



Project no. CIT3-CT-2005-006193

WORKS

Work organisation and restructuring in the Knowledge Society

Integrated project

Priority 7: 'Citizens and governance in a knowledge-based society'

Deliverable 15.2.4

The transformation of work?

A quantitative evaluation of change in work in Great Britain

Due date of deliverable: May 2008

Actual submission date: May 2008

Start date of project: 01/06/2005

Duration: 48 months

Lead contractor:
HIVA-K.U.Leuven

Final report

Project co-funded by the European Commission within the Sixth Framework Programme (2002-		
Dissemination Level		
PU	Public	X
PP	Restricted to other programme participants (including the Commission Services)	
RE	Restricted to a group specified by the consortium (including the Commission	
CO	Confidential, only for members of the consortium (including the Commission Services)	



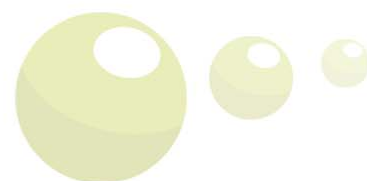
The transformation of work?

WP15 - A quantitative evaluation of changes in work in Great Britain

Malcolm Brynin
ISER, Great Britain

works
CHANGES IN WORK

CIT3-CT-2005-006193



Copyright (2008) © Work organisation and restructuring in the knowledge society - WORKS project
Project number: CIT3-CT-2005-006193

All rights reserved. No part of the report may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording; and may not be quoted or cited, without prior permission in writing from the Project Co-ordinator.

The authors are solely responsible for the content of this report. It does not represent the opinion of the Community. The Community is not responsible for any use that might be made of data/information appearing therein.

Contents

1	Introduction	5
1.1	The international context	5
1.2	Specific British issues	9
2	Changing work patterns	11
2.1	Work hours and tenure	11
2.2	Gender and work hours	12
2.3	Occupational change at the individual level	14
2.4	The IT sector	15
3	The changing nature of work	17
4	Skills	21
4.1	The returns to education and overqualification	21
4.2	Training and skills	23
5	Job satisfaction	25
6	Conclusions	29
	Bibliography	31

1 Introduction

The focus of the WORKS project is changes in work patterns as a result of the development of the knowledge industry and, related to this, of globalisation. In this introduction we discuss whether Britain can be fitted into a clear international framework – that is, does it represent a specific type of development? We then add some information on specifically British issues, before proceeding to the detailed analysis.

1.1 The international context

The core concern is change in work patterns, on the basis especially of various indicators of work flexibility. We argued in the WP9 report that there is not much support in the literature for the view that there has been a general trend towards increased flexible employment and job insecurity overall (European Commission, 2003: 125-55; Gregg & Wadsworth, 1995; OECD, 2003: 50-52; Auer & Cazes, 2003; Boje & Grönlund, 2003). Green (2005) dismisses the idea as a media myth. According to Auer and Cazes ‘the percentage of those having long-tenured jobs has remained stable or has even increased in the nineties’ (2003: 4). But we do see some signs of more mixed changes. Burchell, Ladipo and Wilkinson (2002) use the early waves of the European Working Conditions Survey (also used, but with a longer run of data, by the CEE in their WP9 report) to show an increase in work-time pressures in several countries. Green (2005) finds that in some countries there has been both a rise in work intensification and a fall in task discretion. Thus there is some evidence of increased functional flexibility. The case is less clear in the case of numerical flexibility, but, as one example, even if fixed-term contracts are a small proportion of total employment, according to Auer and Cazes (2003: 45) the percentage increase in the 1990’s in the EU-15 was 24 *per cent*. Much and sometimes most new employment is characterised by fixed-term contracts. This means that some aspects of employment are subject to change, and that some elements of this change are potentially negative in their effects for the individual.

The question is how far such changes are common to groups, if not all, countries – that is, whether there are types of development that certain countries with a specific history and institutional framework are likely to follow – and also where Britain stands in this context. The most well-known groupings are the welfare state classification of Esping-Andersen (1993) and the varieties of capitalism method (Hall & Soskice, 2001). As a general example of such institutional linkages, it has been argued that there is a fairly close positive correlation between temporary work and legislative strictness over permanent contracts (OECD, 2004: 87).

One problem with this approach, though, is that there are always significant anomalies in the application of such classifications, some of which we discuss in the WP9 report. Britain has relatively limited employment protection and thus it might be expected that

workers fare less well there than in other countries. How far is this the case? Looking at labour turnover as an indicator of increased flexibility, Auer and Cazes (2003) find that most countries in fact have an average job failure rate, including the UK, which is also very similar to France despite much stronger job protection there. Only Spain (very high), Finland (high) and the Netherlands (low) really stand out (Auer & Cazes, 2003: 52).

