well as technical and organisational change may differ across occupation groups. We thus split occupations into three broad groups. Managers, professionals and associated professionals form a group of *high-skilled* occupations. The group of *middle-skilled* occupations comprises administrative and secretarial occupations, skilled trades and personal service occupations. Finally, sales and customer service occupations together with process, plant and machine operatives and elementary occupations are jointly labelled *low-skilled* occupations.

## 5. Findings

### Generic Skills

**Figure 1: High Level Generic Skills, 1997-2017**

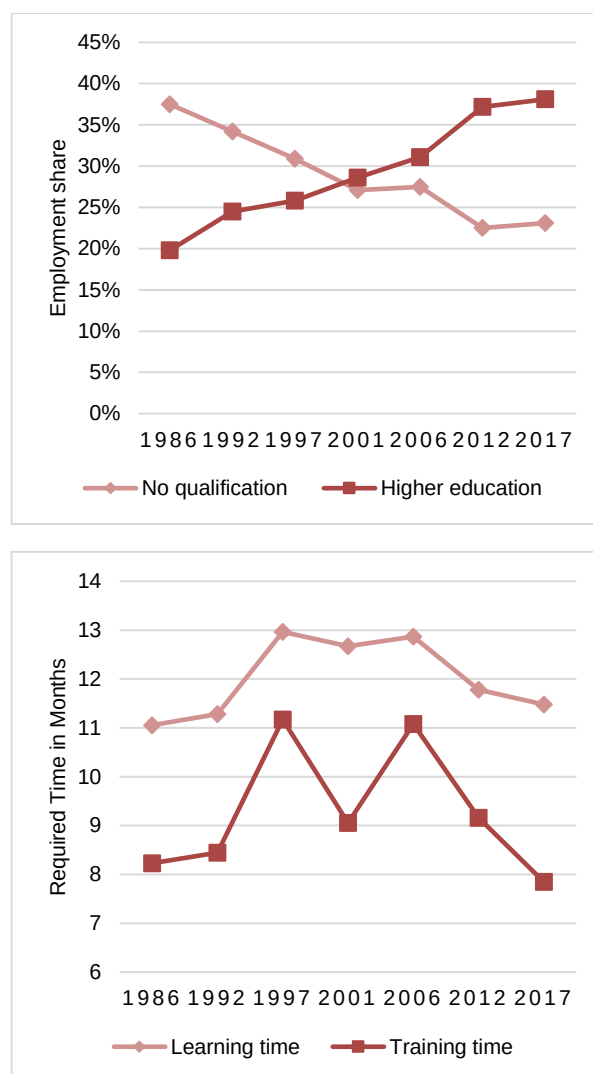


Compared with 2012, there is little consistent evidence for continued growth of generic skills (Figure 1). The use of high level literacy and numeracy skills has fallen. Social skills and self-planning skills have stagnated after a period of steady expansion until 2012. Against this trend, complex problem-solving skills have continued to become significantly more important. The fraction of jobs where complex problem-solving skills were essential or very important rose from 52% in 2012 to 56% in 2017. Nonetheless, together these patterns indicate a slowdown in the demand for high level generic skills since 2012. This contrasts with an unbroken growth of high-level computer use since 1997. Consequently, whereas until 2012, trends in

generic skills demand and computer usage were both upwards, they have moved in different directions since 2012.

A breakdown by broad occupation groups, suggests that the fall in numeracy and literacy skills since 2012 was concentrated among high-skilled occupations, while complex problem-solving skills rose in jobs towards the bottom of the occupational ladder. The importance of computer use rose in jobs in high and middle-skilled occupations.

**Figure 2: Qualification Requirements, Learning and Training Time, 1986-2017**



### Qualification Requirements

This picture of a stagnating or even reversing demand for skills receives support from trends in qualification requirements and learning and training times. Until 2012, the share of graduate-level jobs in the workforce expanded steadily by around three percentage points every five years since the series began in 1986. Over the same period, the fraction of jobs that require no formal qualifications diminished (Figure 2, top panel). Since 2012, however, these proportions have not changed significantly. In 2017 23% of jobs required no qualifications on entry, while

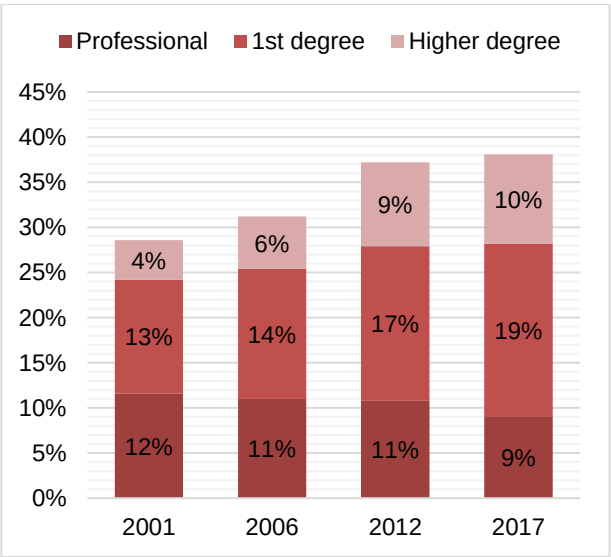
around 38% of jobs needed at least higher education qualifications.

If formal qualification requirements have not changed significantly, perhaps skills acquired in work have become more important. However, this does not seem to be the case: learning and training time have continued their downward movement since 2006 (Figure 2, bottom panel). By 2017, average training time had fallen to 7.8 months – below the level observed in the mid-1980s. Learning time has followed a similar, though, shallower path. After peaking at around 13 months to learn to do the job well in the 1997-2006 period, it has dropped to 11.5 months in 2017.

*Post-graduates and Post-graduate-level Jobs*

The shift towards higher education has been a major force of change in the British labour force. The massification of higher education has been accompanied by increased differentiation between graduates. In the process, not only have graduates become more diverse, but also the jobs that require higher education have become more differentiated. Thus far, we have treated jobs that require qualifications from professional certificates to doctorates as identical. Now, we break the category down.

**Figure 3: Jobs Requiring Post-graduate Qualifications, 2001-2017**



Over the 21<sup>st</sup> century, there has been an expansion of jobs that require qualifications beyond a first degree (Figure 3). Their employment share rose from 4% in 2001 to 10% in 2017. But, as before, it appears that this expansion may have faltered after 2012. In fact, there was a contraction in the share of jobs requiring professional qualifications which fell from 11% to 9% between 2012 and 2017, while jobs needing a first-degree rose from 17% to 19% over the same period.

Has the expansion of post-graduate positions been sufficient to absorb the growing number of post-

graduates? According to our data, about one in two post-graduates worked (51%) in a job at his or her qualification level. Another quarter worked (26%) in jobs for which a first degree would have sufficed according to the job holder. The remainder (23%) were in positions which did not require some university education. These figures have not changed significantly over the 2001-2017 period. Overall, post-graduates have managed to maintain their labour market position.

*Gender Convergence*

Not only has the labour force become better educated, but the economy has also made strides towards greater gender equality. Women have not only caught up, but have overtaken men in jobs that require higher education (Table 1). Also, gender differences in training or learning time have narrowed or vanished over the last 20 years. In our data, women have never been better positioned in terms of job skills than today. Nevertheless, much still needs to be done to translate greater gender equity in job skills into equal pay as evidenced by the persistence of the gender pay gap.

**Table 1: Gender Gaps in Knowledge Requirements in 1997 and 2017**

| Job Skills                    | Year | Male | Female | Gender gap |
|-------------------------------|------|------|--------|------------|
| Higher education required (%) | 1997 | 28.0 | 23.0   | -5.0       |
|                               | 2017 | 36.0 | 40.0   | 4.0        |
| Training required (months)    | 1997 | 13.0 | 9.9    | -3.1       |
|                               | 2017 | 7.5  | 7.7    | 0.2        |
| Learning required (months)    | 1997 | 15.8 | 9.8    | -6.0       |
|                               | 2017 | 12.2 | 10.3   | -1.9       |

*Technical and Organisational Change*

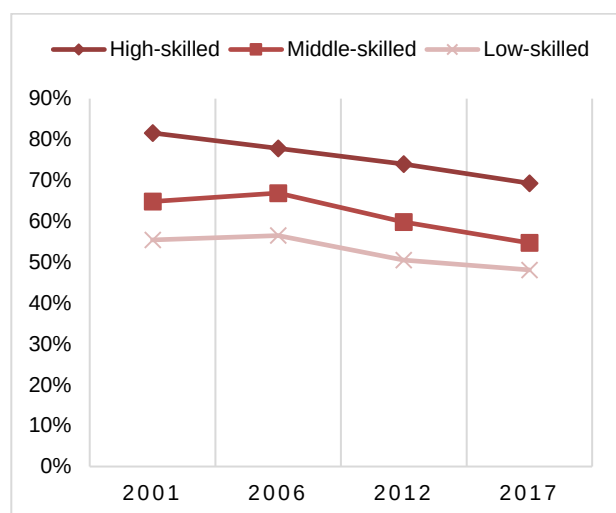
According to a large body of research, technological change and changes to the way work is organised are behind much of the rising demand for skills. Using SES, we examine trends in these potential drivers as experienced by workers and their contribution to rising qualification requirements. To get robust answers about changes that have occurred at work, SES only asks respondents who have remained in the same job with the same employer for at least one year.

Because technological change is thought to complement skilled workers, the expectation is that change will be reported more frequently as we move up the occupational skill hierarchy. But as ICT is maturing, we might also expect that new vintages of ICT will become less skills-demanding.

Organisational changes such as enhanced worker involvement or greater job control will also complement skilled workers who generally command the planning skills to thrive in

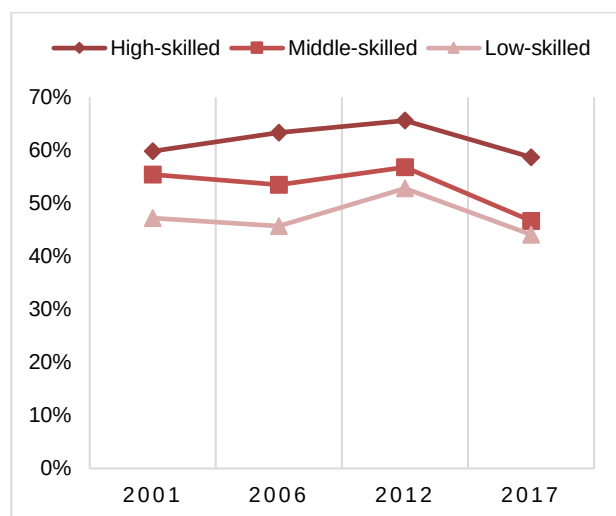
environments with more decentralised decision-making. As with technical change, we therefore expect the incidence of organisational change to rise over the occupational skill hierarchy. Whether organisational change is becoming more or less skill biased with time is, however, an empirical question.

**Figure 4: Technical Change by Broad Occupational Group, 2001-2017**



These conjectures are broadly confirmed by our data on technical change (Figure 4). First, workers in more skilled positions experience a greater incidence of technical change. Second, the incidence of technical change has been falling continuously since 2001 in high-skilled occupations and since 2006 across all occupation groups. Compared with 2006, the fall was sharper for workers in middle-skilled occupations than for workers at either end of the job skill ladder.

**Figure 5: Organisational Change by Broad Occupational Group, 2001-2017**



By contrast, the incidence of organisational change rose up until 2012, but has since declined (Figure 5). The initial upturn was greatest among high-skilled and low-skilled occupations. The subsequent

downturn was sharpest for workers in middle-skilled occupations. Consequently, while in 2001 the incidence of organisational change for workers in middle-skilled was similar to that in high-skilled occupation, it has since dropped to the average levels of jobs at the bottom end of the job skills ladder.

Has technical and organisational change become more or less skill-biased in the process? To answer this, we correlate the intensity of technical and organisational change with job skills demand, indicated by graduate-level qualification requirements. The results suggest different trend patterns by type of change. While the correlation coefficient of graduate-level qualification requirements with technical change fell from 0.32 to 0.20, the correlation coefficient with organisational change rose from 0.13 to 0.24 between 2001 and 2017.

The introduction of new ICT at workplaces appears to have become less skills demanding. This is corroborated by a falling proportion of survey respondents who state that additional computing skills would enable them to do their job much better. The proportion roughly halved from around 25% in 2001 to 12% in 2017.

The skills bias nature of ICT may thus have been transitory. As has been suggested in other research, the maturing of ICT and its more widespread use, makes the adoption of new vintages of general-purpose ICT a familiar and less skills-intensive process. But at the same time, changes in the way work is organised increasingly complements high skills.

## 6. Policy Implications

Three key findings emerge from this report. First, growth of skills demand has slowed since 2012. Second, women have caught up and in some respects overtaken men in terms of job skills intensity. Third, the economy has faced the double whammy of a slow-down in technical and organisational change that, in the case of technical change has become less skills demanding.

