

An ESRC Future of Work Programme Seminar Series



# **Britain's World of Work - Myths and Realities**

by Robert Taylor



**Future of Work**

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Britain's World of Work - Myths and Realities summarises key lessons from the latest nationally representative survey of employed people in Britain at the start of the millennium.

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Future of Work Commentary Series:

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# Foreword



THE CHANGING CHARACTER, PLACES AND PATTERNS OF WORK have been the subject of intense policy debate and speculation. Will there be sufficient paid jobs, and will the employment opportunities of the future be radically different from the past? Some commentators assert that the forces of globalisation, new technologies and the reorganisation of businesses are challenging established patterns of paid work while imposing new burdens on families, individuals and households. Others however see positive benefits in the blurring boundaries between paid work and home life. They argue that new technologies and the changes in work organisation that they engender are giving individuals more scope to exercise discretion over how, when and where paid work is performed.

Fuelled in the past by the dearth of systematic theory and evidence, such disagreements nevertheless are a central feature of the contemporary policy debates. Against this backdrop, the ESRC launched the Future of Work Programme in 1998 to help close the gaps in our understanding of the changing world of work. The Programme is supporting twenty-seven projects and the research activities of more than one hundred researchers at twenty-two UK universities.

Topics under investigation include the nature of homework, the employment choices of mothers of pre-school children, and the determinants and distribution of caring work. Other projects are investigating the changing nature of employment relations in the workplace, the performance consequences of high commitment management practices, and the formation and significance of new models of business organisation.

Key findings from the Programme are brought to the attention of policy makers and practitioners through an extensive series of publications, seminars, workshops and conferences. The aim is to help improve the

quality of information available to all parties with a direct interest in shaping the future of paid work and managing the implications for other aspects of social life.

To assist in the dissemination of the findings from the research projects, the ESRC commissioned a series of Reports by Robert Taylor, the internationally renowned expert on work and employment. The third Report in the series examines the policy significance of the new survey findings from the Working in Britain in 2000 Survey. The latter was conducted by a team of researchers based at the London School of Economics and the Policy Studies Institute at the University of Westminster.

Focusing on the changing work experiences of employees, the survey findings shed fresh light on, among other things, the sources and extent of the 'long hours' employment culture and the increased dissatisfaction of employees with their jobs and working lives. It reveals that as the twenty-four hour, seven-day working week gains ascendancy, the possibility of achieving a satisfactory work-life balance is proving an elusive goal for more and more people.

The Report mobilises this new evidence to challenge the parameters, content and policy implications of the contemporary UK debate about the changing structure and experience of work. With reference to both domestic and international developments in employment systems, Robert Taylor sets out a stimulating policy agenda for improvements in the quality of working life in the future.

*The possibility of achieving a satisfactory work-life balance is proving an elusive goal*

**Professor Peter Nolan** Montague Burton Professor of Industrial Relations

Director, ESRC Future of Work Programme

# Commentary

**by Rita Donaghy** Chairman of the Advisory, Conciliation and Arbitration Service (ACAS)



HOW WE ENCOURAGE EMPLOYER COMMITMENT TO BEST PRACTICE IN employment relations, and employee commitment to a successful organisation represent two of the UK's biggest challenges in our, apparently, productivity-strapped economy.

The important research being undertaken by the ESRC's 'Future of Work' Programme reveals the employees' views on what it is like in today's world of work, and comparing it with their views in 1992. Robert Taylor's interim commentary on this research points up key issues for policy makers. He asks whether the debate over social regulation versus voluntary action is somewhat sterile, and whether we can "formulate a much more balanced approach to our understanding of contemporary employment".

Long hours, stress at work and the decrease in job satisfaction are all featured in the research. In contrast, most employees feel secure in their jobs and acknowledge that they are expected to perform more complex work requiring better education and training. They also acknowledge an improvement in involvement and participation of the workforce since 1992, although this is mainly confined to managerial and skilled workers.

The research, in identifying how employees feel about their job and their workplace, is an essential first step towards developing policies for the future. Ignoring the reality and substituting propaganda for fact will do nothing to improve the situation. In most workplaces, poor labour relations do not lead to industrial action, nor even to a higher labour turnover. Dissatisfaction can manifest itself in a variety of different ways - absenteeism, lower productivity, inefficiency and inflexibility, and poor communication.

The only way to improve poor labour relations is for both employer and employee to identify and acknowledge the problems and to deal with them,

either by means of an outside facilitator such as ACAS, or by means of an existing joint consultative procedure. There is no substitute for talking - no software, no management guru, no political philosophy can replace that. Joint talk and joint implementation, in other words Partnership, are world-beaters for building commitment and trust.

Commitment and trust are hard to win and easily lost. The commitment of employees can make the difference between those companies which compete in the market place and those which cannot. Employers who can best combine the requirements of their business for flexibility with the needs of employees and potential employees will be more likely to succeed.

ACAS is well placed to assist organisations to build trust and commitment. Our experience in dispute resolution, our helpline, and our joint problem solving exercises identify what happens when things go wrong in the workplace. We are turning this to good use in helping organisations to promote good practice and develop a partnership approach in the workplace. Facilitating constructive dialogue between employers, trade unions and employees on converting the reality at work into a jointly agreed set of objectives is one crucial area.

If the British labour force is to become more flexible than present evidence suggests it is, there will be an urgent need to ensure good employment relations and fair treatment for all. Drawing upon the latest ESRC research findings, and building on three decades of assisting organisations to develop effective practices, ACAS is ideally placed to help close the gap between rhetoric and reality in the workplace.

