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MAPPING GOOD WORK

The Quality of Working Life Across the Occupational Structure



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List of Abbreviations

CIPD Chartered Institute of Personnel and Development

GWI Good Work Index LFS Labour Force Survey

NS-SEC National Statistics Socio-economic Classification OECD Organization for Economic Co-operation and

Development

OLS ordinary least squares

ONS Office for National Statistics SES Skills and Employment Survey

SOC Standard Occupational Classification

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Introduction

High-quality work¹ is central for a productive and thriving society. Ensuring a sufficient quality of work – as a policy issue – as opposed the government's conventional responsibility of ensuring a sufficient quantity of work – reached its zenith in the UK in July 2017 when the government published a review to scope out a new national job quality strategy. The publication, Good Work: The Taylor Review of Modern Working Practices, which has come to be known simply as the Taylor Review after its author Matthew Taylor, marked a turning point in UK industrial policy. It recommended the government's new 'Good Work' strategy should be more than ensuring that 'all work should be fair and decent' (that is, it pays / is stable enough to live) but that it also offers 'realistic scope for development and fulfilment'. The government's response was rather positive. 3 While concern over job quality – defined more broadly than pay and security to include things like the nature of work itself – has been on the agendas of supranational organizations such as the Organization for Economic Co-operation and Development (OECD) and the European Union for years,⁴ only now did the UK government authoritatively demonstrate it wanted a UK-specific national strategy on the quality of work defined in this broader sense too.⁵

In defining 'Good Work' as being work that also offers realistic scope for development and fulfilment as well as being fair and decent, the Taylor Review implicitly recognized the government should view work as a means of ensuring national well-being as well as a means to prosperity. This means that,

in the UK today, the highest levels of government, at least on paper, now recognize aspects of work such as the extent to which workers have control over their work tasks and working time, the extent to which their work makes use of their skills, and their well-being from work as *central* to Good Work.⁶ In this way, the Good Work agenda ties employment policy to the government's broader well-being agenda.⁷

The purpose of this book is to make visible the hierarchy in the quality of work defined in this broader sense, providing a map of how important different aspects of job quality are to workers, where higher and lower-quality jobs and occupations are more and less likely to be found, and how this has been evolving. We build on the notion that 'Good Work' is multidimensional by ultimately deferring to workers' own evaluations of what they find 'good' about work – and by how much - through correlations between different dimensions of job quality and job satisfaction. We then use these empirical insights to map out what we term the occupational quality structure (which can be read as the more enduring hierarchy in the quality of work given we tend to stay in the same occupation for many years) and then map out how this has been evolving. We believe that only by recognizing that some aspects of work are more important to a worker's sense of well-being than others – and mapping how the quality of work is occupationally differentiated in this regard – can we make real progress in promoting high-quality work, or Good Work, in addition to eliminating low quality or 'Bad Work'.

In mapping the contours across jobs and occupations, it is likely that aspects of job quality, although correlated with one another, do not always coincide. The best-paid occupations, for instance, might not always be the best overall when taking the broader, well-being-centred, view of what defines Good Work. Conversely, there may be some redeeming features to certain types of low-paying occupations, such as affording their incumbents a high degree of autonomy or skill-use. How job-quality dimensions trade off and how they are differentially

bundled across different sorts of jobs are the critical issues we seek to explore. Moreover, as the labour market is constantly evolving, this book seeks to provide a dynamic portrait on these issues too.

In this chapter, we first briefly outline the policy context of the Good Work agenda. Next, we provide an overview the three sets of social science literature informing our mapping of Good Work in Britain. We finish by summarizing how our mapping approach can help in not only understanding the enduring disparities in the quality of work between different sections of the labour market, but also in informing practical pathways for increasing the share of workers realizing the Good Work ideal.

The Good Work agenda

Following the Taylor Review, the government is now implementing steps to improve job quality defined in the broader sense through widening the remit of the Labour Market Enforcement Agency beyond the proper enforcement of minimum standards and tasking the Office for National Statistics (ONS) with collecting and publishing national statistics on the quality of work. With respect to the latter, the Carnegie Trust set up a working group to more precisely operationalize 'Good Work' and they reported their findings in 2018.⁸ Among the key recommendations made were that the government should adopt a multidimensional definition of 'Good Work'. Informed by decades of social science research, it identified the following six dimensions of job quality – with well-being being the seventh dimension – representing Good Work (with example subdimensions in brackets):

- terms of employment (job security, minimum guaranteed hours, underemployment);
- pay and benefits (pay, satisfaction with pay);
- job design and the nature of work (use of skills, control, opportunities for progression, sense of purpose);

- social support and cohesion (peer support, line manager relationship);
- voice and representation (trade union membership, employee information, employee involvement);
- work—life balance (over-employment, overtime [paid and unpaid]);
- health, safety and psychosocial well-being (job satisfaction, physical and mental health risk).