In 2017, the UK government has laid down an ambitious industrial policy to prepare the British economy for a future after Brexit. Its high skill strategy, however, relies on an assumed virtuous circle where an expanded supply of skilled workers will in the long-run result in an upskilling of the economy as a whole. The gathered data here suggests that this assumed connection may not be sufficient to shift the economy alone towards greater skills use. What is needed are longer-term, consistent political strategies that combine a focus on skills supply with some attention to demand side developments to ensure that investments into skills supply are effectively utilised. The extended programme of sector deals, if designed well, may be a promising step in this direction.

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1. *Productivity in Britain: The Workers’ Perspective.*
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# ***Fairness at Work in Britain:***

## **First Findings from the Skills and Employment Survey 2017**

**Duncan Gallie, Alan Felstead, Francis Green and Golo Henseke**

### **HEADLINES**

Employees' views about fairness at work are of central policy concern for their implications for personal well-being and for the desire to raise worker motivation to achieve higher productivity. This report examines beliefs about fairness among British workers and some of the factors that were important in affecting these beliefs.

- A majority of employees thought that their organisations treated people fairly, although only a quarter were strongly of this view. Moreover, two out of ten employees did not consider their organisations fair.
- Managers, professionals and administrative employees and those working in construction, finance and education were the most likely to consider their organisations fair. Women reported higher levels of fairness than men, while older workers had particularly low evaluations of organisational fairness.
- High levels of perceived fairness were associated with stronger work motivation, higher commitment to the organisation and a greater willingness to put in discretionary effort.
- While pay relativities were only weakly related, the quality of jobs and social relations in the enterprise were strongly associated with perceived fairness – in particular the control people could exercise over their work tasks, the helpfulness of supervisors in providing assistance, the opportunities to participate in organisational decisions and job security.

*The Skills and Employment Survey 2017 is funded jointly by the Economic and Social Research Council, Cardiff University and the Department for Education with funding from the Welsh Government to boost the sample in Wales (ES/P005292/1). The project is hosted by Cardiff University and is directed by Alan Felstead (Cardiff University and Visiting Professor at the UCL Institute of Education) in collaboration with Duncan Gallie at the University of Oxford, Francis Green at the ESRC Centre for Learning and Life Chances in Knowledge Economies and Societies (LLAKES), UCL Institute of Education and Golo Henseke (also at LLAKES).*

## 1. The Importance of Fairness at Work

Fairness of treatment at work is a central determinant of employee well-being, affecting both psychological and physical health risks. Researchers have emphasized two aspects of fairness that are particularly important in accounting for this. The first is procedural fairness or fairness in the way decisions are taken. This is important because it affects the extent to which employees feel protected from arbitrary decision-making and hence insecurity in their jobs. The second is the balance between 'effort and reward'. This reflects the widespread importance of norms of reciprocity: an imbalance between effort and reward at work violates the sense of reciprocity in treatment, leading to sharply negative consequences for workers' physical and psychological health.

Fairness at work is also important as a factor likely to affect organisational performance. Employees who feel they are fairly treated are more likely to be committed to their organisations and to trust new management initiatives. Research has shown that such factors are an important condition both for individual motivation and for organisational citizenship behaviour, which involves the willingness to go beyond narrow role performance and help others with their work. Both higher individual work performance and a stronger disposition to cooperation are likely to have positive effects on overall organisational performance.

## 2. Previous Evidence

There has been extensive empirical research demonstrating the importance of fairness for employees' psychological and physical health. The evidence is not only cross-sectional but longitudinal. Procedural fairness and an adequate balance between effort and reward have independent effects on workers' health and the combination of the two factors has a particularly strong effect on health outcomes.

Although there has been less research on the relationship between perceptions of fairness and performance, a number of studies show positive effects for procedural justice and there is longitudinal evidence that procedural fairness predicts workers' future organisational commitment, which in turn affects performance.

Despite the evidence for the importance of fairness at work for well-being and motivation, we still lack a good picture of either the prevalence of feelings of fairness or of the extent to which they vary between different types of employee. Earlier national surveys that have examined fairness have looked at people's reports of personal experiences of breaches of

employment rights, unfair treatment, discrimination or harassment. But there can be other important sources of perceived unfairness and people may be concerned with unfairness that affects others as well as themselves. Further, while there has been considerable research on particular factors that affect perceptions of fairness, we lack a good understanding of their relative importance.

## 3. The Skills and Employment Survey 2017: A New Source of Evidence

The Skills and Employment Survey 2017 (SES2017) allows us to assess perceived fairness more broadly using a measure that captures both personal experiences and perceptions of the more general treatment of workers in their organisation. The survey also provides information on a broad range of potential determinants of perceptions of fairness. It collected data from working adults aged 20-65 years old in England, Wales and Scotland who were interviewed in their own homes in 2017. The sample was drawn using random probability principles subject to stratification based on a number of socio-economic indicators. Only one eligible respondent per address was randomly selected for interview, and 50% of those selected completed the survey. Data collection was directed by ourselves and conducted by GfK.

SES2017 is the seventh in a series of nationally representative sample surveys of individuals in employment aged 20-60 years old (although the 2006, 2012 and 2017 surveys additionally sampled those aged 61-65). The numbers of respondents were: 4,047 in the 1986 survey; 3,855 in 1992; 2,467 in 1997; 4,470 in 2001; 7,787 in 2006; 3,200 in 2012; and 3,306 in 2017. For each survey, weights were computed to take into account the differential probabilities of sample selection, the over-sampling of certain areas and some small response rate variations between groups (defined by sex, age and occupation). All of the analyses that follow use these weights. For more information on the series see Felstead, A, Gallie, D and Green, F (2015) (eds) *Unequal Britain at Work*, Oxford: Oxford University Press.

## 4. Indicators of Fairness at Work

Many studies of fairness of work have focused on specific aspects of organisational arrangements. However, an approach that has become increasingly influential in the last few years has focused on an overall measure of organisational fairness in the light of which the relative importance of more specific issues can be assessed. The present study has adopted this approach, drawing upon a subset of three items from Ambrose and Shminke's Perceived Overall Justice (POJ) scale, each with a five-point response set ranging from strongly agree to strongly disagree:

To what extent do you agree or disagree with the following statements:

‘Overall I am treated fairly by my organisation’

‘For the most part, this organisation treats its employees fairly’

‘Most of the people who work in your organisation would say that they are often treated unfairly’

The items tap perceptions of fairness in different ways. The first focuses on the individual’s experience of their personal treatment by the organisation, the second on their own perception of the treatment of employees in general and the third on their perception of others’ views about fairness. People were most likely to consider the organisation fair in its treatment of themselves and least likely in their reports on how others viewed it. The items, however, correlated highly (alpha of .79), allowing the construction of a more robust ‘fairness’ index from the average of the three items (reversing the scores for the first and second items so that higher scores indicate greater fairness).

To facilitate comparability with the scale values for the individual items, scores were rounded to the nearest integer. As a substantial majority of scores (78%) indicated some degree of perceived fairness, the three lowest responses have been grouped into a single category to provide reliable sample numbers. This gives three categories of perceived organisational fairness: ‘low’ (equivalent to those either ‘neutral’ or ‘not agreeing’ that their organisation is fair), medium (equivalent to those who ‘agree’ that it is fair) and high (equivalent to those who ‘strongly agree’ that it is fair).

## 5. Findings

### *Variations in Perceptions of Fairness*

Overall, 25% of employees considered that their organisations had a high level of fairness, 52% a medium level and 22% a low level. However, the extent to which people reported a high or a low level of fairness in their organisation varied substantially between different types of employee. To begin with, there is a difference in perceptions of fairness between employees in distinct occupational classes. As occupational class has been considered a proxy of skill, it might be expected that the greater market power associated with higher skill would tend to encourage fairer treatment.

As is shown in Figure 1, there is some evidence in support of this: whereas managers, professionals and administrative-secretarial workers were considerably more likely to report a high rather than a low level of fairness, the reverse was the case for

sales, operative and elementary workers. The strongest contrast was between managers and operatives. While 34% of managers regarded fairness as high, only 15% thought it was low. Among operatives, however, only 17% considered fairness in their organisation to be high, while 35% regarded it as low. Associate professional and technicians, skilled trades and personal service workers came in an intermediate position – with a rough balance between perceptions of high and low fairness. The relatively small proportion (19%) of associate professional and technical workers reporting a high level of fairness conflicts, however, with the view that greater fairness of treatment is necessarily associated with higher skill level.

**Figure 1: Perceptions of High and Low Organisational Fairness by Occupational Class**

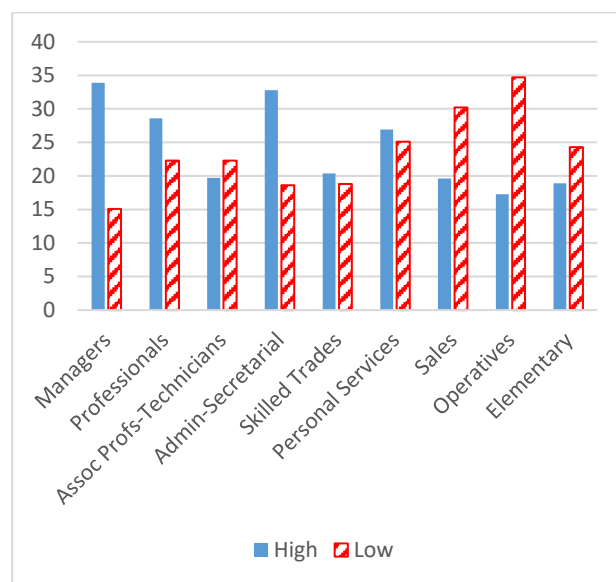
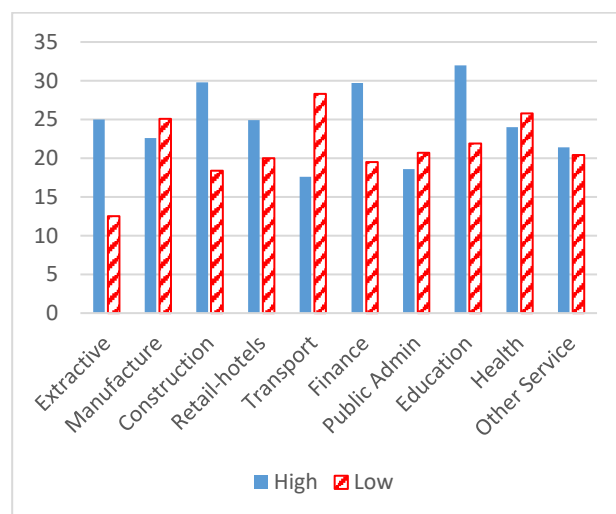


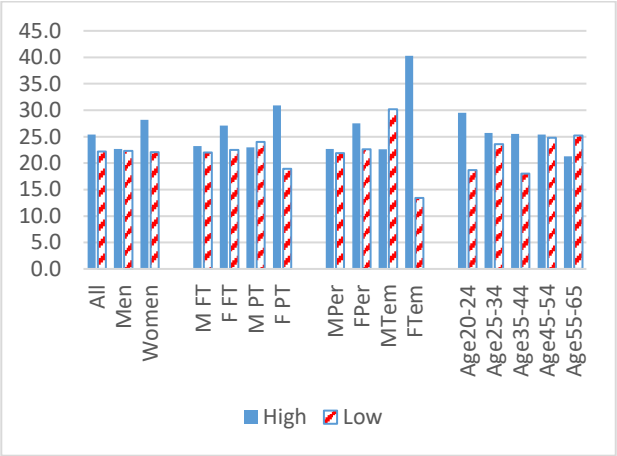
**Figure 2: Perceptions of High and Low Organisational Fairness by Industry**



Second, as can be seen in Figure 2, there were considerable disparities in evaluations of organisational fairness between employees in

different industries. Reports of high levels of fairness were most common in construction, finance and education, whereas they were much less frequent in manufacture, transport, public administration and other services. Reports of low fairness were most frequent in transport, manufacture and health. It is notable that in manufacture, transport, public administration and health, employees were more likely to report a low than a high level of fairness.

**Figure 3: Perceptions of High and Low Organisational Fairness by Sex, Contract and Age**



Third, as can be seen in Figure 3, female employees were more likely to report high levels of fairness than male employees, although similar proportions indicated a low level of fairness. Men were equally likely to report low and high organisational fairness, while women were more likely to report a high level of fairness. Sex differences were also evident across different types of contract. Temporary and part-time contracts are often associated with relatively disadvantageous work conditions. Men and women in such contracts, however, held different views about organisational fairness. While there was little difference between male part-timers and male full-timers, female part-time workers were more likely than female full-timers to consider that their organisations treated people with a high level of fairness. The contrast by sex is even stronger with respect to temporary work. Male temporary workers were more likely to regard fairness in their organisations as low than as high, while the reverse was the case for female temporary workers. These differences are quite substantial: while 30% of male temporary workers thought fairness was low, this was the case for only 13% of female temporary workers. Conversely, while only 23% of male temporary workers thought organisational fairness was high, this was true for 40% of female temporary workers. With respect to perceived fairness of treatment, then, the view that non-standard contracts represent particularly disadvantaged types of work is evident only for men.