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# Britain's World of Work - Myths and Realities by Robert Taylor



## **The Significance of the Working in Britain in 2000 Survey**

THE WORLD OF WORK IN TODAY'S BRITAIN REMAINS of compelling interest. Conferences and seminars, monographs and manifestos on the subject seem to have become almost a daily event. This is not surprising. What is happening inside the country's workplaces is of crucial importance in the development of future employment strategies designed to improve business performance, stimulate higher productivity and increase the overall employment rate among men and women of adult age. Indeed, work lies at the core of the government's efforts to modernise our political economy and ensure that Britain can compete with success on world markets.

Many policy-makers believe this country already enjoys the clear advantage of having the most flexible labour market in the world outside the United States. They argue its alleged success in employment creation stems in great part from the light imposition of only a minimum and limited set of legal workplace regulations to protect workers and uphold civilised labour standards. The apparently resulting flexibility in the way employment is organized is widely regarded as one of the keys to Britain's relative economic achievement in recent years in reducing the number of people without a job and accomplishing an impressive rate of expansion in employment.

However, the shortage of sufficient reliable and comprehensive empirical data on the characteristics of today's world of work - as perceived by those who are actually employed in it - has remained up until now a serious obstacle to our understanding of the labour market. Now that lack of accurate knowledge is being overcome. A substantial nation-wide survey has been produced under the auspices of the Economic and Social Research Council's future of work programme in a joint project carried out by the London School of Economics and the independent research organisation, the Policy Studies Institute, part of the University of Westminster.

It provides us with a fascinating picture of how employees themselves regard their jobs and life in the workplace. The study includes people from every part of the workforce from executives, senior managers and professionals, white-collar technicians and supervisors, clerical staff as well as manual employees. The data derive from lengthy, in-depth interviews with up to 2,466 employees (including the self-employed but not those out of work) from across all occupational groups. They were visited in their homes during the second half of the year 2000. The results provide us with a rich and complex picture of the British at work at the start of the new millennium.

This interim commentary seeks to highlight a number of the more important findings from that study. Its aim is to draw the attention of policy-makers and others interested in employment issues to what is really going on in the workplace. But this commentary also sets out some policy implications from those key results. The survey itself deserves to stimulate a wide-ranging public debate on the future of work in Britain.

*What is happening inside the country's workplaces is of crucial importance in the development of future employment strategies.*

The most startling overall conclusion to draw from the material is that many of the commonly held assumptions about today's world of work need to be seriously questioned. In fact, a disturbingly wide gulf exists between the over-familiar rhetoric and hyperbole we hear daily about our flexible and dynamic labour market and the realities of workplace life. The evidence simply does not sustain the view that we are witnessing the emergence of a "new" kind of employment relations, seen in the "end of the career" and "the death of the permanent job for life". The shift away from permanent and full-time jobs to temporary, short-term or part-time work is exaggerated. The spread of employee individualism and the corresponding decline of wider social or collectivist values in the workplace is also much over-done. It is hard to find much evidence of any widespread "psychological" contract or mutually acceptable trade-off between the needs of companies and the demands of their employees. In addition, the advance of any coherent human resource management agenda in most enterprises is hard to discern. Perhaps even more fundamentally the survey evidence challenges the widely held view that Britain has a truly flexible labour market, where workers may feel more insecure but they are at least more satisfied than they used to be in their jobs.

No other subject arouses so much unsubstantiated generalisation, dogmatic assertion and sweeping prescriptions for change as does the world of work. And yet if companies and their employees, the government and its public policy advisers are to create and pursue credible employment strategies in the future these need to be based on the facts, on workplaces as they really function in practice and not as we think they ought to be. The lasting value of this important survey is that it helps to point the way ahead to the formulation of a much more balanced approach to our understanding of contemporary employment. By closing the gap between rhetoric and reality it shows us how we may be able to devise and carry through forms of negotiated workplace change that will help to make Britain a much more dynamic and prosperous economy with a labour market that can reconcile security and innovation, equity with opportunity. In doing so we might be able to transcend what has become an increasingly simplistic and unsustainable argument over whether social regulation or voluntary action are the best or indeed if they are the alternative responses to the complex challenges being thrown up by the need for the modernisation of our workplaces.

The new findings must not be read in isolation. Indeed, we can compare many of them with the world of work in Britain as it was seen in 1992 when a broadly similar survey was carried out jointly by Nuffield College, Oxford and the Policy Studies Institute. Many of the key questions asked of employees at that time have been asked once again. As a result, we can make some useful contrasts between the two studies. This should enable us to gain a badly needed sense of perspective on what may be the longer-term trends. However, it is necessary to keep in mind that the 1992 survey was carried out at a time of economic recession whilst that of 2000 was conducted in a period of economic expansion. Clearly, this difference is of some importance in

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*Class and occupational differences remain of fundamental importance to any understanding of our world of work.*

understanding the contrast between the two studies, but this does not invalidate the significance of the underlying trends that emphasise considerable continuities in the British labour market.

Most of this commentary seeks to set out some of the key findings of the new employment survey that ought to be of interest to policy-makers. Inevitably there is insufficient space available here to reveal the diverse richness of the data in its entirety but those who are keen to learn more will be able to consult the archives of the Economic and Social Research Council from autumn 2002 where the material will be deposited. The first two publications in this series drawing on the findings of the Future of Work Programme dealt with the role and future relevance of trade unions and the complex nature of the work/family balance. Data from the new employment survey on those specific topics was used in those publications. The purpose of this commentary is to focus more specifically on some of the other important findings contained in the study.