It also recommended the government map progress on these seven dimensions through the ONS's Labour Force Survey (LFS) and publish headline findings on trends in them alongside other official labour-market statistics such as the unemployment rate and wage growth, which are also often obtained from the LFS or other similar large-scale social surveys. Indicators on these dimensions are either currently being collected or are planned to be collected by the ONS (their inclusion in the LFS is staggered). The ONS published its first job quality report in November 2019.

These are huge accomplishments in promoting higherquality work. The government now recognizes things like job design and the nature of work and well-being as a component of Good Work. However, there is a risk that the Good Work agenda gets stuck on solely eliminating low pay and insecure work, and properly enforcing labour standards, 9 or that the Good Work agenda only matters insofar as there is a business case for it 10 – as fundamental as these are. There is a risk the 'Good Work' agenda may turn into the 'Bad Work' agenda, narrowly focusing on what makes work fair and decent and sufficiently productive, with less emphasis (if any) on what makes work provide realistic scope for development, fulfilment and high job-related well-being. To make our argument as to why the Good Work agenda must cover the full range of dimensions, we build on three social science literatures to provide our map.

Good Work is multidimensional

Why is Good Work multidimensional anyway? Why should the government be concerned with quality of work beyond pay and security? Is not the main function of the state to keep its citizens safe and healthy? In this sense, a narrow focus on eliminating 'Bad Work' is therefore the right one. After all, what is 'good' for one worker might not be so for another, while what is 'bad' for one worker (such as having insufficient income and stability to live) is generally so for another. The discipline of psychology and its subfield of occupational and organizational psychology have for decades been identifying which aspects of work are more and less important for psychological well-being. 11 This stream of research has shown how intrinsic features of work – such as the extent to which it affords us the opportunities to develop and use our abilities – are fundamental to how we evaluate the quality of our work and how it makes us feel. 12 Moreover, the roles these intrinsic factors play in shaping our well-being seem largely universal, given the common human need for personal accomplishment in all life domains, including work. In other words, what is good about work may well be as universal as what is bad about work.

However, these intrinsic features of work that are known to augment job-related well-being sometimes get lost in the public and policy debates about the quality of work. The nature of what workers actually do in their job – the job content – and how this matters for well-being is much less discussed than how workers are fairly or unfairly compensated for it. Part of the reason might be because, while social scientists have offered very important theoretical insights, reliable data on the intrinsic dimensions of job quality are often unavailable in large-scale national surveys required to understand how critical intrinsic features of work are distributed throughout the labour market, or to establish population-level statistical regularities required for policy-making purposes. Without high-quality nationally

18.0

16.0

14.0

12.0

10.0

8.0

6.0

4.0

2.0

1976 1978 1980 1982 1984 1986 1988 1990 1993 1995 1997 1999 2001 2004 2006 2008 2010 2013 2015

Figure 1.1: Trends in job and occupational mobility 1976 to 2016

Note: All employees who appear in two or more consecutive years in the New Earnings Panel Dataset 1976 to 2016.¹⁶

cross-sectional disparities, but also to more enduring disparities over, potentially, entire working lives – and increasingly so. Last but not least, given occupations are often recorded based on a detailed and commonly used classification system: they can be used to impute job quality in datasets where job quality information is unavailable but occupational data exist. As we go onto show, this approach can be very useful for mapping historical and future trends in the quality of work.

The evolving structure of occupations

Much social science, in particular economics and its subfield of labour economics, tells us there have been fundamental changes in the structure of the labour market since the 1980s to 2000s, largely due to technological change. Orthodox economics approaches and traditional labour-supply models in economics paint a portrait of work as a disutility and as such has focused on pay as the central criterion for defining 'Good Work'. The key research focused on the evolution in

the occupational structure in the UK distinguished between 'lovely' and 'lousy' jobs based on the average pay of the occupation and reveals that there has been a growth in both low-paying and high-paying occupations, with a huge decline in middle-paying occupations since the 1980s. ¹⁷ Studies show that much of this structural shift is due to increasing permeation and advancement of technology within workplaces, automating and replacing routine jobs (which tend to be middle-paying occupations) and complementing and expanding not only high-paying occupations, but also low-paying, non-routine ones. This narrative of a polarizing labour market with the 'hollowing out' of the middle has been – and continues to be – tremendously influential in public debates and is often (incorrectly) mapped onto debates about the quality of working life defined more broadly and the future of work.