Below we reproduce Table 1.1 from the WP9 report, to give an overall picture of where the countries stand in relation to each other on a number of dimensions of work. If one of our main concerns is job flexibility, there is very little support in this table for the notion that this varies in any clear way with national institutional frameworks, let alone of national 'types'. For instance, the UK, a 'liberal' country, has a small proportion of workers on fixed-term contracts. The reason is possibly that with its relatively liberal hiring and firing laws employers have only a limited need for this type of contract. France, with its much higher level of job protection, has a higher proportion of fixed-term contracts. Employers use such contracts to avoid the rigidities of the legislation. In France we have a nationally specific 'solution' for coping with change, with strong employment laws protecting a large core of employment while shifting insecurity onto specific groups of workers, especially the young (Galtier & Gautié, 2003). In Sweden, a big increase in temporary employment could be put down to changes in supply rather than demand, as it occurs there also mostly amongst young people who might therefore be 'job hopping' (Boje & Grönlund, 2003: 198).

We also observe little consistency in respect of 'flexibility'. If we compare national outcomes to the EU-15 average we can see that Denmark and the UK are higher on part-time work, lower on fixed-term work in both years. Spain and Finland are the reverse. Some other countries change their position over time, for instance Portugal, which is lower on part-time work in both years and higher on fixed-term work only in the later year. The rest indicate no clear relationship relative to the European average. Countries are highly distinctive entities even where changes like globalisation are concerned.

It is not that groupings do not exist but that they are only partially explanatory. We can see this in respect of employment legislation protection (EPL). In the period 1985-93 (before the period we examine), excluding Denmark (which scores 5), Scandinavia averaged 11-12, 'continental' Europe (excluding the Netherlands, with 9) averages around 15, the 'southern' countries 19-20, while 'Anglo-Saxon' Ireland scores 12 and the UK, 7 (Lodovici, 2000: 55). Clearly there is a gradation, if with exceptions, from the north to the south, but this north-south division¹ is merely a geographical explanation. It is equally possible to say, alternatively, that it is the UK against the continent of Europe.

It is easier to classify countries by legislative and related characteristics than to show that these have a consistent effect. In his examination of deregulation, Esping-Andersen finds little relationship between regulatory policies, and therefore deregulation, and various outcomes like unemployment. Factors such as population supply, including de-ruralisation, which makes the southern countries distinct, seem more significant in their effects than regulatory frameworks. Regulatory regimes probably affect the composition rather than level of unemployment. It tends to protect some groups at the expense of others

¹ Which also appears to apply to other, quite different indicators, for instance, with the southern countries seeming to have a more equal class distribution of health (Rose & Harrison, 2007: 485).

- often those in core jobs, who then have an incentive to resist change which could benefit less fortunate members of the labour force (Esping-Andersen & Regini, 2000: 66-112).

Table 1.1 Change in selected employment indicators for 14 EU countries (excluding Luxembourg) and EU-15 average

	Belgium		Denmark		Germany		Greece		Spain		France		Ireland	
	1993	2004	1993	2004	1993	2004	1993	2004	1993	2004	1993	2004	1993	2004
Activity ¹	61.0	65.9	81.4	80.1	70.6	72.6	59.0	66.5	58.4	68.7	67.3	69.5	61.2	69.5
Unemployed ²	8.6	7.8	9.6	5.4	7.7	9.5	8.6	10.5	18.6	11.0	11.1	9.7	15.6	4.5
Self-employed ³	18.2	16.3	9.2	7.0	9.7	10.9	44.5 ^a	40.2	19.2	14.8	11.6	8.8	20.5 ^a	17.4
Part-time ³	13.1	21.4	23.1	22.2	15.2	22.3	4.3	4.0	6.4	8.7	14.3	16.7	10.5	16.8
Fixed-term ³	5.1	8.7	10.6	9.5	10.3	12.4	9.5	11.9	33.0	32.5	10.9	12.8	9.3	4.1

	Italy		Netherlands		Austria		Portugal		Finland		Sweden		UK		EU-15	
	1993	2004	1993	2004	1993	2004	1993	2004	1993	2004	1993	2004	1993	2004	1993	2004
Activity	58.3	62.7	67.9	76.6	71.1 ^b	71.3	69.4	73.0	72.6	74.2	77.7	77.2	75.5	75.2	67.1	70.6
Unemployed	10.1	8.0	6.2	4.6	4.0	4.5	5.6	6.7	16.3	8.8	9.1	6.3	10.0	4.7	10.0	8.1
Self-employed	26.7	25.2	15.6	14.1	21.0	18.9	25.2 ^c	24.1	13.9	11.5	5.5	4.9	13.5	12.8	16.2	14.9
Part-time	5.5	12.7	35.2	45.5	12.6 ^b	20.2	7.3	11.3	11.3	13.5	20.5	23.6	23.6	25.8	14.8	19.4
Fixed-term	6.2	11.8	10.5	14.8	4.8 ^b	9.6	11.0	19.8	18.1 ^c	16.1	12.0	15.5	6.3	6.0	11.0	13.6