The most striking conclusion in assessing the new data is the degree of continuity as much as any drastic change in today's workplaces. Many of the trends discovered in 1992 are still apparent. In particular it is hard not to reach the conclusion that class and occupational differences remain of fundamental importance to any understanding of our world of work. Britain may no longer be a political economy with a dominant manufacturing sector. Increasingly it has been transformed over the past twenty years into a much more diverse and complex post-industrial or service economy. But this undoubted shift in the composition of our labour market has not altered deep-rooted occupational differences between manual and non-manual workers. Even technological innovation and the emergence of new forms of work organisation during the past ten years have only modified but not eradicated the saliency of class, which continues to play a crucial part in the evolution of work. It is true class is no longer the fashionable tool for social analysis that it used to be and it would make no sense to argue class and occupation are the only determinants that shape the world of work. However, we continue to live in a society and political economy where class differences remain of crucial importance to our understanding of employment. The abundant data available from the Office for National Statistics reveals the wide distribution in wealth, income and power that continues to exist in Britain. Indeed, recent research presented to the Royal Economic Society suggests this country may be experiencing a trend towards less and not more occupational and social mobility and widening inequalities within the workplace than in the first four decades following the end of the Second World War. Indeed, the levels of social exclusion and obstacles to advancement in our society are perhaps greater now than that have been for more than half a century. Britain is a prosperous country with relatively high rates of personal consumption. It has experienced substantial changes in the occupational characteristics of its workforce since the 1960s. But the undoubted modernity has not eradicated genuine class differences nor reduced social inequalities in a fundamental way. On the contrary,

current trends - most conspicuously seen in the emergence of the information technology divide between workers - are making many of those differences more distinctive rather than narrowing them.

Of course, the new employment survey - in its size, richness and diversity reveals just how complex today's world of work in Britain has really grown. However, it is difficult to avoid repeating the conclusion to the 1992 study when summarising the overall impression of the new survey. As the main authors - Duncan Gallie and Michael White wrote on that occasion.

"The experiences of the workforce remained deeply divided along class lines. It was those in higher or intermediate class positions who primarily benefited from the positive changes to the quality of employment. They were much more likely to have experienced upskilling and hence more intrinsically interesting work. They certainly paid a price for this in terms of increased work effort and work strain. But the principal costs of change, namely the severe distress linked to unemployment, fell on the manual workers. The employment structure, then continued to generate fundamental differences in people's life chances.

Employers are placing a new emphasis on raising the skill levels of the workforce but the changes that have been taking place in the employment relationship are much less dramatic. The structures of control of work performance are being modified, but control remains pervasive and possibly more intense in the pressures it brings to bear on work effort. Far from converging on a professional model of the employment relationship, the terms of employment remained fundamentally differentiated by class." (Restructuring The Employment Relationship, Oxford University Press 1998 pg 316)

### **The Survey Findings - Confronting Realities**

MANY OF THE MAIN DISCOVERIES OF THE NEW employment survey ought to arouse real concern among policy-makers and companies. Today's world of work is much less satisfying to employees than the one they were experiencing ten years ago. It has also grown more stressful for all categories of employees without exception - from senior managers to manual workers. Most people say they are working much harder in intensity and clocking on for more hours of work than in the recent past. They may not be so discontented with their lot that they are in the mood for outbursts of militancy but it would be the height of complacency to ignore or under-estimate the central message that suggests a marked decline has taken place in levels of worker satisfaction.

This key finding is overwhelming and perhaps the most important to be found in the survey. The data shows that employees' satisfaction since 1992 has declined in every facet of their job. The falls in satisfaction were relatively small in attitudes to the nature of the work, the variety it offered or the use it made of an individual's abilities. A much

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greater shift towards a feeling of less satisfaction took place over pay, job prospects, and training.

However, the most dramatic decline in job satisfaction during the 1990s occurred because of the hours people are now required to work and the amount of work that they must accomplish. The proportion of men at work who said they were completely satisfied or very satisfied with the number of hours they work dropped from 35 per cent to 20 per cent when the 1992 survey is compared with that of 2000 and from 51 per cent to 29 per cent for women. There has also been a sharp fall recorded in the level of job satisfaction found among older workers over the age of 50. The proportion in that age group who said they were completely or very satisfied with their working hours declined from 54 to 26 per cent between 1992 and 2000. The largest falls in job satisfaction over the number of hours worked was the most pronounced at both ends of the occupational grading - among senior managers and professionals and the unskilled and semi-skilled. It is also clear that people at work who hold university degrees or the educational equivalent experienced a sharper decline in their satisfaction with hours worked than those with fewer educational qualifications. Such facts point to a particular malaise among more highly educated males. The disgruntled manager has joined the disgruntled manual worker, at least in complaints about the long hours culture.

**Table 1 - Satisfaction with hours worked**

% Completely or very satisfied with hours worked:	Men		Women	
	1992	2000	1992	2000
<i>Higher level professionals and managers</i>	36	16	38	26
<i>Lower level professionals and managers</i>	33	18	44	28
<i>Higher admin/ clerical/ Sales</i>	38	33	58	35
<i>Technicians/ supervisors</i>	29	20	45	17
<i>Skilled manual</i>	39	22	44	17
<i>Semi and unskilled manual</i>	34	15	57	22

It is widely recognised that British workers employed in full-time jobs work longer hours than any others in western Europe. As many as 46 per cent of men and 32 per cent of women in the survey sample said they frequently worked more hours in addition to their basic week. The reasons why more people in Britain are working longer hours suggests that jobs themselves have grown increasingly demanding. As many as 83 per cent of those who work long hours said they did so in order to meet

deadlines and pressures while 75 per cent added it was now a requirement of their job to work longer hours. It is also worth noting that 49 per cent admitted they worked long hours because they found their job interesting. But only 39 per cent were prepared to admit they did so in order to earn extra money. This finding might suggest that the traditional attractions of overtime pay to boost low basic wage levels are becoming less apparent. In addition, 16 per cent said they worked long hours to increase their chances of promotion and 14 per cent admitted that unless they did so they would face dismissal by their employer. But the reasons why people work longer hours continues to differ depending on what kind of job they do as the table below indicates.