There are also differences in perceptions of organisational fairness between employees in different age groups. Taken overall, a greater proportion of young workers (aged 20-24) reported high organisational fairness than low. Moreover, young workers were more likely to regard their organisations as having a high level of fairness than other age groups. The most problematic group with respect to perceived organisational fairness is that of older employees: overall, and for both sexes, employees aged 55 to 65 were particularly likely to report organisational fairness as low than as high.

### Organisational Fairness and Attitudes to Work

Is organisational fairness related to higher work motivation? As can be seen in Figure 4, there is a strong association between perceived fairness and a range of indicators relating to job performance, commitment to the organisation and sense of well-being at work. Those with a high sense of organisational fairness are more likely than those with a low sense of fairness to help colleagues at work and to feel that the organisation inspires the very best in them in the way of job performance. They are more likely to be willing to work harder than they have to in order to help the organisation succeed and they are more likely to disagree that they feel little loyalty to the organisation. Finally they are notably more likely to have a high level of satisfaction with their jobs and to feel enthusiastic while at work. To the extent that employees can affect productivity, a belief in the fairness of the organisation is likely then to be conducive to a greater willingness to put in the discretionary effort required to enhance organisational performance.

### Work Conditions and Organisational Fairness

What factors were associated with different views about fairness? Initial analyses indicate that perceptions of organisational fairness were affected not primarily by pay, but by the quality of work tasks, social relations in the organisation and employment security. As can be seen in Table 1, the factors most strongly associated with a high sense of fairness were having a supervisor willing to provide strong support when people are under pressure, task discretion and the opportunities to influence organisational decisions. Being paid at or above the minimum wage and benefiting from an incentive pay system that rewarded individual performance were also significant, but the effect was very small compared to other factors. Although those with higher pay than other workers with the same characteristics in terms of occupation, sex, industry and region were a little more likely to consider the organisation fair, the association was only significant at a marginal level. The two factors that most

strongly undermined a sense of fairness were high levels of work intensity and job insecurity. Finally, a multivariate analysis showed that each of these factors remained significantly associated with

people's sense of organisational fairness even taking account of the effects of all the others, with the exception of relative pay compared to the average in similar jobs.

**Figure 4: Attitudes to Work among Employees Reporting High and Low Organisational Fairness**



**Table 1: Percentage Reporting High and Low Organisational Fairness for Employees with Different Job Characteristics (Row Percentages)**

|                                  |                     | % High Fairness | % Low Fairness | Corr      |
|----------------------------------|---------------------|-----------------|----------------|-----------|
| Relative Pay                     | High                | 27.2            | 20.7           | 0.04 (*)  |
|                                  | Average             | 22.0            | 20.1           |           |
|                                  | Low                 | 25.5            | 25.0           |           |
| Pay Level                        | Minimum Wage +      | 26.5            | 22.1           | 0.05 *    |
|                                  | Below Minimum Wage  | 23.2            | 28.5           |           |
| Individual Incentive Pay         | Yes                 | 29.6            | 18.9           | 0.07 ***  |
|                                  | No                  | 23.6            | 23.5           |           |
| Task Discretion                  | High                | 32.8            | 16.1           | 0.18 ***  |
|                                  | Medium              | 24.7            | 20.5           |           |
|                                  | Low                 | 16.9            | 31.4           |           |
| Time works at High Speed         | All/Almost all time | 19.5            | 30.5           | -0.14 *** |
|                                  | Three quarters-half | 26.4            | 20.4           |           |
|                                  | Quarter or less     | 29.7            | 16.5           |           |
| Supervisory Support              | High                | 43.6            | 11.5           | 0.33 ***  |
|                                  | Medium              | 26.5            | 17.4           |           |
|                                  | Low                 | 10.7            | 11.5           |           |
| Influence over Work Organisation | A great deal        | 48.2            | 8.2            | 0.25 ***  |
|                                  | Quite a lot         | 34.5            | 12.8           |           |
|                                  | None-Little         | 19.2            | 27.1           |           |
| Risk of Job Loss                 | None                | 27.5            | 20.1           | -0.13 *** |
|                                  | < Evens             | 17.0            | 23.4           |           |
|                                  | Evens +             | 14.9            | 38.5           |           |

Note: SIG: \*\*\*=0.001; \*=0.05; (\*)=0.10. Relative Pay: Average = workers within +/- 5 percentage points of those with the average wage for the same occupation, sex, region and industry; high = higher than average wage, low= lower than average wage. Task Discretion: grouped average scores of 4 items about influence over work effort, choice of task, work methods and work quality (low=<2.00; medium=2.00 to 2.25; high=>2.25)

## 6. Policy Implications

There is considerable evidence for the importance of a sense of fairness at work both for employees' well-being and for their work motivation. The survey results reveal considerable differences between occupations and industries in the extent to which employees regard their organisations as fair. Judgements about organisational fairness also vary substantially by sex and age. Such judgements are strongly rooted in the work conditions in which people find themselves and in the pattern of social relations that prevails within the organisation. Employers and policy makers can actively work to create a work environment that is conducive to a sense of fairness.

It is notable that the evidence for the benefits of individual pay performance incentives was very modest. The quality of work and social relations in the organisation was much more important. Employees were more likely to consider their organisations fair where they were given significant say over the way they worked, where supervisors provided adequate support in periods of high work pressure and where they felt secure in the jobs. A sense of fairness was also stronger where there were organisational channels for employees to participate in decisions, allowing them greater control over their work conditions and a sense of citizenship within the organisation.

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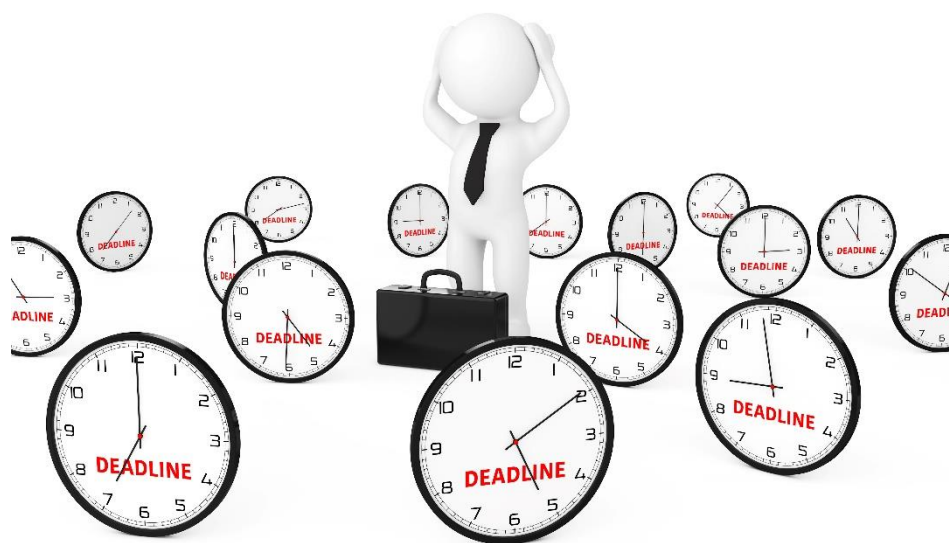
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# ***Work Intensity in Britain:***

## **First Findings from the Skills and Employment Survey 2017**

**Francis Green, Alan Felstead, Duncan Gallie and Golo Henseke**

### **HEADLINES**

This report shows how the intensity with which people work while doing their jobs has changed in recent years.

- The work intensity required in British workplaces continued to increase slowly between 2012 and 2017. Most notably, the proportion of workers in jobs where it was required to work at ‘very high speed’ for most or all of the time rose by 4 percentage points to 31 percent in 2017.
- Discretionary work effort has declined since 2012. Among private sector workers, though not among public sector workers, the proportion who report that they put in a lot of effort beyond what the job required underwent a distinct fall – by 7 percentage points – to 63 percent in 2017.
- Teachers and nurses are two professional groups that have experienced especially high levels of required work intensification. By 2017, a remarkable 92 percent of teachers strongly agreed that their job requires them to work very hard, up from 82 percent in 2012. Nine out of ten teachers, and nearly three quarters of nurses report that they often or always come home from work exhausted. Both groups are required to devote a much higher work effort than either other professional groups or the rest of the workforce.
- The proportion of women working in ‘high strain’ jobs, combining very high work effort with low task discretion and therefore creating an elevated risk of workplace stress, rose by 5 percentage points between 2012 and 2017, to 20 percent.

*The Skills and Employment Survey 2017 is funded jointly by the Economic and Social Research Council, Cardiff University and the Department for Education with funding from the Welsh Government to boost the sample in Wales (ES/P005292/1). The project is hosted by Cardiff University and is directed by Alan Felstead (Cardiff University and Visiting Professor at the UCL Institute of Education) in collaboration with Duncan Gallie at the University of Oxford, Francis Green at the ESRC Centre for Learning and Life Chances in Knowledge Economies and Societies (LLAKES), UCL Institute of Education and Golo Henseke (also at LLAKES).*

## 1. The Problem of High Work Intensity

More than half a million workers in Britain suffer from workplace stress, according to official figures. The single largest cause is high workload, with the consequence that workers are continually having to meet tight deadlines, operate at high speeds, or just generally work intensively with few breaks. 'Work intensity' or 'work effort' are equivalent terms, used here to mean the effort – whether physical or mental – that workers put into their jobs in a given number of hours. While it can be rewarding to work hard, and it is important for their employers that they do so, a higher work intensity is generally associated with lower well-being for employees. When the workload becomes excessive, working days are lost to ill-health – in total across the country at a rate of 12½ million days every year. Workplace stress is found in all industries but is most prevalent among public service workers. Teachers, for example, now experience twice the average rate of workplace stress. The rate at which teachers are quitting has been increasing, and excessive workload is the most common reason that teachers give for leaving the profession entirely. When workload is raised excessively employers may benefit in the short term, but costs rise in the long term as sickness absence and labour turnover increase.

## 2. Previous Evidence on Work Intensity in Britain

'Work intensification' refers to work intensity increasing. The early 1990s was a period of significant work intensification in Britain; subsequently, after almost a decade during which all measures of work intensity remained much the same, there were indications of a renewed, moderate work intensification between 2006 and 2012, especially for women working full-time. The most recent evidence from the European Working Conditions Survey shows that, between 2010 and 2015, there were modest but significant increases in the proportion of workers reporting that their job involved working at very high speed all or most of the time.

To put this intermittent work intensification in context, working hours, including paid and unpaid overtime, were falling in Britain from the mid-1990s onwards, reaching their lowest-ever point in 2009; with fewer jobs requiring more than 48 hours per week, this will have eased the pressures on workers' health till then. But it is not just the length of time that matters. If the physical, mental and emotional intensity of work becomes too high, the health of workers can be impaired. It is also relevant that real wages began falling in Britain at or shortly before the Great Recession of 2008-9, as wage rises failed to keep up with inflation. For some, the stresses of the workplace add to the financially-induced stresses that stem from having too low wages to meet one's bills.

There are two main scientific explanations as to why work intensification has been occurring in Britain. First, new technologies have made it increasingly easy to schedule and fill up the working day with tasks, and indeed to reach people even after they have officially left work using e-mails and mobile phones. Automated scheduling means that there are fewer gaps during the day with employees resting. Second, workers have been obliged to deal with increasing workflows, not least in public sector industries where the work to be done has expanded but not been matched by additional staffing. To cope with the increased throughput of work, workers have had to work harder and faster.

Those with high work intensity more commonly report being exhausted by their work. That high work intensity is a significant source of workplace stress is now well-established; it is also found most likely to lead to worker stress in situations where employees have little choice in their job tasks. The combination of hard work and low discretion is often referred to as a 'high strain' work environment.

The problem of highly stressful workplaces in Britain has been known for some considerable time, during which knowledge has been acquired and disseminated about how to modify workplace organisations, use new technologies wisely, and mitigate the effects of stress; the implications for workplace productivity and national health have been pointed out before. In this report we ask whether work intensification has ceased, reversed or continued in British workplaces, and whether there is any sign of a reduction in the prevalence of high strain workplaces.

## 3. The Skills and Employment Survey 2017

The measurement of work intensification requires an especially careful approach. Research tells us that it is not sufficient to measure people's perceptions about whether they are working harder, or less hard, than at an earlier time; unfortunately, memories can be especially deceptive about this. Moreover, intensive work can manifest itself in different ways in different jobs. Rather, the best scientific measurement approach captures multiple facets of intensive working, and compares those facets over successive representative cross-sections of the population.

