

A brief guide to (in)security at work

Security – of employment and income – is a key aspiration of many in the labour market, and is a core dimension of fair work in Scotland’s Fair Work Framework. Job security remains the most valued aspect of work in a wide variety of countries and a top priority for people at the lower end of the labour market in Scotland as recent work by Oxfam Scotland has confirmed. Security at work matters not just to workers and their families: it is also a crucial support to stability in the economy and in society.

Standard and non-standard working

Many academic and policy debates in recent years have focussed, however, not on security but on insecurity. It used to be easier, relatively speaking, to research and understand security at work. While there was always variation, full time, regular employment in a fixed location was the archetypal model of work in the advanced economies for many decades. Much evidence suggests the ‘dissolution’ of this standard employment relationship since the 1970s. Newer forms of ‘non-standard’ labour are not just ad hoc responses to businesses’ need for occasional flexibility, but are emerging as normalised business practice and driving new business models.

National surveys and national labour market data point to the rise of precarious and insecure work in many countries. Around 20% of UK workers are not in full-time regular employment. There has been a 6% rise in flexible employment in Europe over 1980-2011 (De Lange 2013). OECD data indicates that non-standard working has accounted for all UK net jobs growth since 1995, and in the UK self-employment now accounts for 15% of employment. 6.1% of employees in the UK are now temporary workers, though ONS data show little change over the past 15 years in the proportion of temporary, casual, agency or fixed term contract workers.

% of people in employment on a zero hour contract

		Scotland	UK
2000	October - December		0.8
2014	April - June	2.3	2.0
	October - December	2.3	2.3
2015	April - June	2.0	2.4
	October - December	2.2	2.5
2016	April - June	3.0	2.9

Source: ONS, Labour Force Survey, NSA

Scotland and the UK have witnessed substantial growth in no guaranteed hours (commonly referred to as ‘zero hours’) contracts since the start of the century, with 3% and 2.9% respectively of those in employment on contracts without guaranteed minimum hours, according to the most recent data. There are now over 903,000 people in the UK on zero hour contracts.

Women, young people, and employees in elementary and caring, leisure and other services occupations, are over-represented on ZHCs, while self-employment is most common in construction and building trades and for taxi/cab drivers and chauffeurs and carpenter/joiners.

Why does the growth in non-standard work matter?

Non-standard work is not necessarily insecure. But it often is insecure, with the burden of risk and uncertainty disproportionately falling on non-standard workers. In addition, non-standard working carries other negative dimensions of job quality. We know that non-standard working offers less access to paid leave, sick pay or maternity pay as well as to training opportunities and career development. In the UK, self-employment has been found to be associated with insecurity and with low pay.

Similarly, temporary agency workers are less satisfied with job security, skill utilization and development, pay, autonomy and influence at work than their counterparts. Non-standard workers have fewer employment rights and are less likely to be union members. According to the OECD, non-standard working is also fuelling inequality and income disparity.

It is worth highlighting, though, that patterns and trends are uneven across types of non-standard work, groups and sectors. For example, many dispute – with good reason - the inclusion of open-ended part-time work in classifications of non-standard employment. As labour economist Peter Cappelli has argued for the US, growth in forms and use of non-standard working challenges measurement and analysis as broad classifications of ‘non-standard’ or ‘atypical’ work mask important in-category differences. Measurement, analysis and understanding in this area is particularly challenging due to issues of data availability.

Put simply, there is a dearth of systematic labour market and workplace data that can shed light on the realities of different types of non-standard working and workers. Cappelli argues that surveys of employers provide the most accurate insights into non-standard work practices but are surprisingly rare. For the UK, the Workplace Employment Relations Survey (WERS) data series provides important insights in this regard, although with intervals of six or more years between surveys. The Skills and Employment Survey also provides data from employees on the experience of non-standard and standard working, though with intervals between surveys similar to WERS. Neither of these employer and employee surveys are representative for Scotland in their most recent versions.

Security for ‘standard’ workers

Despite these data challenges, it is important to understand better the impact of non-standard employment, particularly in relation to job security. But, what about the ‘standard’ workforce? Developments in contemporary working – for example, variable hours or distanced working - also change understanding and experience of ‘standard’ working. Greater relative insecurity for the non-standard workforce does not preclude worsening security for standard workers also. Two types of data help us to shed light on the job security of ‘standard’ workers: data on actual job tenure and data on perceived insecurity.