**Table 2 - Why work long hours?**

% of employees:	Job Requirement	Deadlines	Money	Work Satisfaction
<i>Higher level professionals/ managers</i>	68	90	14	66
<i>Lower level professionals/ managers</i>	71	80	19	58
<i>Higher admin/ clerical/ sales</i>	58	81	42	58
<i>Lower admin/ clerical/ sales</i>	66	53	50	47
<i>Technicians/ supervisors</i>	76	77	47	45
<i>Skilled manual</i>	59	77	81	28
<i>Semi and unskilled manual</i>	66	65	70	43

*Workers reveal no widespread belief in any sense of obligation to the firms who employ them.*

What is also striking is the apparent but significant deterioration that has taken place among workers in having any sense of a personal commitment to the company that employs them. Today's managerial rhetoric emphasises the importance of enhancing human capital, the concept of partnership at work, the need to improve the learning and skills of employees as well as provide a wider range of benefits and incentives to attract and retain staff. There is a higher priority given in business school literature to concepts of trust and loyalty and the development of high commitment workplaces. The survey provides little evidence, however, that many of these progressive ideas usually associated with enlightened human resource management techniques are being translated into practical measures that are ensuring the growth of more high commitment workplaces. Workers reveal no widespread belief in any sense of obligation to the firms who employ them. The table below provides startling evidence of an actual retreat in some respects in the existence of organisational commitment among employees during the 1990s.

*This country's workplaces look a good deal more stable than is usually supposed to be the case.*

**Table 3 - The Extent of Organisational Commitment**

% of employees:	1992		2000	
	<i>strongly agree</i>	<i>agree</i>	<i>strongly agree</i>	<i>agree</i>
<i>I would work harder than I have to in order to help this organisation succeed</i>	21	60	16	59
<i>I would take almost any job to stay with this organisation</i>	5	20	2	19
<i>I am proud to be working for this organisation</i>	15	61	11	65
<i>I'd turn down a job with better pay to stay with this organisation</i>	6	22	4	19

However, despite a growing and widespread lack of satisfaction at work and little advance in any sense of organisational commitment by workers, these trends have not been paralleled by any significant evidence that jobs have grown more transitory and uncertain. Indeed, the new survey provides startling evidence that Britain's much-acclaimed labour market flexibility is not quite what it might seem to be. Contrary to conventional wisdom, this country's workplaces look a good deal more stable than is usually supposed to be the case. Indeed, during the 1990s there appears to have been a growth and not a contraction in the proportion of employees occupying permanent jobs. In both 1992 and 2000 the overwhelming majority at work were in such paid employment. As many as 92 per cent of workers held permanent employment contracts in 2000, compared with 88 per cent who did so eight years earlier. By contrast a mere 5.5 per cent said they were working on a temporary work contract of less than twelve months in 2000, compared with 7.2 per cent in 1992. There was even a correspondingly significant decline in the proportion of employees working on fixed term contracts (defined as lasting for between one and three years) with an actual drop from 5 per cent to 2.8 per cent when 2000 is compared to 1992. Such startling figures do not suggest Britain is rapidly developing a more flexible labour market when measured by the extent of employment stability. Indeed, the permanent job remains very much the overwhelming norm and this is true across every occupational category.

Nor do we see evidence of a dramatic decline in the existence of the modern workplace. Most people still leave their homes for paid employment. In fact, a larger proportion of workers were employed in one specific workplace in 2000 (78 per cent) compared with ten years ago when 76 per cent were. Only 3 per cent of employees said they worked partly at home in 2000 and a further 1.1 per cent solely or mainly at home. This contrasts with 2.2 per cent working partly at home ten years ago with a further 1.4 per cent working solely or mainly at home. Such figures do not suggest we

are moving into a world of home or tele-working for the vast majority of employees.

The picture of relative stability in the workplace also looks apparent when we look at the length of average job tenure. Contrary to popular belief, Britain is not experiencing a growing trend in the proportion of people who are working in jobs for shorter periods of time with a wider number of different employers. It is true that 19 per cent of workers said they had not been in the same job for more than twelve months in 2000. This compares with 17 per cent who said so eight years earlier. But this hardly looks like a significant change. As many as 81 per cent of workers in 2000 said they had worked more than twelve months in the same job, compared with 83 per cent eight years earlier. The figures also suggest the turnover of employees is not especially widespread among those employed in their job for less than 24 months. There was a mere 0.72 per cent difference between those who said they had had been in their job for less than that period of time in 2000 (29.5 per cent) than in 1992 (30.2 per cent).

There are clear occupational differences in the extent of job tenure. Senior managers and professionals are likely to enjoy jobs with longer tenure than manual workers. In 2000 only 11 per cent of the highest occupational class said they had been in their job for less than 12 months. This compares with 27 percent of unskilled and semi-skilled workers who were in the same position.

**Table 4 - Average Job Tenure in Months by Job Level**

	1992	2000
<i>Higher management/professional</i>	85.3	109.1
<i>Lower management/professional</i>	82.7	94.9
<i>Administrative</i>	53.9	82.3
<i>Routine non-manual</i>	60.6	59.7
<i>Technicians and supervisors</i>	103.1	101.7
<i>Skilled manual</i>	77.7	68.9
<i>Semi and unskilled manual</i>	74.3	87.7

The average length of job tenure recorded in different occupational categories reveals convincing evidence that British workers are actually experiencing longer and not shorter periods of employment in the same job. In 1992 the average time a worker spent in a specific job was 74.3 months - six years and two months. But in 2000 the figure had actually risen to 87.7 months - seven years and four months. The widely assumed picture of a flexible labour market with a growing number of foot-loose employees moving from job to job is far from the truth. There is a good deal more stability in the workplace than is generally supposed. Politicians who claim British employers enjoy greater flexibility than their counterparts in other European countries, enabling them to hire and fire with more freedom fail to recognise this reality.