The Skills and Employment Survey 2017 (SES2017) collected data from working adults aged 20-65 years old in England, Wales and Scotland who were interviewed in their own homes in 2017. The sample was drawn using random probability principles subject to stratification based on a number of socio-economic indicators. Only one eligible respondent per address was randomly selected for interview, and 50% of those selected completed the survey. Data collection was directed by ourselves and conducted by GfK.

SES2017 is the seventh in a series of nationally representative sample surveys of individuals in employment aged 20-60 years old (although the 2006, 2012 and 2017 surveys additionally sampled those aged 61-65). The numbers of respondents were: 4,047 in the 1986 survey; 3,855 in 1992; 2,467 in 1997; 4,470 in 2001; 7,787 in 2006; 3,200 in 2012; and 3,306 in 2017. For each survey, weights were computed to take into account the differential probabilities of sample selection, the over-sampling of certain areas and some small response rate variations between groups (defined by sex, age and occupation). All of the analyses that follow use these weights. For more information on the series see Felstead, A, Gallie, D and Green, F (2015) (eds) *Unequal Britain at Work*, Oxford: Oxford University Press.

#### 4. Indicators of Work Intensity, 'High Strain' and 'Exhaustion'

To measure work intensity we focus mainly on what a job requires from the worker. We measure three facets of this. First, we use responses to the question: 'please tell me how much you agree or disagree with the statement: my job requires that I work very hard'. If they strongly agreed, we classify the job as involving *Very Hard Work*. Next, respondents were asked to indicate how often they worked at very high speeds. If they said that they did so for 'all the time' or 'almost all the time', we classify their job as one requiring *Very High Speed*. Third, respondents were asked how often their work involved working to tight deadlines. If they replied 'all the time' or 'almost all the time', we classify their job as one requiring *Tight Deadlines*.

We also included a measure of discretionary effort. Respondents were asked 'how much effort they put into their job *beyond* what is required'. Those who replied 'a lot' (the alternatives being 'some' or 'only a little') were then classified as workers giving *High Discretionary Effort*.

SES2017 also measures four aspects of the amount of discretion workers have over the tasks they perform in their jobs. We created a scale of Task Discretion, ranging from 0 to 3, with mean 2.27 when all years from 1992 onwards are pooled – see our other report *Participation at Work in Britain*. We then classified a *High Strain Job*, as one which involved 'Very Hard Work' and where the level of Task Discretion was below 2.

Finally, SES2017 measures an important potential consequence of high work intensity, namely exhaustion. Workers were asked 'how often do you come home from work exhausted?'; we classified workers as *Exhausted* if they replied either 'Always' or 'Often', the alternatives being 'sometimes', 'hardly ever' or 'never'.

## 5. Findings

### Work Intensity

Taking all of Britain's workplaces as a whole, the average level of work intensity has continued to increase slowly between 2012 and 2017. Most notably, the proportion of workers in *Very High Speed* jobs rose by 4 percentage points to 31 percent in 2017. The estimates of the other two indicators of work intensity also edged upwards. Though these two increases were modest, there is no sign of any reversal of the previous upward trend. In 2017, 46 percent of the British employed workforce strongly agreed that their jobs required them to work very hard; this compares with some 32 percent back in 1992.

**Figure 1: Jobs with High Work Intensity in Britain (%), 1992-2017**

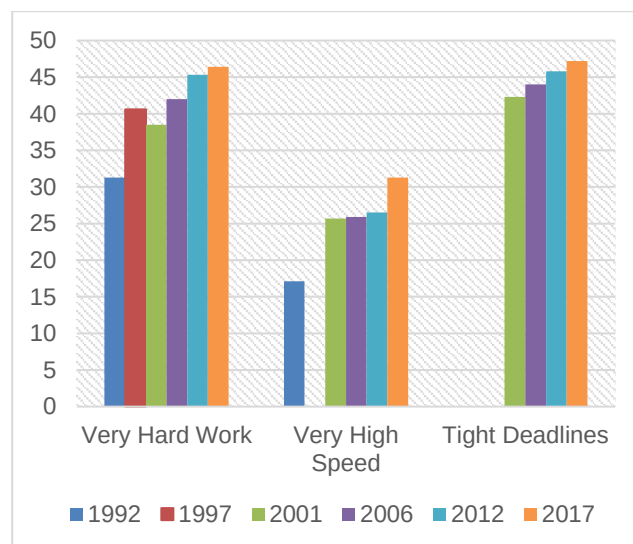
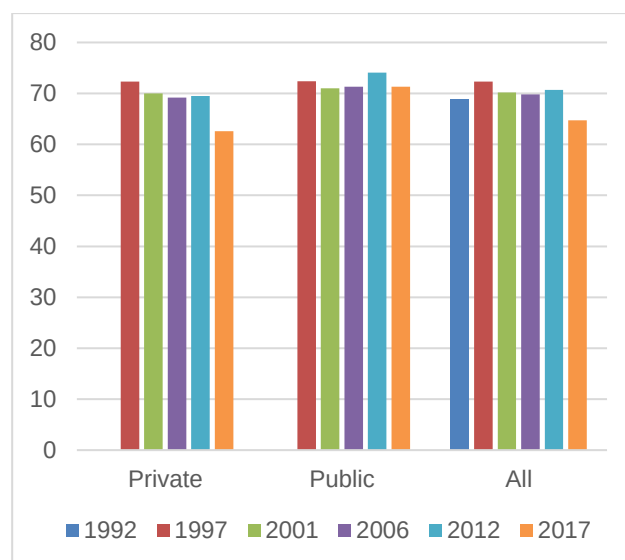


**Figure 2: Employees delivering High Discretionary Effort in Britain (%), 1992-2017**



The long-term, intermittent, growth of work intensity contrasts sharply with the unchanged level of discretionary work effort in Britain until 2012, as shown in Figure 2. Until that point, around seven in ten workers reported in every wave that they put in a lot of effort beyond what the job required. However, among private sector workers, though not among public sector workers, this proportion underwent a distinct fall between 2012 and 2017 – by 7 percentage points – to just 63 percent.

Table 1, which covers all waves of the survey since 2001, shows that there is considerable variation in work intensity among socio-economic groups. High work intensity is more prevalent in full-time than in part-time jobs, and for the self-employed when compared with employees. For example, 52 percent of the self-employed strongly agree that their job requires very hard work, in contrast to only 43 percent of employees.

The variation among groups depends on the measure of work intensity, thus reinforcing the point that hard work may be manifested in different ways in different types of jobs. Thus, whereas some have argued that women are more likely than men to be in jobs requiring high work intensity, the data here show that this is true only for two of our indicators of required work effort; the third – exposure to tight deadlines all or most of the time – is found in 41 percent of women's jobs, and 47 percent of men's jobs.

Because of previous evidence about the link between technology and work intensity, we divided the sample into jobs for which the use of a computer was essential (labelled *High Computing*, and all other jobs (*Low Computing*). For two out of our three measures of required work effort, *High Computing* jobs required substantially higher work intensity.

There is also considerable variation across occupations, with managers and professional workers most frequently recording very hard work, tight deadlines and discretionary work effort, while it is those doing elementary occupations who most commonly report working at very high speeds, and personal service workers who most commonly have a high discretionary effort. Most striking among professionals, however, are school teachers who record the highest effort levels on all measures; for example, 83 percent report that their job requires them to work very hard. The work intensity of another large professional group, nurses, is not far behind.

During the last quarter century, the British economy has undergone many changes, with further falls in the proportions involved in manufacturing industries, rises and falls in the proportions of employees working in the public sector, and increases in the proportions of managerial and professional jobs. One could well ask, then, whether this change in the composition of jobs is what lies behind the overall rise in required work effort. However, our tests show that this is not the case: industrial and occupational change have not caused the work intensification.

**Table 1: Indicators of High Work Intensity across Socio-Economic Groups (%)**

|                       | <b>Very Hard Work</b> | <b>Very High Speed</b> | <b>Tight Deadlines</b> | <b>High Discretionary Effort</b> |
|-----------------------|-----------------------|------------------------|------------------------|----------------------------------|
| All                   | 42.4                  | 27.0                   | 44.4                   | 69.2                             |
| Female                | 45.9                  | 29.7                   | 41.1                   | 74.0                             |
| Male                  | 39.4                  | 24.6                   | 47.3                   | 65.0                             |
| Part-time             | 35.2                  | 25.7                   | 33.8                   | 64.9                             |
| Full-time             | 44.5                  | 27.3                   | 47.4                   | 70.4                             |
| Employee              | 42.8                  | 27.5                   | 45.1                   | 67.9                             |
| Self-employed         | 52.3                  | 26.6                   | 45.8                   | 76.0                             |
| High Computing*       | 45.9                  | 27.6                   | 49.4                   | 71.1                             |
| Low Computing         | 39.4                  | 26.4                   | 40.0                   | 67.4                             |
| <i>Occupation</i>     |                       |                        |                        |                                  |
| Managers              | 50.3                  | 26.3                   | 52.2                   | 77.7                             |
| Professionals         | 55.8                  | 26.5                   | 49.0                   | 72.6                             |
| Associate Prof & Tech | 45.4                  | 23.3                   | 44.5                   | 69.9                             |
| Admin & Secret        | 34.3                  | 26.1                   | 40.0                   | 65.1                             |
| Skilled Trades        | 39.4                  | 27.3                   | 46.4                   | 67.9                             |
| Personal Services     | 49.5                  | 24.4                   | 31.6                   | 78.5                             |
| Sales                 | 28.1                  | 29.7                   | 31.3                   | 59.9                             |
| Operatives            | 32.0                  | 27.4                   | 53.0                   | 60.9                             |
| Elementary            | 32.7                  | 34.1                   | 40.7                   | 61.3                             |
| Teachers**            | 83.2                  | 39.0                   | 54.9                   | 87.1                             |
| Nurses                | 64.7                  | 33.5                   | 42.5                   | 78.4                             |

\*Jobs where computer use is essential; \*\*state sector only.  
Indicators are averaged over all waves from 2001 onwards.

Rather, the changes have been taking place *within* each sector or group, albeit faster for some than others. Teachers and nurses are two occupations where work intensification has been especially high, according to all three measures of required work effort. For example, 57 percent of nurses reported having to work to tight deadlines ‘almost all’ or ‘all the time’ in 2017, as compared with just 28 percent in 2001. With respect to the *Very Hard Work* indicator, the work intensification of teachers and nurses is shown in the left hand parts of Figures 4 and 5. In 2017, a remarkable 92 percent of teachers strongly agreed that their job requires them to work very hard, up from 82 percent in 2012. Confronted with an additional throughput of patients in wards and children in classrooms (and accompanying paperwork), dedicated nurses and teachers may have had little option other than to work more intensively, if they were to remain in their jobs.

### Consequences

Persistent very hard work is generally associated with lower well-being, as reported by employees, but the worsening detrimental effects might be countered by either of two factors: if work hours were falling, or if workers were granted high levels of discretion over the tasks they have to perform.

The first of these was a distinct factor for the years following the mid-1990s, as the working week resumed its long-term historical downward trend. The proportion of workers who report coming home from work exhausted depends, among other factors, on working hours, work intensity, and the length and difficulty of commuting. As shown in Figure 3, the proportion fell during the time of falling working hours and stable work intensity – for women, by about five percentage points after 1997. But in recent years, the proportion has risen, and this is linked to the rise in work intensity while working hours have changed little.

The second factor, the worker’s task discretion, has historically moved in the opposite direction. Falls in discretion were recorded during the 1990s, and – as shown in our companion ‘First Findings’ report on the subject – further falls have taken place during 2012 to 2017. The result is that there have been significant increases, for both sexes, in the proportions of High Strain jobs, where job-holders are especially prone to workplace stress. For women, the proportion rose by 5 percentage points between 2012 and 2017, leaving one in five women at an elevated risk of stress. For men, the jump of 4 percentage points, up to 15 percent of jobs, took place between 2006 and 2012.

Both teachers and nurses have experienced dramatic increases in these consequences of work intensification. Nearly nine out of ten teachers report being often or always exhausted after work, up from three quarters in 2006; for nurses, the jump between

the 1990s and the present decade is from 25 percent to 73 percent. Nearly four in ten teachers can be classified as in a High Strain job – as compared with 17 percent for all workers.