While this stream of research has provided valuable insights into the historical and potential future trends in the labour market with respect to employees' economic rewards, we know little about how technological change and automation relate to the shifting occupational structure when occupations are ranked in terms of scope for development, fulfilment and well-being. Knowing how the labour-market structure is evolving – and how it is likely to evolve – with respect to a multidimensional definition of job quality is essential for forming effective policies to funnel the effects of technological change in more targeted ways that can have implications not just for material living standards, but national well-being. In this sense, the shifting contours in the occupational structure inform the shifting contours in the opportunity structure for Good Work.

Structure of the book

To sum up the foregoing, it is now widely recognized that Good Work is multidimensional – Good Work is not only work that is fair and decent but offers realistic scope for development

and fulfilment. We seek to provide a map of Good Work in Britain, building on insights from three academic fields. In brief, organizational psychology informs us that high-quality work is necessarily more than work that pays well and is reasonably secure, and that job-related well-being provides an appropriate yardstick to understand why some aspects of work and indeed some jobs are 'more good' than others. Social stratification theory from sociology informs us that not all jobs are created equally, and that the occupational structure provides a useful way of tapping into the seemingly invisible parameters in the potential for different sections of the labour market to achieve Good Work. Economics, although tending to focus on mainly economic aspects of work, provides useful theories and tools for mapping how the structure of opportunity of Good Work is shifting, and might further evolve.

There are four central questions our book seeks to address:

- 1. What makes work good?
- 2. What is the structure of occupational quality?
- 3. What has been happening to the occupational quality structure since the 1980s?
- 4. What are the policy implications of the answers to questions 1 to 3?

Chapter One (Mapping Good Work) provides an overview of the technical aspects of mapping the quality of work. Addressing the first question, Chapter Two (What Makes Work Good?) explores what workers themselves think is good about their work – not just what academics and policy makers prescribe as good – and argues workers' own evaluations should provide an important consideration in identifying the hierarchy in the quality of work. Chapter Three (The Good Work Hierarchy) outlines an overall measure of job quality which takes into account both what matters for worker well-being and the quality of their work into a single index used in the later chapters. Addressing the second question, Chapter Four

(The Occupational Quality Structure) maps how the overall job quality metric we develop is stratified across the occupational structure. It demonstrates that the occupational quality structure is closely related to but still different from the occupational class and wage structures: there are many informative and interesting exceptions. The chapter shows that one's occupation is a fundamental determinant of how good one's job is across all job quality dimensions, and increasingly so. Addressing the third question, Chapter Five (The Changing Occupational Quality Structure) reinterprets changes in the occupational structure from a multidimensional job quality perspective, presenting a mixed picture with some grounds for genuine optimism, and some grounds for genuine pessimism. The final chapter, Chapter Six (Conclusions and Implications), addresses the final question.

Table 1.1: Policy definitions

UK policy groups	so				International	International policy groups	
Taylor Review ^a	CIPD/Carnegie Trust ^b	Institute for Welsh the Future Govern of Work ^c	Welsh Government ^d	Scottish Government ^e	Eurofound	European Trade Union Institute	ОЕСD
Wages	Pay and benefits	Access	Fair reward	Security	Earnings	Wages	Earnings quality
Employment quality	Terms of employment	Fair pay	Employee voice and collective representation	Opportunity	Prospects	Forms of employment and job security	Labour market security
Education and training	Job design and the nature of work	Fair conditions	Security and flexibility	Fulfilment	Working time quality	Working time and work-life balance	Quality of the working environment
Working conditions	Social support and cohesion	Equality	Opportunity for access, growth and progression	Respect	Skills and discretion	Working	

(continued)

Table 1.1: Policy definitions (continued)

	((
UK policy groups	sd				International	International policy groups	
Work-life balance	Health and well-being	Dignity	Safe, healthy and inclusive working environment	Effective voice	Work intensity	Skills and career development	
Consultative participation and collective representation	Work-life balance	Autonomy	Legal rights respected and given substantive effect		Social environment	Social Collective environment representation	
	Voice and representation	Support			Physical environment		
		Participation					
		Learning					

Notes:

DBEIS (2017).
 CIPD (2019) and Carnegie (2018).
 IFOW (2019).
 Welsh Government (2019).
 Fair Work Convention (2016).