*British workers are actually experiencing longer and not shorter periods of employment in the same job.*

Moreover, contrary to popular belief, many people still regard their job as part of a career with distinct promotion prospects. Indeed, as our economy becomes increasingly dominated by the highly qualified in skilled work this perception is likely to grow and not decline. The overwhelming majority of managers, administrators and professionals see their job as having a career structure with a clearly recognised promotion ladder. By contrast only a tiny minority of manual workers take any similar view of the career potential in their jobs and they are becoming a dwindling part of the labour force with the advance of information technology .

**Table 5 - Why Work in 2000?**

% of employees:	Normal thing to do	Money to live	Buy extras	Independence	Career	Company of others	Enjoyment
<i>Higher professional</i>	4	56	5	4	1	1	16
<i>Lower professional</i>	3	59	6	5	1	1	11
<i>Administrator</i>	2	57	13	8	5	8	6
<i>Routine non-manual</i>	2	45	14	18	5	11	3
<i>Supervisor/technician</i>	3	69	4	5	2	1	4
<i>Skilled manual</i>	5	69	9	7	2	3	3
<i>Semi/unskilled manual</i>	3	64	11	11	2	6	2

Many people still regard their job as part of a career with distinct promotion prospects.

**Table 6 - A Job is just a Means to Earn a Living?**

% of employees who agree:	1992	2000
<i>Higher professional/manager</i>	22	21
<i>Lower professional/manager</i>	24	26
<i>Administration</i>	46	37
<i>Routine non-manual</i>	39	41
<i>Technician/supervisor</i>	26	33
<i>Skilled manual</i>	54	58
<i>Semi/unskilled manual</i>	58	54

There is also clear evidence of a significant difference in attitude to work between occupational groups as Tables 5 and 6 indicate. The need to work to make money in order to live is a much stronger motivation among manual workers than among

managers and professionals. This is not a new phenomenon. Surveys over the years have revealed a similar division. But the figures for 2000 suggest that technological innovation and work reorganisation have actually increased rather than diminished the proportion of people who say they work for mainly instrumental reasons. The modernisation of work has so far failed to increase enthusiasm among employees for the jobs they do.

The survey also casts severe doubt on the widely held belief that the workplace is becoming more unstable. The overwhelming majority of workers in Britain do not feel insecure in their jobs. There is no evidence of a great fear of the future among employees, of the prospect of mass redundancies and unemployment shaping their attitudes at work. Only 1.5 per cent of those surveyed said they expected to lose their job over the next twelve months as a result of the closure of their workplace. This compared with 2 per cent who believed this in 1992. Only 2.2 per cent thought they would lose their job over the same period of time because of being made redundant. This compared with 3.4 per cent ten years ago. That finding may reflect the tighter labour market at the beginning of the millennium compared with the period of recession when the previous survey was carried out. Only a quarter of employees in the new survey said the organisations they worked for had reduced their workforce in the previous two years compared with 40 per cent in 1992.

All these findings ought to put the familiar rhetoric about the new flexibility at work into a more realistic perspective. We have much greater job stability, longer employment tenure and far less evidence of new forms of flexible employment contracts than many may realise. There is much greater continuity than change in our world of work. This is all the more surprising when we take into account the enormous shifts in sectoral employment we are experiencing with the remorseless contraction in manufacturing and corresponding expansion in private and public services.

The extent of labour flexibility is also questionable in the way that work is being organised. Most employees do not enjoy the power to vary their hours of work themselves. It is true that the proportion saying they work flexible hours rose from 16.8 per cent in 1992 to 22 per cent eight years later and this is not an insignificant change. But while 10.3 per cent said they themselves determined their own hours of work in 1992, a similar 10.7 per cent said the same was true in 2000. While 61 per cent said their working hours were fixed by their employer eight years ago and a further 11.3 per cent said those hours were fixed once they had agreed on taking the job, the proportions were 53.8 per cent and 13.2 per cent respectively in 2000.

These overall figures mask significant occupational differences. As many as 31 per cent of senior managers and professionals in 2000 said their hours of work were fixed by their employer but as many as a quarter said they decided their own hours and a further 34 per cent said they worked flexible hours. By stark contrast a huge 68 per

*There is much greater continuity than change in our world of work.*



*The use of computers and other forms of information technology at work advanced significantly during the 1990s.*

cent of semi and unskilled manual workers had their hours determined by their employer and a mere 5.8 per cent were able to decide their own working hours and a further 12 per cent worked flexible hours. Employees defined as technicians, skilled workers and those employed in routine clerical jobs all had their working time determined overwhelmingly by their employer.

So far it may look as though the empirical evidence available in the survey has brought many of our current assumptions about employment into serious question. But it would be wrong to leap to the conclusion that not much is really changing in the world of work with an emphasis on continuity rather than change. On the contrary, Britain like other advanced and increasingly post-industrial societies is going through a period of profound transformation at work.

The most striking sign of significant workplace innovation can be seen in the dramatic growth in the proportion of workers across all occupational categories who now make use of modern technology in the jobs they do. The use of computers and other forms of information technology at work advanced significantly during the 1990s. But this trend has so far proved to be uneven in its impact. The widening digital divide between occupational groups is startling as the table indicates.