**Figure 3: Exhausted Workers and High Strain Jobs (%), 1992-2017**

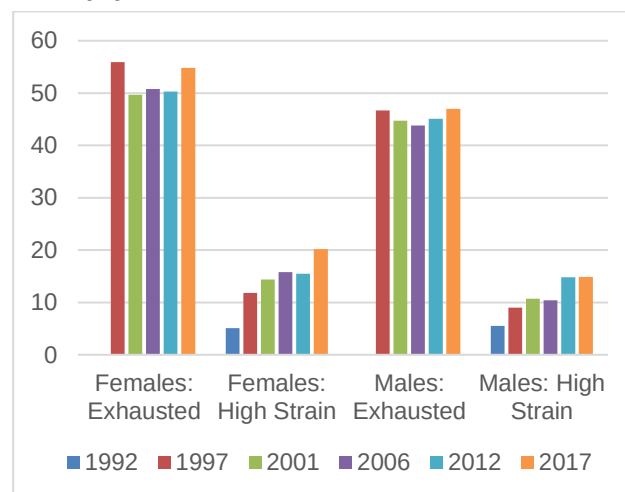


**Figure 4: Exhausted Teachers and Teachers in High Strain Jobs (%), 1997-2017**

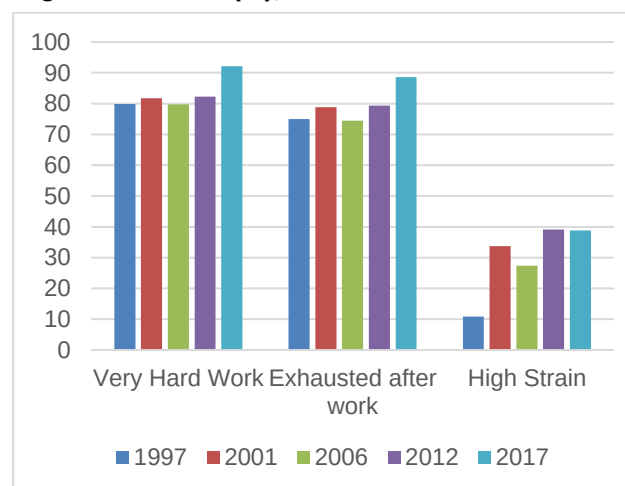
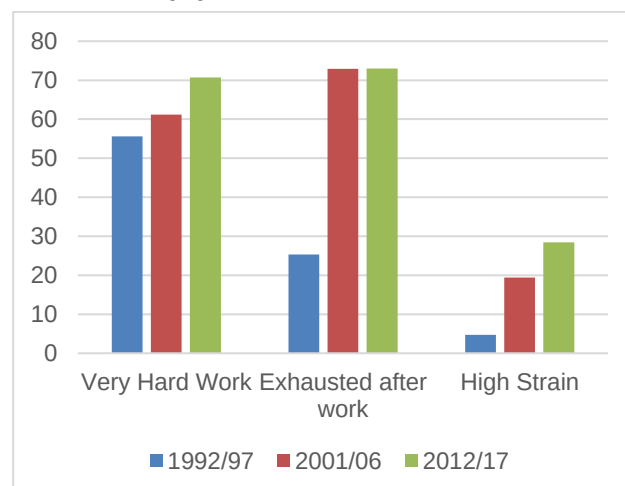


**Figure 5: Exhausted Nurses and Nurses in High Strain Jobs (%), 1992-2017**



## 6. Policy Implications

The sustained, widespread, work intensification of jobs in Britain is a modern safety and well-being issue, potentially inhibiting the ability of many to flourish at work, and becoming a health risk for those who have low control over how they do their jobs. A strong policy implication of these first findings concerns, in particular, the retention of teachers and nurses, which has been an ongoing problem for public service delivery in recent years.

Especially for teachers, there have been reports of increasing workloads – re-confirmed by the high-quality representative data on work intensity shown here – and of high proportions leaving the profession. In addition to the burdens on individuals who suffer from workplace stress and consequent ill-health as a result of excessive workload, government should consider the potential losses for the education service.

While individual schools bear the costs of extra turnover and sickness absence, the government foregoes its investment in teacher training if too many teachers leave as a result of high work strain.

For other jobs, the lessons to be drawn are of two kinds. For employees, it is important to learn to use new technologies to take advantage where possible of the flexibilities offered, rather than allow the technologies to increase their workloads. For employers and managers, if they want to encourage an engaged and committed workforce, it is important to design jobs flexibly, providing adequate support and allowing more participation and task discretion where possible for those they supervise; they should also be encouraged to think and plan long term when tempted by new technologies to maximise their employees' work intensity.

### Further Reading

Chelsey, N (2014) '[Information and communication technology use, work intensification and employee strain and distress](#)', *Work Employment and Society* 28(4): 589-610.

Felstead, A and Green, F (2017) '[Working longer and harder? A critical assessment of work effort in Britain in comparison to Europe](#)', in Grimshaw, D, Fagan, C, Hebson, G and Tavora, I (eds) *Making Work More Equal: A New Labour Market Segmentation Approach*, Manchester: Manchester University Press.

Green, F (2006) [Demanding Work: The Paradox of Job Quality in the Affluent Economy](#), Woodstock, Princeton University Press.

HSE (2017) [Work-related Stress, Depression or Anxiety Statistics in Great Britain 2017](#), Bootle: Health and Safety Executive.

### Reports in the First Findings Series

1. *Productivity in Britain: The Workers' Perspective.*
2. *Skills Trends at Work in Britain.*
3. *Fairness at Work in Britain.*
4. *Work Intensity in Britain.*
5. *Participation at Work in Britain.*
6. *Insecurity at Work in Britain.*

All titles, along with technical reports, are downloadable free from the survey website at <http://www.cardiff.ac.uk/ses2017> (1-3 after 18/7/18; 4-6 after 2/10/18).

Also you may like to take the Job Quality Quiz which is an additional output emanating from the project, [www.howgoodismyjob.com](http://www.howgoodismyjob.com)

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# ***Participation at Work in Britain:***

## **First Findings from the Skills and Employment Survey 2017**

**Duncan Gallie, Alan Felstead, Francis Green and Golo Henseke**

### **HEADLINES**

Participation at work is an important determinant of personal well-being and is considered to be a key factor for enhancing motivation and productivity in technologically advanced economies. The report examines trends in different types of participation among British workers, some of the factors that were associated with them and the implications of participation for worker well-being and motivation.

- Task discretion declined between 2012 and 2017. Yet this was the type of participation that had the strongest association with employee well-being and work motivation. The decline was particularly sharp for those in intermediary class positions and for female part-timers.
- There was an increase in semi-autonomous teamwork, which brought the level back to that of 1992. But the proportion of employees involved was relatively small (less than 25%) and semi-autonomous teamwork was only weakly related to higher levels of well-being and work motivation.
- Formal institutions for organisational participation (consultative meetings, quality circles) declined between 2012 and 2017, but the proportion of employees reporting high influence over organisational decisions that affected their work increased from 26% to 30%, returning to a level close to that of 1992. Influence through organisational participation was associated with considerable benefits for well-being (in particular for enthusiasm at work, perceived fairness, and the reduction of insecurity about the effects of organisational change).

*The Skills and Employment Survey 2017 is funded jointly by the Economic and Social Research Council, Cardiff University and the Department for Education with funding from the Welsh Government to boost the sample in Wales (ES/P005292/1). The project is hosted by Cardiff University and is directed by Alan Felstead (Cardiff University and Visiting Professor at the UCL Institute of Education) in collaboration with Duncan Gallie at the University of Oxford, Francis Green at the ESRC Centre for Learning and Life Chances in Knowledge Economies and Societies (LLAKES), UCL Institute of Education and Golo Henseke (also at LLAKES).*

## 1. The Importance of Participation at Work

Employees' participation in decisions that directly involve or affect their work has been shown to have crucial consequences for their well-being and psychological and physical health. This is, in part, because of the very general value attached to self-determination, but also because participation provides a means for improving many aspects of the quality of jobs and hence the experience of work. Participation at work can take different forms: in particular it is important to distinguish participation in the sense of task discretion (or control of decisions about the way the job task is carried out) and organisational participation (or influence over wider organisational decisions). The two have been shown to be complementary in their effects, with task discretion particularly important for the sense of self-determination and organisational participation for the quality of the wider work environment. But both forms of participation are necessary to ensure employee well-being and health.

There also have been influential arguments about the importance of participation for the innovative capacity and productivity of organisations in an increasingly competitive and technologically advanced economy. There is a growing need for employers to harness high levels of motivation, to create the conditions for continuing learning and to take advantage of employees' experience of their jobs to find ways of improving the efficiency of work processes and the quality of products. The development of participative mechanisms that increase the active involvement of employees in their jobs is seen as a crucial component of an effective management strategy for achieving these objectives, since it will increase employee identification with the organisation and thereby the willingness to contribute to its success.

## 2. Previous Evidence

Previous research has shown that task discretion in Britain fell sharply across the 1990s and then stabilised from 2001 to 2012. Organisational influence, in contrast, rose over the 1990s, but declined between 2001 and 2012. There has been extensive evidence demonstrating the importance of participation for worker health. Under conditions of high work intensity, workers in jobs with low control have on average a thirty percent higher risk of cardiac illness than those with high control. Organisational participation is important in reducing insecurity (which is strongly linked to psychological distress) in periods of organisational change.

Although less well developed than in the case of health, there has been accumulating evidence of the benefits of participation for job performance and innovation. A wide range of studies have established its importance for job satisfaction and organisational commitment. But there is also evidence that higher

levels of task discretion stimulate employee learning on the job, the willingness to use initiative to introduce improvements at work and greater cooperativeness in the implementation of organisational change.

## 3. The Skills and Employment Survey 2017: A New Source of Evidence

The Skills and Employment Survey 2017 (SES2017) allows us to assess trends in different forms of participation with respect to the results of previous SES surveys. It also provides information on a range of potential determinants and outcomes of participation. It collected data from working adults aged 20-65 years old in England, Wales and Scotland who were interviewed in their own homes in 2017. The sample was drawn using random probability principles subject to stratification based on a number of socio-economic indicators. Only one eligible respondent per address was randomly selected for interview, and 50% of those selected completed the survey. Data collection was directed by ourselves and conducted by GfK.

SES2017 is the seventh in a series of nationally representative sample surveys of individuals in employment aged 20-60 years old (although the 2006, 2012 and 2017 surveys additionally sampled those aged 61-65). The numbers of respondents were: 4,047 in the 1986 survey; 3,855 in 1992; 2,467 in 1997; 4,470 in 2001; 7,787 in 2006; 3,200 in 2012; and 3,306 in 2017. For each survey, weights were computed to take into account the differential probabilities of sample selection, the over-sampling of certain areas and some small response rate variations between groups (defined by sex, age and occupation). All of the analyses that follow use these weights. For more information on the series see Felstead, A, Gallie, D and Green, F (2015) (eds) *Unequal Britain at Work*, Oxford: Oxford University Press.

## 4. Indicators of Participation at Work

The survey included a range of indicators for different forms of participation – task discretion (or individual influence over task decisions); semi-autonomous teamwork (team influence over task decisions) and organisational participation (including items relating to consultative meetings, organisational influence and quality circles).

### *Task Discretion and Teamwork*

The survey included four questions which assess how much *task discretion* or personal influence people had over specific aspects of their job tasks:

- How hard they work
- Deciding what tasks they are to do
- How the tasks are done
- The quality standards to which they work

The response options were 'a great deal', 'a fair amount', 'not much' and 'not much at all'. A summary index was constructed by reversing the scoring (so that high scores indicate high discretion) and taking the average of the responses to the four items. Scores were rounded to align with the scoring labels of the original items: a score of 4 indicated 'high discretion' with an average response of 'a great deal' across the four items.

With respect to teamwork, we developed three measures: *teamwork* (all work that took place in teams), *semi-autonomous teamwork* (where teams had substantial influence over task decisions) and *self-managed teamwork*. For all surveys other than 1997, employees were initially asked whether they usually worked on their own or together as a group with one or more other employees in a similar position to their own, providing an overall measure of *teamwork*. Those who did work in a team were then asked about the influence the team exercised over the same four aspects of work as in the measure of task discretion. An average influence score was created and teams that had a score equivalent to 'a great deal' or 'a fair amount' of influence are taken as involving *semi-autonomous teamwork*.

From 2006 onwards, three additional items were included to determine the extent of self-management in teams, asking how much influence team members have over:

- Selecting group members
- Selecting group leaders
- Setting targets for the group

*Self-managed teamwork* involves those in semi-autonomous teams that also have a score equivalent to 'a great deal' or 'a fair amount' with respect to these management items.

#### Organisational Participation

There were three indicators of organisational participation. An initial question investigated whether management had established *consultative meetings* by asking whether meetings were organised in which employees could express their views about what was happening in the organisation. Employees were then asked about how much say they had in decisions which affected the way they did their job. Responses of 'a great deal' or 'quite a lot' are taken as a measure of *organisational influence*. A further item asked whether the employee belonged to a 'group of employees who meet regularly to think about improvements that could be made within the organisation (sometimes called *Quality Circles*)'.