Looking at job tenure, it is clear that most people’s jobs are not contractually insecure and most people stay in jobs for quite a long time. The average amount of time people spend with an employer – average job tenure – did not shift greatly between the mid-1970s and the mid-2000s. Average job tenure in the UK – albeit one of the lowest in the OECD - was more than 9 years in 2011, having risen since 2001. In 2012, while 14% of men and 16% of women had been with their employer for less than a year, 55% of men and 52% of women had job tenure of more than 5 years. In addition, average job tenure appears to have increased slightly in recent years – consistent with falling job turnover, which in turn is likely to be driven by economic conditions that are encouraging employees to remain in jobs.

The table below shows, for the UK and for Scotland, the percentage of employees who have been with their current employer for different durations. We can see that slightly less than three quarters (74.2%) of workers in Scotland have worked for their present employer for more than two years. This is higher than for the UK as a whole (71.7%). Compared to the height of the financial crisis in 2007-08, a higher share of the labour force has been with their current employer for over one year, and over two years. Overall, current employment tenure in Scotland appears to be longer for most workers than in the UK as a whole.

Length of time with current employer, as a share of total employment

	Scotland		UK	
	2007-08	2015-16	2007-08	2015-16
Less than 3 months	4.9%	4.2%	4.9%	4.6%
3 months, but less than 6 months	4.8%	4.2%	5.0%	4.6%
6 months, but less than 1 year	7.8%	6.8%	7.8%	7.4%
1 year, but less than 2 years	11.3%	10.5%	11.5%	11.7%
2 years, but less than 5 years	20.8%	20.1%	22.0%	20.1%
5 years, but less than 10 years	18.3%	17.2%	18.9%	17.8%
10 years, but less than 20 years	18.6%	22.1%	17.7%	21.2%
20 years or more	13.6%	14.8%	12.4%	12.6%
More than 2 years	71.2%	74.2%	70.9%	71.7%
More than 1 year	82.5%	84.7%	82.4%	83.4%

Source: ONS, Annual Population Survey

While falling job turnover and rising job tenure is not always a positive signal – as it may, for instance, reflect the inability of workers to move to a better job – thinking about job tenure does provide some insight into job security for consideration alongside debates on contractually insecure work.

Turning to perceptions of employment security, which research suggests is a fairly reliable proxy for actual job insecurity, this increased in the UK over the period of global financial crisis, particularly in the public sector, but has since reduced. We have limited consistent survey data on how ‘insecure’ employees’ feel, but the CIPD ‘Employee Outlook’ survey (which gathers the views of some 2,500 to over 2,900 employees biannually) took a strong interest in this in the aftermath of the great recession. This survey deployed a series of questions to employees on whether ‘it is likely or unlikely that they could lose their jobs’ as a result of the crisis (although these questions have been discontinued since 2015, perhaps reflecting a perception that the UK economy is free of crisis).

The most recent data available from the Employee Outlook survey in Autumn 2014 (with Spring 2014 for comparison) is contained in the Table and Figure below, which indicates that 18% of survey respondents thought that it was ‘very likely’ or ‘likely’ that they were at risk of losing their jobs. Within this cross-sectoral survey, public sector workers felt most insecure, with 23% of the sample reporting the likelihood of job loss. The proportion of respondents in the ‘very likely’/‘likely’ perceived risk group has been largely consistent over the last two years of available survey data. Similarly, over recent years the proportion of all respondents believing that it was ‘very unlikely’ or ‘unlikely’ that they were at risk of losing their jobs did not fall below 50%, though the proportion of public sector employees fell marginally below 50%.

Employee expectations of job loss

Autumn 2014 (Spring 2014)

Proportion of employees saying it is likely or unlikely that they could lose their jobs as a result of the economic downturn (%)

	All	Private	Public	Voluntary
Very likely	4 (4)	4 (3)	5 (6)	4 (5)
Likely	14 (11)	13 (10)	18 (17)	14 (16)
Neither likely nor unlikely	27 (26)	27 (27)	26 (24)	25 (24)
Unlikely	31 (32)	32 (32)	29 (32)	32 (30)
Very unlikely	19 (21)	20 (22)	17 (17)	20 (20)
Don't know	5 (6)	5 (6)	5 (6)	6 (6)

Base (Autumn 2014): 2,918; private: 2,153; public: 547; voluntary: 143.