**Table 7 - Users of the New Technology in 2000**

% of employees	Internet	Email	Pager/ Mobile	PC at home
<i>Higher professional/ manager</i>	69	83	53	80
<i>Lower professional/ manager</i>	52	55	49	70
<i>Administration</i>	29	51	26	51
<i>Routine non-manual</i>	20	17	23	61
<i>Technician/ supervisor</i>	18	33	52	50
<i>Skilled manual</i>	14	10	33	46
<i>Semi/ unskilled manual</i>	15	8	27	41

Now two thirds of men and women in the workforce say the new technologies have become "essential" for the accomplishment of their jobs compared with only 35 per cent of women and 28 per cent of men who believed this was so in the 1997 ESRC sponsored skills survey carried out at Leicester University. It is not possible to make direct comparisons in the use of specific forms of new technology at work because many of them were not available in 1992. But the latest survey reveals that as many as 69 per cent of higher professional/senior managers use the Internet at work and as many as 83 per cent e-mail. The majority of lower professional managers also use the internet and e-mail at work in substantial numbers. Revealingly only 18 per cent of

technicians/supervisors, 29 per cent of administrative staff and 20 per cent of white-collar workers are required to use the Internet and e-mail in their jobs along with 14 per cent of skilled manual and 15 per cent of semi and unskilled manuals. And yet a substantially larger proportion of all those occupational groups are familiar with those technologies at home. Even as many as 41 per cent of semi/unskilled workers have access to a personal computer at home although they do not use one at work. This startling contrast between the use of new technology in the workplace and at home suggests an impressively large proportion of the British labour force are now familiar with new technology even if many do not yet regard this as crucial in their job.

**Table 8 - Information Technology Users at Work in 2000**

<i>% of those using IT in their jobs</i>	<i>Essential</i>	<i>Very important</i>
<i>Managers/administrators</i>	80	8
<i>Professionals</i>	64	21
<i>Associate professionals</i>	63	13
<i>Clerical/ secretarial</i>	84	10
<i>Craft and related</i>	51	22
<i>Personal/ protective</i>	42	30
<i>Sales</i>	71	13
<i>Plant and machine operatives</i>	51	29
<i>Others</i>	26	35

The breakdown of the data in the new employment survey also reveals that workers are now expected to become more skilled and sophisticated in their jobs. A growing proportion of them require advanced or complex information technology skill levels in the work they perform. Only 27 per cent of men and 16 per cent of women said this was so five years ago. By 2000 the proportion had climbed to 37 per cent of men and 25 per cent of women respectively. The demand for more and not less complex multi-skilling at work is clearly on the increase. This suggests our labour market is looking for employees who are more versatile and adaptable, ready to learn and more eager to acquire new knowledge than in the past. Such trends point to the emergence of a new kind of workforce, better educated and trained.

But other evidence in the survey suggests many employers have not yet recognised that the emergence of a more demanding workforce in future will mean they will have to adopt a more sensitive attitude towards how their employees should be treated. It is true we find a larger proportion of employees are now working either in a group or as a team. As many as 61 per cent of men and 56 per cent of women at work in 2000 said they usually worked in that kind of arrangement. This contrasts with only 45 per cent of men and women who said this when surveyed ten years ago. But at the same time we see little significant change in the degree to which employees are supervised. In 1992 94 per cent of both men and women said their work was covered by a

*An impressively large proportion of the British labour force are now familiar with new technology even if many do not yet regard this as crucial in their job.*

supervisor. The proportion was still as high as 92 per cent eight years later with little significant gender difference. Most workers find their jobs are still under the overall control of management despite the advance of new forms of work organisation. We see clear evidence of an increase in the use of quality circles and work improvement schemes at work over the eight year period. The proportion of men experiencing such arrangements rose from 23 per cent in 1992 to just under a third in 2000 while the increase for women was from 18 to 28 per cent. But this change has not led automatically to a greater readiness by companies to allow their employees more autonomy in their jobs. It is true that the majority of respondents acknowledge they can decide and not somebody else on the specific tasks they carry out day to day and they can also decide how much work they do and at what pace they should work. In addition, as many as 62.5 per cent say they can decide on their own whether to introduce a new task or work assignment compared with 55 per cent who agreed with this in 1992. We have also seen a significant advance in the proportion of employees who have a direct say on any decision that changes the way they work, up from 52 per cent ten years ago to 60 per cent in 2000. Nearly three quarters of these said they had a great deal or quite a lot to say or influence that decision. This compared with 64 per cent who thought this in 1992.

*While a trend exists to greater freedom for the worker on the job, the degree of control and surveillance by management has also increased.*

The survey provides important evidence to suggest that while a trend exists to greater freedom for the worker on the job, the degree of control and surveillance by management has also increased. As many as 58.8 per cent of respondents in 2000 said somebody now formally assessed or appraised their job performance on a regular basis, a six per cent increase on the 1992 figure. Although only a third said this affected the level of their earnings, 58 per cent admitted it did affect their general prospects at work and more than three quarters the amount of training and development assistance they received.

There is strong evidence that an increasing proportion of employees have their pay or part of it determined by some measurement of their performance. In 1992 18.3 per cent of those surveyed in private sector jobs said their own individual effort determined any incentive payment, bonus or commission they received; by 2000 that figure had risen to 26.4 per cent. In the public sector the increase was less apparent - up from 10.5 per cent to 14.1 per cent. But even more startling was the dramatic jump in the proportion who said they receive some pay based on team or group effort. This increased from 6.2 per cent in 1992 to 21.3 per cent eight years later in the private sector with a less strong growth among public sector employees from 4.0 per cent to 8.7 per cent over the same period. The proportion of private sector employees whose pay or part of it was based on the overall performance of the organisation they worked for climbed from 27.7 per cent in 1992 to 33.2 per cent in 2000. When asked who secured pay rises at work there was little difference between the findings in the two surveys. Performance was much more common as a basis for wage increases in the private than the public sector.

Occupational differences are also significant in examining pay. As many 56.3 per cent of senior managers and professionals said that their wage rises were based on hard work/performance but less than a quarter of people employed in routine non-manual jobs said this was true for them, 36.5 per cent of skilled manuals and 18.5 per cent of the unskilled and semi-skilled. While just under 40 per cent of those in the highest occupational grouping said they were part of an individual incentive or bonus scheme, only 17 per cent of the routine non-manuals said they were along with 18.1 per cent of the skilled and 9.5 per cent of the semi or unskilled. A similar difference was also apparent in the incidence of workplace or organisational incentive/bonus schemes. In 2000 40.8 per cent of senior management and higher professionals said they were part of such plans but this compared with 19 per cent of the routine non-manuals, 26 per cent of skilled manuals and 14.0 per cent of the semi and unskilled. These figures suggest we still have a long way to go before pay is directly related in a fair and transparent manner to effort and performance, however measured.