## 5. Findings

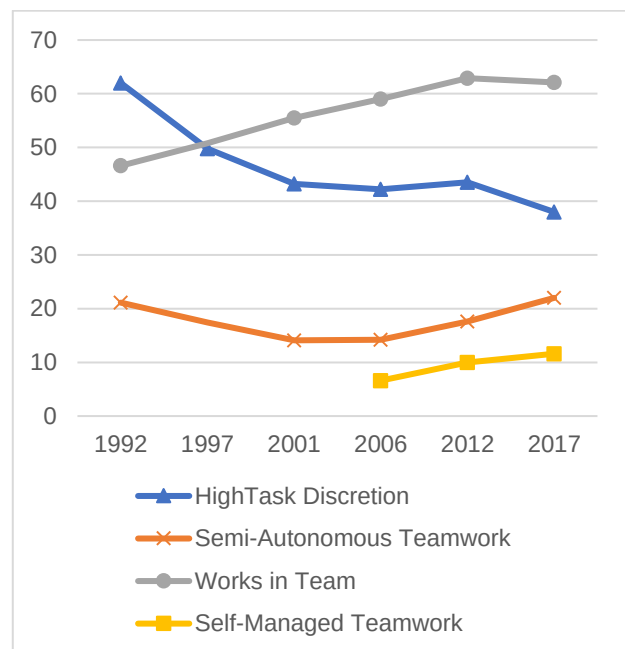
### Task Discretion and Teamwork

As had been found in previous research, individual task discretion declined sharply between 1992 and

2001 and then remained at a similar level between 2001 and 2012 (Figure 1). But the period between 2012 and 2017 saw a further significant decline. While the general trends were very similar for men and women, from 2012 women in full-time work had not only caught up with men, but surpassed them, in the number of jobs with high levels of task discretion (Figure 4).

Between 1992 and 2012 there was a substantial expansion of the proportion of workers who worked as part of a team. Although there was a slight decline in teamwork over the period 2012 to 2017, 62% of employees worked in teams in 2017. The proportion of workers in teams that could influence task activities declined between 1992 and 2001, but then increased from 2006. But it remained relatively low: in 2017, only 22% of workers were in teams that has a significant say over the organisation of task activities. The proportion that were in self-managed teams – which could influence the selection of their leaders, members or targets – was considerably lower (12%).

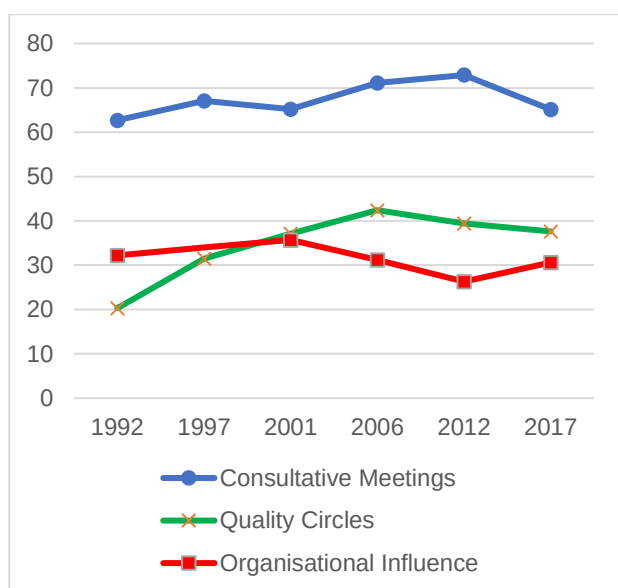
**Figure 1: Trends in Task Discretion and Teamwork (% of Employees)**



### Organisational Participation

A notable feature of the years between 1992 and 2012 was the increase in the proportion of employees reporting that management held meetings in which they could express their views about what was happening in the organisation (Figure 2). In the most recent period (2012-2017), however, for the first time since the survey series asked this question, there has been some decline in the prevalence of consultative meetings. It is notable too that involvement in a quality circle, which rose substantially between 1992 and 2006, has been gradually declining since.

**Figure 2: Trends in Organisational Participation (% of Employees)**



In all years, employee reports of significant influence over decisions that affect their work have been much lower than might have been expected from the prevalence of consultative institutions. The figures have fluctuated a little over time, rising between 1992 and 2001, declining between 2001 and 2012 and then returning by 2017 to a level close to that of 1992 (but still lower than in 2001). The rise in organisational influence between 2012 and 2017, despite a decline in consultative institutions, reflected the fact that those channels of dialogue that continued to exist were more effective in providing a sense of involvement in decision-making than had been the case earlier (data not shown). However, in 2017, there remained a very considerable gap between the presence of formal consultative institutions and workers' perceptions of influence. Whereas 65% of employees reported the existence of consultative meetings, only 30% thought that they could influence organisational decisions affecting their work.

#### *Participation, Class and Gender*

The influence that employees felt they could exercise over decisions varied considerably by occupational class. This can be seen in Figure 3 which broadly categorises occupations into a more highly skilled group of professionals, managers and associate professionals; an intermediate group of administrative, skilled manual and personal service workers; and a less skilled group of sales, operatives and elementary workers. In both 2012 and 2017, higher skilled workers had greater influence over both immediate work decisions and broader organisational decisions. But the striking feature of the data is that the gap between those in the most highly skilled work and those in intermediate and lower skilled work sharply widened between the two years. This reflected a particularly marked decline in

task discretion for those in intermediate jobs and a pronounced increase in organisational influence among the higher skilled.

**Figure 3: Task Discretion and Organisational Influence by Occupational Class (% of Employees)**

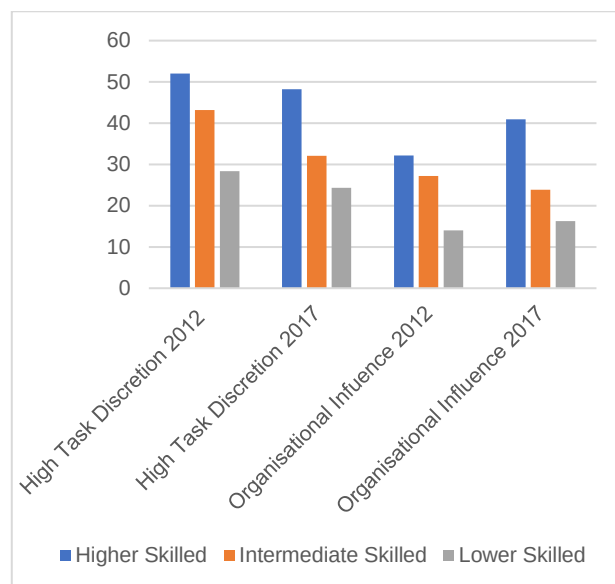
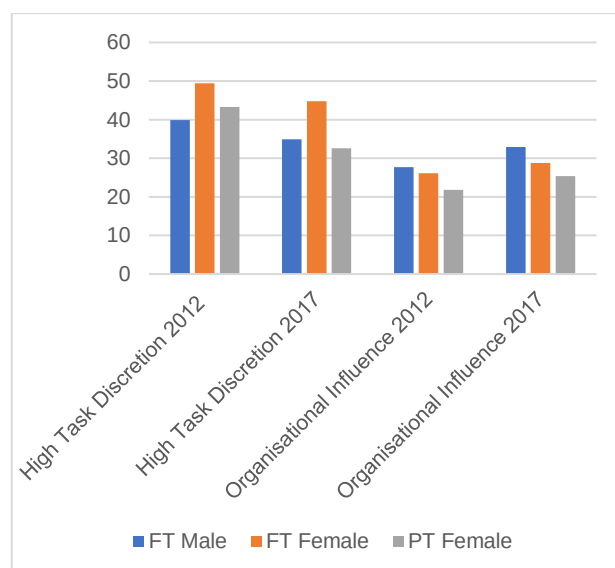


**Figure 4: Task Discretion and Organisational Influence by Sex and Contract Status (% of Employees)**



There were also variations in the level of participation by sex and contract status (Figure 4). Women in full-time work had higher levels of task discretion than their male equivalents in both 2012 and 2017. But, whereas in 2012, women in part-time work also had higher task discretion than male full-timers, by 2017 they were the category with the lowest task discretion, reflecting a particularly sharp decline over the period. In contrast to the pattern for task discretion, male full-time workers had the highest level of organisational influence in both years, followed by female full-timers. Women in part-time

work had the lowest levels of organisational influence. Both male and female full-timers and female part-timers experienced an increase in organisational influence between 2012 and 2017, but men's relative advantage over female employees also increased.

#### *Participation, Well-Being and Motivation*

The evidence from the 2017 survey strongly confirms the positive relationship of participation to both employee well-being and work motivation. However, the various types of participation relate to work attitudes in different ways.

Table 1 presents a comparison on a range of indicators of those who are high or low on different forms of participation. With respect to well-being, there are four items relating to enthusiasm at work, the sense of the fairness of treatment by the organisation, the ability to develop skills by learning on the job and the level of anxiety about the impact of future organisational change on the person's skills. It is notable that, for three out of four of these items, a high degree of task discretion has a very substantial positive effect. There are differences between those high and those low in terms of task discretion of 22 percentage points for enthusiasm, 23 percentage points for fairness and 20 percentage points for learning. In contrast, there is only a small positive difference between those in semi-autonomous teams and those not in teams with respect to learning and enthusiasm, while there is a small negative effect of being in a semi-autonomous team with respect to fairness and anxiety about

future change. Those high with respect to organisational influence are on all items more positive than those who have low levels of influence. The effect on learning is much smaller than with task discretion, but is comparably large for enthusiasm (21 percentage points) and is even stronger than for task discretion for fairness (27 percentage points) and for the reduction of anxiety about organisational change (11 percentage points).

The last three items relate more directly to attitudes to work performance: the extent to which people put in discretionary effort, take the initiative to introduce improvements at work and feel inspired to put in their best performance. Those with high task discretion are very much more likely to endorse responses that indicate a commitment to high levels of work performance than those with low discretion. Indeed there is 30 percentage point difference for discretionary effort and taking the initiative with improvements between those with high and low task discretion. Those who are members of a semi-autonomous team are also more likely to be positive on the performance related items, but the differences are relatively small compared to those not in such teams. Finally, the differences relating to levels of organisational influence are very similar to those for task discretion with respect to being inspired to put in the best job performance (with positive responses 15 percentage points higher for those with high than for those with low organisational influence). Organisational influence, however, has only a relatively weak association with discretionary effort and for use of initiative in introducing improvements.

**Table 1: Participation, Well-Being and Motivation (% of Employees)**

|                                                                 | Task Discretion |      | Semi-Autonomous Teams |      | Organisational Influence |      |
|-----------------------------------------------------------------|-----------------|------|-----------------------|------|--------------------------|------|
|                                                                 | High            | Low  | Yes                   | No   | High                     | None |
| <b>Well-Being Indicators</b>                                    |                 |      |                       |      |                          |      |
| Enthusiastic much/all of the time                               | 52.3            | 30.4 | 47.1                  | 45.4 | 57.6                     | 37.1 |
| Strongly agrees treated fairly by organisation                  | 46.1            | 22.7 | 33.3                  | 38.0 | 53.8                     | 27.1 |
| Strongly agrees job requires learning new things                | 45.9            | 26.0 | 39.8                  | 34.1 | 41.7                     | 34.2 |
| Very anxious about effect of future changes on use of skills    | 20.8            | 24.8 | 26.5                  | 19.8 | 14.7                     | 25.8 |
| <b>Motivation Indicators</b>                                    |                 |      |                       |      |                          |      |
| Puts in a lot of discretionary effort at work                   | 79.4            | 49.5 | 66.7                  | 63.3 | 71.7                     | 64.3 |
| Has taken initiative 2+ times to introduce improvements         | 84.4            | 53.7 | 74.0                  | 64.4 | 71.7                     | 64.3 |
| Strongly agrees organisation inspires very best job performance | 24.5            | 8.0  | 18.2                  | 16.1 | 26.4                     | 11.4 |

## 6. Policy Implications

The evidence from the 2017 survey confirms the importance of participation for both employee well-being and work motivation. In particular, it has shown that both task discretion and organisational influence relate strongly to employee well-being, while task discretion has a particularly strong relationship to work motivation. It is notable, however, that the trends over time with respect to both forms of participation suggest that British employers have been slow to encourage such developments. Task discretion has declined sharply between 1992 and

2017 as a whole, and, indeed, there was a further decline in the period 2012 to 2017. After an earlier decline, organisational influence increased between 2012 and 2017, but only to a level that was still lower than that of 2001. Despite the growing concern about low levels of productivity in British industry, employers have failed to extend the adoption of forms of work organisation that are likely to encourage high levels of employee performance and a willingness to contribute to innovation. The results point to the need for new policy initiatives to promote participation at work in the interests of both employee welfare and economic performance.

### Further Reading

Felstead, A, Gallie, D, and Green, F (2015) *Unequal Britain at Work*, Oxford, Oxford University Press.

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Gallie, D (2013) 'Direct participation and the quality of work', *Human Relations*, 66(4): 453-473.