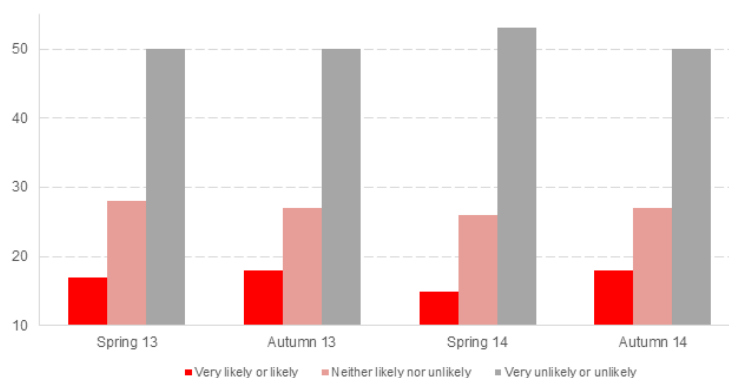
Base (Spring 2014): 2,523; private: 1,838; public: 479; voluntary: 103.

Source: CIPD Outlook Autumn 2014/Spring 2014

Persistent (perceived) job insecurity can damage health and wellbeing according to recent international studies. Glavin has recently published extensive survey work with more than 1,000 US workers which found that while 'episodic'/occasional experiences of perceived insecurity have little impact on some aspects of wellbeing – 'persistent job insecurity operates as a chronic stressor', with the persistently insecure reporting 'increased psychological distress and poorer self-rated health compared with those in secure work' (Glavin, 2015: 321). This research also finds that age matters, with some of the most negative impacts being on middle-aged workers.

Similarly, analysis by Griep and colleagues compared Finnish employees experiencing job insecurity with their long-term and short-term unemployed counterparts. Analysing almost 4,000 survey responses, these authors found that those experiencing job insecurity reported poorer wellbeing than those in short-term unemployment in terms of psychological complaints such as nervousness and reported physical health complaints. These studies add to a growing evidence base that persistent job insecurity can impact negatively on wellbeing.

% of employees reporting on whether they could lose their jobs as a result of the economic downturn



Source: CIPD, Employee Outlook surveys

Job status insecurity

Looking at contractual arrangements isn't enough to understand perceived job insecurity. More recently, a discussion has started about job status insecurity, that is, anxiety "... about the threat of loss of valued features of the job" (Gallie, Felstead, Green and Inanc, 2016: 2). Job status insecurity is driven by developments in management practice, frequent organisational change, increasing performance expectations, closer monitoring and stronger sanctions for underperformance, all of which can generate anxiety and uncertainty about valued job features.

Using UK data from 1986-2012, and controlling for personality characteristics, Gallie and colleagues report increasing job status insecurity over the period, with 38% of their sample reporting at least one form of job status insecurity, and with anxiety over pay and having less say in the job the most prevalent. Job status insecurity featured at every occupational level and was more frequently reported than job tenure anxiety, though those in lower class/occupational positions had significantly higher job status insecurity, arguably as they bear disproportionately the costs of internal flexibility. Particular HR practices such as performance appraisal and forms of autonomous-team working were significantly associated with job status insecurity that in turn reduced psychological well-being, though offering employees opportunities to participate could reduce this anxiety.

Implications for research and policy

As we have argued, national statistics allow for important insights into some aspects of job insecurity, particularly in relation to the use of non-standard employment or work arrangements and how these impact on pay, dimensions of job quality and other aspects of work experience. There are limits, however, to how much robust disaggregated analysis can be done using these statistics for industries and regions in Scotland, hampering the provision of a more nuanced picture of job security and insecurity.

Survey data provides broader and deeper insights into organisational practices relevant to employment and job security, and into how this is experienced by workers, but these are relatively infrequent, may not be representative for Scotland and are rarely capable of providing the specific insights relevant to policymaking and intervention. The issues of measurement, data and evidence are, however, currently being looked at closely by the Fair Work Convention and have been highlighted as an important area of development in Scotland's Labour Market Strategy. Given the importance of security to people in work, these are welcome developments.

References

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