Perhaps even more surprisingly the survey does not reveal any dramatic growth in the range of employee benefits on offer. There was no increase at all in the proportion of male and female workers who enjoyed membership of a profit sharing or share ownership scheme. Only 18 per cent of men said they were covered by either such arrangement both in 1992 and 2000 while the proportion of women at 11 per cent remained the same. The advance in private health scheme participation was also highly limited. Only a quarter of men said they enjoyed this, the same proportion in 1992 as in 2000, while the proportion of women saying they had access to private health care was only 17 per cent in 2000 compared with 15 per cent ten years ago. The detailed breakdown of benefit entitlements actually saw a decline in the proportions able to take a loan from their company (11 per cent of men said they could in 2000 and 16 per cent ten years ago, with a corresponding fall from 14 to 12 per cent for women). Subsidised meals are also on the wane as are travel subsidies. Moreover, the proportion of employees with an access to an occupational pension hardly rose during the period. As many as 68 per cent of men said they had such a pension in both 1992 and 2000 while there was a slight increase recorded for women - up from 55 to 59 per cent. The only noticeable net improvement in benefits was with the growth in the provision of sick pay beyond the statutory level. In 2000 68 per cent of men and 59 per cent of women had that benefit, compared with 62 per cent of men and 52 per cent of women who had this in 1992.

The occupational divide between employees on the benefits they receive at work is an even stronger indicator of continuing workplace inequalities. Table nine indicates just how enormous the gap remains between those employed in senior management jobs and those in clerical or manual occupations when it comes to access to benefit entitlements.

*The survey does not reveal any dramatic growth in the range of employee benefits on offer.*

*The survey points to a much more generous attitude towards “fringe” benefits in the public sector.*

**Table 9 - Workplace Inequalities in 2000**

% of employees	Higher professionals/ management	Routine non-manual	Manual skilled	Manual semi/ unskilled
<i>Occupational Pension</i>	87.9	51.7	43.2	45.5
<i>Occupational Sick scheme</i>	76.6	54.7	56.1	48.8
<i>Access to private Health</i>	39.4	11.2	14.1	9.8
<i>Company car/ van Profit sharing/</i>	34.4	5.3	18.6	12.9
<i>Share scheme</i>	25.1	13.2	12.4	7.0

Initial findings on the different treatment of private and public sector workers does provide some convincing evidence to explain why those employed in the public services such as health and education are resistant to seeing themselves transferred under contract or permanently into the private sector under the private finance initiative. The survey points to a much more generous attitude towards “fringe” benefits in the public sector. A much larger proportion than in the private sector are likely to enjoy sick pay as well as maternity pay beyond the state minimum, an occupational pension, the opportunity for career breaks and childcare assistance.

**Table 10 - Benefits; The Sector Contrast in 2000**

% of employees	Private	Public
Occupational pension	54	80
Sick pay beyond statutory minimum	59	78
Company car/van	25	10
Subsidised transport	14	19
Discount purchases	38	18
Subsidised meals	25	26
Loans to employees	10	16
Private health care scheme	26	12
Maternity leave beyond statutory minimum	22	43
Childcare assistance	2	10
Career breaks	5	18

There is some evidence that companies are more ready than in the past to keep their employees informed on what they are doing. As many as three quarters said

management organised meetings where workers were informed on activities in the organisation compared with 70 per cent in 1992. Just under 70 per cent of workers were also encouraged to express their views on what was proposed, compared with 63 per cent ten years ago. But wide differences become evident when we examine the degree of involvement and participation between occupational groups. As many as 53 per cent of senior managers and professionals said they had either very much or a lot of say in decisions relating to their work and 13 per cent said they had none. Contrast this with the 33 per cent of skilled and 27 per cent of unskilled workers who had such a large say in decisions relating to their work. As many as 55.6 per cent of semi and unskilled workers had no say at all in decisions relating to their work and 47.8 per cent of skilled workers. The overall picture looked better in 2000 than in 1992 but the differences of treatment remain substantial. However, it is worth noting that 56 per cent of all workers said they did not want more say over their work and the differences between the occupational groups on that question was not wide. Other answers in the new employment survey record significant differences on who can express their own views at meetings and those who can help develop improvements in working methods such as quality circles. Here again senior managers enjoy a substantial advantage over those employed in manual jobs as they do when it comes to who does take part in suggestion schemes.

### **Public Policy Implications**

THE OVERALL FINDINGS OF THE 2000 EMPLOYMENT SURVEY ought to provide sober reading for government policy-makers and employers. They bring into serious question many of the fundamental assumptions that lie at the heart of our current labour market strategies. It suggests we do not have the flexible labour market which we think other European countries ought to admire and emulate. On the contrary it is hard not to draw the conclusion that we need to reappraise our whole approach to employment policies. If employees are going to cooperate in a positive and active manner with the management of workplace change they are going to need a greater sense of well-being, status and control over the work they perform. Tony Blair, the prime minister, believes passionately in the need to encourage an enterprise culture in Britain, to develop greater flexibility in the labour market and not less and ensure people gain greater access to the education and training they will need in order to survive and prosper in the future. This was his important message at the European Union economic summit at Barcelona in March 2002.