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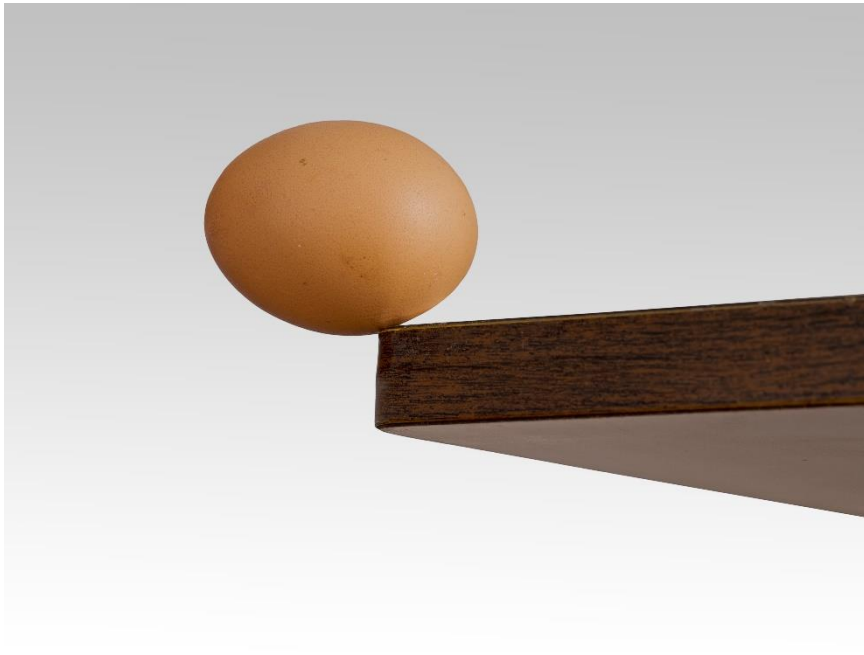
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# ***Insecurity at Work in Britain:***

## **First Findings from the Skills and Employment Survey 2017**

**Alan Felstead, Duncan Gallie, Francis Green and Golo Henseke**

### **HEADLINES**

Insecurity at work can take several forms – the risk of job loss, the difficulty of securing a replacement job with an equally good one, anxieties about the job being downgraded, worries about being treated badly at work, and sudden and unexpected changes to hours of work. This report examines the scale and distribution of these insecurities, and how they have changed in Britain.

- Risk of job loss is at its lowest level in over 30 years – less than one in ten (9%) workers in Britain in 2017 reported that they had a better than evens chance of losing their job in the next 12 months. This is half the proportion (18%) of workers who made a similar assessment in 2012.
- Anxiety about changes to the job have also fallen dramatically. For example, in 2012, 37% of employees were anxious about having pay reduced, but by 2017 this had fallen to 28%, with anxiety levels falling much quicker for men than women.
- Seven percent of employees were very anxious that their working hours could change unexpectedly. This equates to 1.7 million employees and – using like for like comparisons – is more than two and a half times the estimate of 700,000 employees who work on Zero Hours Contracts according to official data.
- Those working insecure hours also suffered from other types of insecurity such as greater risk of job loss, greater anxiety of job status downgrading and more worry about unfair treatment. In addition, they reported lower pay, speedier dismissal for poor work performance and higher work effort.

*The Skills and Employment Survey 2017 is funded jointly by the Economic and Social Research Council, Cardiff University and the Department for Education with funding from the Welsh Government to boost the sample in Wales (ES/P005292/1). The project is hosted by Cardiff University and is directed by Alan Felstead (Cardiff University and Visiting Professor at the UCL Institute of Education) in collaboration with Duncan Gallie at the University of Oxford, Francis Green at the ESRC Centre for Learning and Life Chances in Knowledge Economies and Societies (LLAKES), UCL Institute of Education and Golo Henseke (also at LLAKES).*

## 1. The Importance of Insecurity at Work

Insecurity can be costly to individuals, employers and society at large. Around 40% of all work-related illnesses and nearly half of all working days lost are anxiety-related with the highest prevalence in the public sector dominated industries of health and social work, education and public administration. Society shoulders the cost of treating work-related anxiety and depression disorders and rehabilitating those involved. Since insecurity undermines the organisational commitment of workers and their willingness to expend discretionary effort, employers also bear some of the costs. These manifest themselves in lower productivity and higher absenteeism. More importantly, workers themselves suffer directly from insecurity, either acutely in the form of taking time off work to recover or less visibly in the form of reduced psychological well-being. Indeed, research has shown that high levels of job insecurity can be as bad for worker well-being as being out of work.

## 2. Previous Evidence

Most previous studies of insecurity at work have focused quite narrowly on worry about job loss. However, the 2012 version of this survey included a battery of new items designed to assess the level of worker anxiety about changes to work arrangements which downgraded the current job in some way. These changes include reducing pay, lowering the level of pay in the job, diminishing the skill level of the job and moving the job-holder to a less interesting post. All of these situations fall short of job loss, but they all represent a threat to the status quo. The 2012 results suggested the existence of much higher levels of anxiety about these matters than the more well studied notion of job loss insecurity. Levels of both types of insecurity were particularly high in the public sector. Furthermore, the risk of experiencing ill treatment – such as victimisation, discrimination and unwarranted dismissal – had grown faster in the public sector, albeit from a low base.

Research has also shown that, like unemployment, levels of anxiety rise in recessions and fall in recoveries. However, there are suggestions that even as the economy recovers insecurity remains entrenched for some groups of workers, such as those on contracts which do not guarantee job holders a set number of hours. These Zero Hours Contracts (ZHCs) expose workers to heightened levels of uncertainty. Rather than diminishing in the aftermath of the 2008-2009 recession they have grown – their number nearly doubled from 143,000 in 2008 to 250,000 in 2012, and has since grown even faster with the 2012 figure more than tripling to reach 883,000 in 2017. It is argued that the recent rise of the on-demand 24/7 economy has prompted employers to seek greater temporal flexibility from their workforces with working time becoming increasingly fragmented, most notably through the

use of ZHCs and gig economy labour supply platforms. Working hours have therefore become another – previously neglected – arena of insecurity on which we will shed new light.

## 3. The Skills and Employment Survey 2017: A New Source of Evidence

The Skills and Employment Survey 2017 (SES2017) allows us to examine workers' experiences of the ways in which insecurity now manifests itself at work. It collected data from working adults aged 20-65 years old in England, Wales and Scotland who were interviewed in their own homes in 2017. The sample was drawn using random probability principles subject to stratification based on a number of socio-economic indicators. Only one eligible respondent per address was randomly selected for interview, and 50% of those selected completed the survey. Data collection was directed by ourselves and conducted by GfK.

SES2017 is the seventh in a series of nationally representative sample surveys of individuals in employment aged 20-60 years old (although the 2006, 2012 and 2017 surveys additionally sampled those aged 61-65). The numbers of respondents were: 4,047 in the 1986 survey; 3,855 in 1992; 2,467 in 1997; 4,470 in 2001; 7,787 in 2006; 3,200 in 2012; and 3,306 in 2017. For this report, we also draw on the Working in Britain Survey which was carried out in 2000 and contains 2,466 respondents. For each survey, weights were computed to take into account the differential probabilities of sample selection, the over-sampling of certain areas and some small response rate variations between groups (defined by sex, age and occupation). All of the analyses that follow use these weights. For more information on the series see Felstead, A, Gallie, D and Green, F (2015) (eds) *Unequal Britain at Work*, Oxford: Oxford University Press.

## 4. Indicators of Insecurity at Work

SES2017 provides data on five dimensions of insecurity at work: risk of job loss; the difficulty of getting an equivalent replacement job; anxiety over changes to job status; worries about ill treatment; and insecure working hours.

Risk of job loss is assessed through a question: 'Do you think there is any chance at all of you losing your job and becoming unemployed in the next twelve months?' Those who thought they might lose their job and become unemployed were then asked about the likelihood of this happening, with five response options: 'very likely', 'quite likely', 'evens', 'quite unlikely' and 'very unlikely'. We take those reporting at least an evens or higher chance as a *high risk of job loss*.

Respondents were also asked: 'If you were looking for work today, how easy or difficult do you think it would be for you to find a job as good as your current

one?' If they reported it would be 'very difficult' we refer to this circumstance as one where it is *very difficult to get an equivalent job*. It is therefore a measure of the tightness of the labour market and a partial indicator of the cost of job loss to respondents.

Four items capture concerns about job status insecurity. Respondents were asked: 'How anxious are you about these situations affecting you at work?' Four response options were offered. Those reporting being 'very anxious' or 'fairly anxious' are referred to as *anxious* of the following: 'future changes to my job that may give me less say over how it is done'; 'future changes to my job that may make it more difficult to use my skills and abilities'; 'future changes that may reduce my pay'; and 'being transferred to a less interesting job in the organisation'.

To capture ill treatment, respondents were asked to indicate how anxious they were with three situations. Those reporting being 'very anxious' or 'fairly anxious' are referred to as *worried* of the following: 'being dismissed without good reason'; 'being unfairly treated through discrimination'; and 'victimisation by management'.

An eighth situational item was added to the 2017 survey. This asked how anxious respondents were about 'unexpected changes to my hours of work' – this could be movements up or down in the number of hours worked and/or changes to when work is carried out. Those who answered that they were 'very anxious' that their working hours might change in any of these ways are taken to occupy jobs offering *insecure hours*.

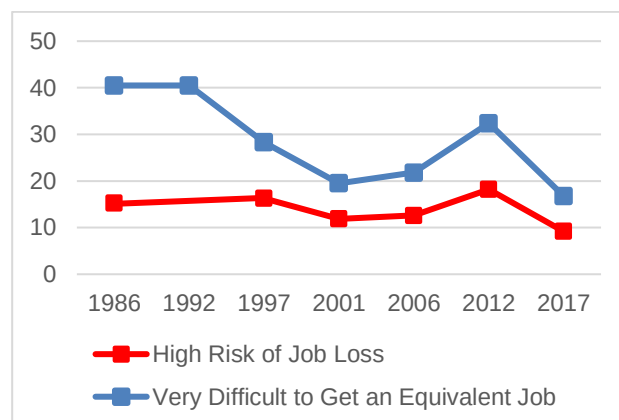
It should be noted that two of the five insecurity indicators – risk of job and the cost of job loss – are based on respondents' estimates of the probability of certain events occurring. Anxiety about changes to job status, worries about ill treatment and insecure hours, on the other hand, capture the combined effect of a range of scenarios and their impact on individual respondents. The latter inevitably varies with some respondents more anxious by nature and/or circumstance than others.

## 5. Findings

### Risk and Cost of Job Loss

Figure 1 shows the proportion of workers who reported a high risk of job loss as well as the proportion reporting that it would be very difficult to get a replacement job. Risk of job loss reached its highest point in the series in 2012, but has since plummeted to its lowest level ever. In 2017 one in ten (9%) workers reported an evens or better chance that they would lose their job in the following 12 months, whereas in 2012 the figure stood at 18% – within five years the risk of job loss has been halved.

**Figure 1: Risk and Cost of Job Loss (%), 1986-2017**



The difficulty of getting an equivalent replacement job has more or less mirrored this pattern with 17% of workers reporting in 2017 that it would be either very difficult to 'find as good a job as your current one' if they were looking for work. This exceeds by three percentage points the other low point in the series recorded in 2001.

As Table 1 shows, the recent decline in the risk of job loss has been fairly evenly felt across a range of different socio-economic groups – with an average nine percentage point drop between 2012 and 2017 ( $p < 0.01$ ). However, it fell slightly more for men, those working in the public sector and those with lower level qualifications.

**Table 1: Risk of Job Loss and Anxiety About Pay Cuts (%), 2012-2017**

|                                       | Risk of Job Loss |            | Anxious about Reduced Pay |             |
|---------------------------------------|------------------|------------|---------------------------|-------------|
|                                       | 2012             | 2017       | 2012                      | 2017        |
| Men                                   | 19.2             | 9.4        | 37.8                      | 25.6        |
| Women                                 | 17.1             | 9.0        | 36.7                      | 31.4        |
| Private sector                        | 17.8             | 8.9        | 34.3                      | 25.9        |
| Public sector                         | 19.5             | 8.6        | 44.8                      | 34.6        |
| Not-for-profit sector                 | 16.9             | 9.9        | 29.5                      | 24.8        |
| A-level and above qualifications held | 17.8             | 9.5        | 35.6                      | 27.5        |
| Below A-level qualifications held     | 19.3             | 8.5        | 40.3                      | 30.3        |
| Top 3 SOC 1-digit jobs                | 18.4             | 9.5        | 33.4                      | 23.8        |
| Middle 3 SOC 1-digit jobs             | 17.4             | 8.6        | 40.8                      | 30.2        |
| Bottom 3 SOC 1-digit jobs             | 18.9             | 9.4        | 39.8                      | 34.7        |
| <b>All</b>                            | <b>18.2</b>      | <b>9.2</b> | <b>37.3</b>               | <b>28.4</b> |

### Anxiety About Changes to Job Status

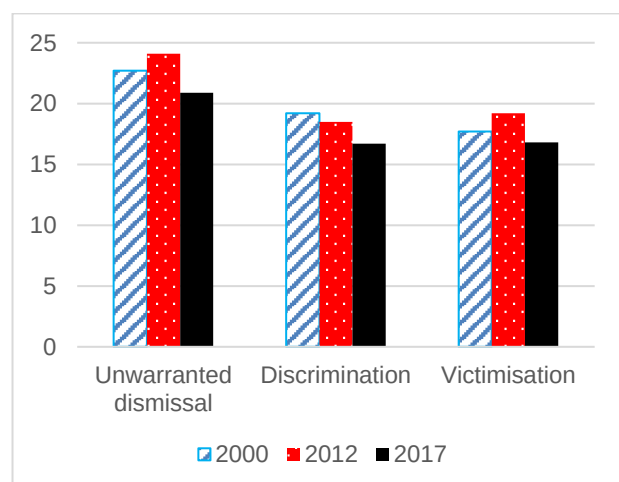
While the proportions reporting a high risk of job loss were broadly comparable across a number of socio-economic groups in 2012 and 2017, anxiety about a reduction to pay, for example, was more variable – ranging from 25% of those working in the not-for-profit sector in 2017 to 35% of those working in the public sector.

Anxiety about reduced pay – like the risk of job loss – fell by nine percentage points between 2012 and 2017. However, the fall was much more uneven. For example, it fell by twelve percentage points for men compared to just five points for women (Table 1). Anxiety levels also fell more sharply for men over other aspects of insecurity such as having a reduced say, being moved to a less interesting job and having less scope to use their skills and abilities. In fact, men enjoyed statistically significant ( $p < 0.05$  or better) falls in anxiety over all four aspects of job status insecurity, while women only reported significantly less anxiety about getting a pay cut ( $p < 0.01$ ). As a result, women in 2017 were significantly ( $p < 0.1$  or better) more anxious than men about experiencing a deterioration in all four aspects of their job status, whereas in 2012 gender differences were negligible. Furthermore, within sector gender trends suggest that women failed to reap the rewards of falling anxiety levels in the private sector whereas men did.

Job status insecurity also tended to fall more sharply among those in higher occupational groups. Anxiety over reductions to pay, for example, fell over ten percentage points ( $p < 0.01$ ) for those in the top six occupational categories, but fell by only five non-significant percentage points for those in the bottom three categories, namely sales and customer service workers, plant and machine operators and routine operatives.

### Worries About Ill Treatment

**Figure 2: Forms of Ill Treatment (%), 2000-2017**



In line with other forms of insecurity, worries about ill treatment fell between 2012 and 2017. The prevalence of worries about each form of ill treatment

fell by around 2-3 percentage points with statistically significant falls for unwarranted dismissal and victimisation ( $p < 0.1$  or better). Notably, differences between the public and private sectors continued to narrow with no discernible differences recorded in 2017.

### Insecure Hours

Despite the fall in many types of insecurity so far reported, over one in twenty (7%) employees in 2017 felt very anxious that their working hours could change unexpectedly in terms of duration and/or scheduling. This equates to 1.7 million employees. By analysing data taken from the Labour Force Survey (LFS) for the second quarter of 2017, we estimate that this is more than two and a half times the 705,000 employees who are working on Zero Hours Contracts (ZHCs) and are aged 20-65 years old (i.e. within the scope of SES2017).

Table 2 compares the profile of these two groups, again focusing only on those within the age range of SES2017. This shows that both types of job are more prevalent among women. However, the prevalence of insecure hours is spread more evenly across occupational categories and qualification level than ZHCs which are over-represented among those with no qualifications and those lower in the occupational hierarchy. The most striking contrast is the finding that over a fifth (22%) of temporary workers report being on a ZHC compared to just 2% of those in permanent jobs. This compares to a negligible, non-significant gap of two percentage points of those working insecure hours.

**Table 2: Comparing the Profile of Zero Hours Contracts and Jobs with Insecure Hours (%), 2017**

|                                       | Zero Hours Contracts | Insecure Hours |
|---------------------------------------|----------------------|----------------|
| Men                                   | 2.2                  | 5.8            |
| Women                                 | 3.7                  | 8.4            |
| 20-29 year olds                       | 5.1                  | 5.8            |
| 30-59 year olds                       | 2.2                  | 7.5            |
| 60-65 year olds                       | 3.9                  | 4.3            |
| Permanent job                         | 2.1                  | 6.7            |
| Temporary job                         | 22.0                 | 8.5            |
| Level 4 and above qualifications held | 2.1                  | 5.8            |
| No qualifications held                | 4.7                  | 6.3            |
| Top 3 SOC 1-digit jobs                | 1.3                  | 5.1            |
| Middle 3 SOC 1-digit jobs             | 3.8                  | 8.8            |
| Bottom 3 SOC 1-digit jobs             | 5.0                  | 8.5            |
| <b>All</b>                            | <b>2.9</b>           | <b>7.0</b>     |

However, the comparison between these two groups cannot be extended to other aspects of insecurity since data on how ZHC workers fare in these respects are not available. Nevertheless, our findings suggest that those working insecure hours are exposed to a range of other fears, anxieties and worries. They were significantly more likely to report

a high risk of job loss and working in conditions where they would be quickly dismissed for poor work performance. For example, 14% of those in jobs with insecure hours reported that they would be dismissed within the week if they arrived late to work compared to 6% of those in jobs with secure hours. For those deemed to be not working hard enough, the gap is narrower but still significantly different ( $p<0.05$ ) – 11% of those reporting insecure hours would expect to receive their marching orders within a week compared to 6% of their secure hours counterparts.

These differences extend to anxiety over changes to

job status and worries about ill treatment. The gaps are very large and statistically significant ( $p<0.01$ ) – ranging from a 63 percentage point gap for anxiety about a pay cut to a 47-point gap for discrimination (Figure 3).

Those working insecure hours also suffer from poorer job quality (Figure 4). They are in jobs which demand more work effort as measured by the proportion who strongly agree that that their job requires them to work very hard (55% versus 45%), they are required to work at very high speed (62% versus 43%) and to tight deadlines for three-quarters or more of the time (69% versus 59%).

Figure 3: Insecure Hours, Risk of Job Loss, and Other Anxieties and Worries (%), 2017

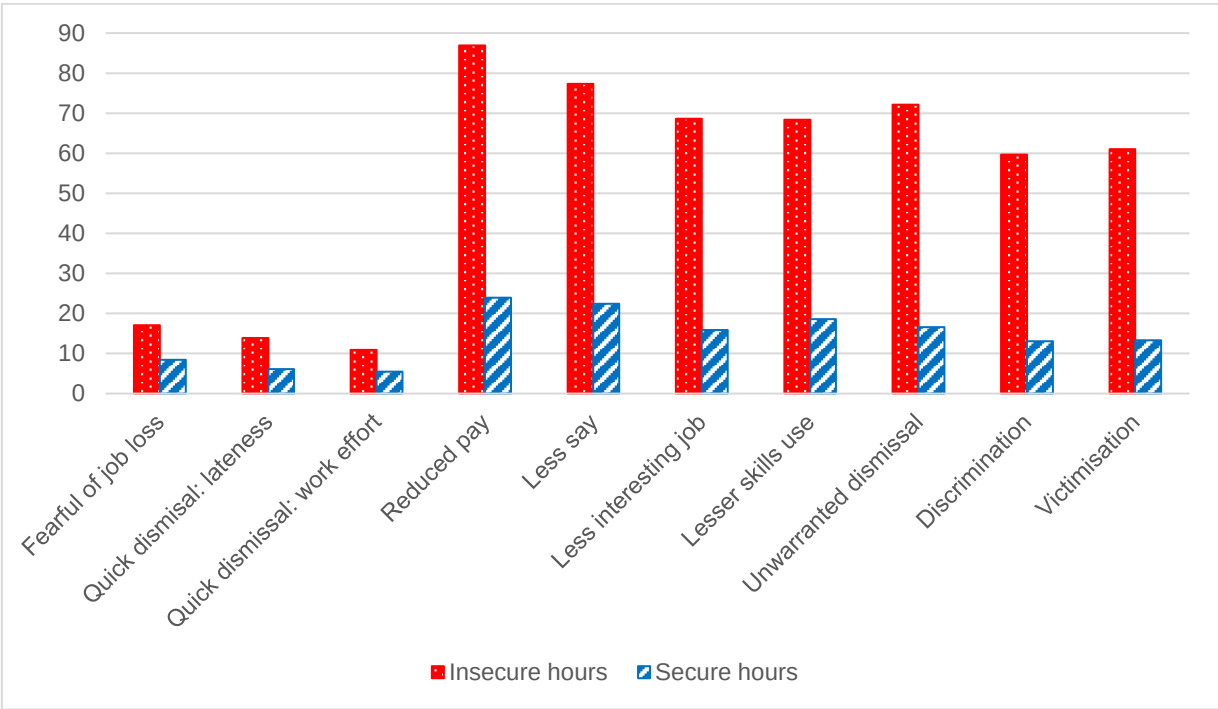
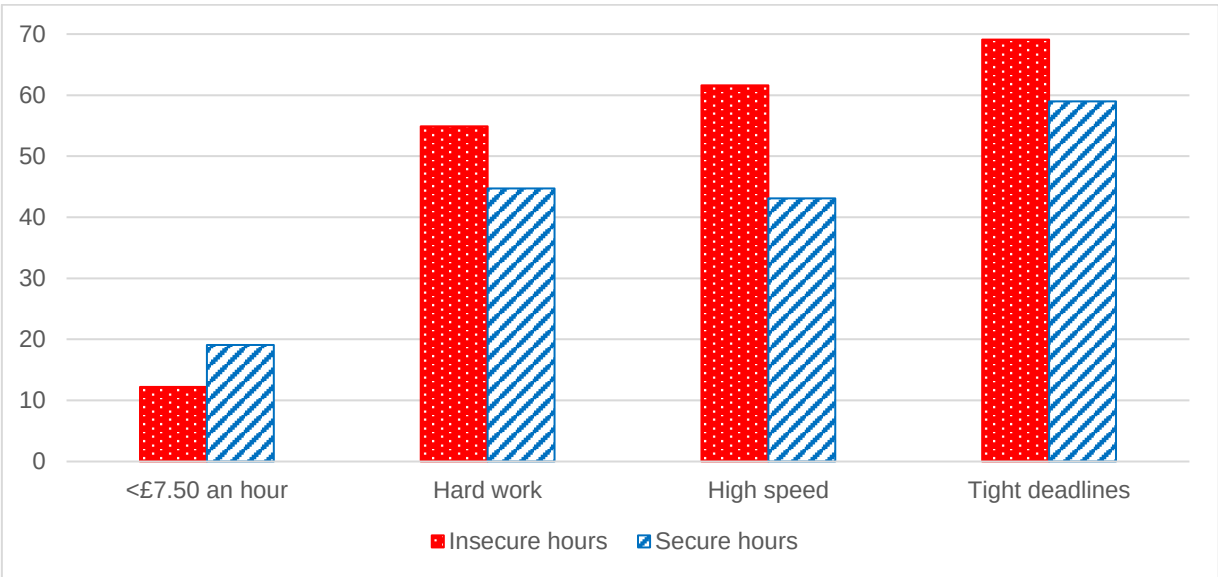


Figure 4: Insecure Hours, Pay and Work Effort (%), 2017



Taking the 2017 National Living Wage benchmark figure of £7.50 per hour (payable to those 25 and over) as a definition of low pay, we find that 19% of those in jobs with insecure hours are low paid compared to 12% of those with more secure hours. Despite the relatively small sample size, SES-derived estimates of average hourly pay are reassuringly close to those derived from the LFS. All of these bivariate differences are statistically significant and in most cases highly so ( $p < 0.01$ ). Moreover, the connection between insecure hours and poorer job quality remains robust in multivariate analyses which take into account gender, age, education, occupation and industry.

## 6. Policy Implications

While the lowering of insecurity at work in general over the period 2012 to 2017 is something to

celebrate, these results suggest that not all have benefited. Men in general have seen their anxieties about job loss and other threats to their job status fall significantly, but women have not benefitted to the same extent. Stubborn pockets of insecurity also remain. In addition to uncertainty over working hours, those in jobs with insecure hours suffer from a variety of additional insecurities, while at the same time their job quality is poor. The implication from these findings is that if policy makers are serious about creating good work, more attention needs to be paid to reducing the prevalence of uncertain working hours rather than only focusing on formal aspects of the employment contract such as ZHCs. After all, jobs with insecure hours make up 7% of the employee workforce or 1.7 million employees – two and a half times the number on ZHCs – and is a feature of work which is significantly associated with poorer quality jobs.

## Further Reading

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