But the new survey findings provide convincing evidence to suggest there is no neat and clear-cut dichotomy between social regulation on the one hand and voluntary action on the other. Nor is it self-evident that the very existence of formalised rules and laws governing workplace relations is an impediment to change and efficiency. On the contrary, the imposition of minimum standards through the force of legal regulations in areas like health and safety, gender and race discrimination and benefit

*We do not have the flexible labour market which we think other European countries ought to admire and emulate.*

entitlement can often be a necessary precondition for workplace modernisation. The recently introduced enforcement of a limitation on the number of hours worked by employees in France to 1,600 a year is wrongly criticised as a mistaken strategy reflecting a discredited old agenda of job protection. In fact, that reform has stimulated radical work reorganisation and provided the opportunity for the emergence of a new balance of workplace power relations where the length of working time is negotiated around the bargaining table with a genuine trade-off between the needs of job efficiency and leisure. The French approach to working time reform needs further investigation. But it does provide a practical example of how the existence of regulation can make a catalytic and beneficial impact on workplace change.

*The new employment survey points to the need for a fresh reassessment of how business enterprises need to restructure themselves to ensure they can take their employees with them in the introduction of workplace change.*

Similarly the recently agreed European Union draft directive that introduces a statutory system of information and consultation committees or works councils in every enterprise employing 50 or more workers should not be regarded as a crude and inefficient reform that will encourage the return of irresponsible trade union power. On the contrary, the new employment survey points to the need for a fresh reassessment of how business enterprises need to restructure themselves to ensure they can take their employees with them in the introduction of workplace change. Companies who base themselves on rigid command and control systems of decision-making are unlikely to prosper in the new world of work with its emphasis on speed, transparency, flat not hierarchical structures and above all worker empowerment.

We are moving rapidly into a more demanding work environment where the old, historic divide between capital and labour, management and workforce, needs to be closed and not reinforced. Partnership at work should no longer be regarded simply as a well-meaning slogan. Modern companies need to establish a greater degree of trust and commitment from their employees. The introduction of different forms of collective institution to strengthen worker representative voice is essential to accomplish the new legitimacy companies will require if they hope to prosper in our global economy.

But we also need to take a closer look at what might help us to deal more effectively with the other problems revealed in the new employment survey. This will require a determined effort to reassess the purpose of paid work in all our lives. Employees across the occupations need to be versatile, adept and ready to embrace change in a positive way. Although labour turnover and job tenure trends do not suggest the emergence of a more mobile labour market than in the recent past, there can be little doubt that workers - perhaps more than ever before - will have to accept a greater willingness to accept new working practices. The new employment survey has less to say than the one in 1992 on employee training and education. But other available evidence suggests the emphasis on higher skills and practical qualifications looks set

to grow and not decline in the years ahead. Whether companies alone can provide access to such learning is questionable. It is hard to avoid the view that it is in the public interest that governments must shoulder a substantial responsibility to fund and encourage continuous training by individual workers. Such investment in human capital is widely accepted but it needs to increase.

Overall the new employment survey evidence suggests we should not exaggerate or distort what is happening in our workplaces. Public policy alone is insufficient to ensure the effective modernisation of the world of work. But we cannot simply leave it to the forces of competition and the free market alone to resolve the development of future employment policies. Regulation does not have to be cumbersome and an obstacle to success. The diverse European Union-inspired employment laws that have been introduced into Britain in recent years can be used to improve and stimulate our employment system. If they help to spread best management practice through benchmarking and other techniques they will stimulate and not hinder workplace modernization.

Enough evidence is available to suggest policy-makers in government and companies need to find practical means of narrowing the divide between rhetoric and reality that obscures our understanding of the forces which either encourage or block the pace of workplace change. The lasting value of the new employment survey lies in its revelation that the reputed British model of a deregulated and flexible labour market does not correspond to the complex realities of how employees see themselves in their jobs and workplaces. Too often public policy is made without regard to empirical research but in conformity with a misconceived conventional wisdom or ideological fixation. The time has come to assess what is happening and respond accordingly. If the outcome is a more balanced, less assertive and more inclusive approach, then so much the better. A recognition of continuity and tradition should not inhibit the need for reform but on the contrary ensure we innovate with and not against the current of our existing labour market.

**Robert Taylor** is media fellow with the Economic and Social Research Council's Future of Work Programme. He is also an associate fellow both at the Warwick University Business School and the London School of Economics and Political Science. Mr Taylor was formerly employment editor of the Financial Times. At present he is researching a book on the future of work, workers and globalisation.

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# Contacts

**For further information on the Future of Work Programme please contact:**

**Programme Director**

**Professor Peter Nolan**

Montague Burton Professor of Industrial Relations  
Western Campus  
University of Leeds  
Leeds LS2 9JT

Telephone: 0113 343 4460  
Fax: 0113 278 8922  
Email: P.J.Nolan@Leeds.ac.uk

**Programme Administrator**

**Glenda Smith**

Western Campus  
University of Leeds  
Leeds LS2 9JT

Telephone: 0113 343 4504  
Fax: 0113 278 8922  
Email: G.Smith@Leeds.ac.uk

**Specific details on Britain's World of Work - Myths and Realities can be obtained from the following investigators:**

**Dr Michael White**

SENIOR FELLOW  
Policy Studies Institute  
100 Park Village East  
London NW1 3SR

Telephone: 020 7468 0468  
Fax: 020 7388 0914  
Email: m.white@psi.org.uk

**Professor Stephen Hill**

PROFESSOR OF SOCIOLOGY  
London School of Economics  
Houghton Street  
London WC2A 2AE

Telephone: 020 7955 7014  
Fax: 020 7404 5510  
Email: s.r.hill@lse.ac.uk



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Economic and Social Research Council  
Polaris House  
North Star Avenue  
Swindon SN2 1UJ

Telephone: 01793 413000  
Facsimile: 01793 413001  
Email: [exrel@esrc.ac.uk](mailto:exrel@esrc.ac.uk)

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