¹ per cent total population aged 15-64

² per cent labour force aged 15+

³ per cent total employment

a 1995

b 1996

c 1997

Source: European Commission: Employment in Europe 2005

1.2 Specific British issues

Does Britain's economic 'liberalism' make it truly distinct from the rest of Europe? In terms of what we see now (for instance, refusal to accept the social chapter of the EU) it makes some sense to call the UK a 'liberal' country. However, when we view the history of the UK's political and economic development since the second world war, this becomes much more doubtful. Although policy shifted between the highly interventionist policies of Labour governments (nationalisation, employment protection, a national role for the trade union movement, and in one period of government forcing through the closed shop) and the more laissez-faire policies of Conservative governments, much of the effects of state intervention persisted in a long period of post-war consensus; for instance, the nationalisation of certain industries such as telecommunications and a massive increase in the subsidised housing stock (Clarke, 1996: 241-3). It is only since 1979 and the start of 'Thatcherism' that liberal policies have been greatly extended and have stuck. The cause of this change is beyond the scope of this report, but it is perhaps unhelpful to distinguish the UK as *institutionally* liberal. For instance, trade-unionism is often linked to regulatory frameworks where they take on a corporatist role, as in Germany, but in Germany unionisation is relatively low, at 30 *per cent*. While the confrontational British system (now in decline) in part derives from a laissez-faire tradition (the result of companies not prepared to share power with the unions), British unions have perhaps limited commercial freedoms more than unions have been able (or wished) to do in more corporatist systems such as in Germany.

What made Britain distinctive in much of the postwar period was exceptional, historical factors such as the continuation of sterling as an international currency even when the economy was extremely weak, so that the exchange rate could not be sustained.² This led to the sacrifice of economic growth and the more rapid decline than elsewhere of old industries. After 1979, with the arrival of the Thatcher government, it led to overkill. By 1983 over 2 million jobs had been lost. Most of the jobs were in manufacturing industry; most of them were full-time; most of them were held by men; most of them were in unionized plants (Clarke, 1996: 372)

This preceded an economic revival in the 1990's and beyond. However, as Esping-Andersen and Regini (2000) show, the evidence for a causal effect is by no means convincing. In an analysis of the effects of deregulation on employment in Britain, Deakin and Reed contest the idea that high unemployment in the early 1980's 'was the legacy of over-regulation during the years of the post-war, welfare state consensus', or that liberalisation in the 1990's gave rise to 'a higher employment rate and a superior record of job growth to most of its European neighbours' (2000: 143). Instead of unemployment there was an increase in poor, marginal jobs, while one of the main reasons for the relatively high job growth was the increased uptake of work by women.

While in recent years therefore we observe a relationship between economic liberalism and growing inequality, the UK is not a consistently laissez-faire country and nor is

² The problems continue, despite a floating exchange rate, previously masked by the value of North Sea oil. In terms of goods, in 2005 the UK had a net trade deficit of 102.5 billion euros, compared to an average surplus for the EU-15 of 23.2 billion. For Germany the surplus was 158 billion. These figures are partially compensated by a surplus in services for the UK of 31.3 billion and a deficit for Germany of 41.3 billion (Eurostat, 2007: 197-204).

employment is generally characterised by relatively poor conditions of work or low levels of skill utilisation. Towards the end of the Thatcher period (1995), as summarised in the CEE's WP9 report (Greenan *et al.*, 2007: 61), compared to the EU-15 the UK was, broadly speaking, average in terms of GDP growth (slightly below), of percentage economically active, educational attainment (slightly below), tertiary education (slightly above) and unemployment (slightly below); but somewhat more below average on self-employment, and well above in part-time work. Overall, nothing exceptional. By 2005, stronger growth had pushed the UK's index for GDP per capita up to 116.8, relative to the EU-15 average of 108.6. Average employment was 71.7 *per cent* in the UK, 65.2 *per cent* in the EU-15, unemployment 4.7 *per cent* compared to 7.9 *per cent* for the EU-15. In terms of education, if we take early school leaving as a key indicator, the average for the EU-15 was 17.2 *per cent* and the UK's, at 14.0 *per cent* was not that much lower (Eurostat, 2007).

We have argued, in line with Esping-Andersen and Regini (2000), that this change might have had little to do with the destructiveness of the Thatcher period, though this cannot be entirely discounted. What we can say is that the UK was perhaps inherently well placed to benefit from some of the global changes then underway. The failure in manufacturing was compensated partly not only by trade in invisibles but, overlapping both with goods and services, in the creative industries. These are an important element in globalisation and often involve high-level use of new technology. Examples are the music industry, where in 1993 the UK generated net earnings of £571m – primarily from royalties and recordings. Net receipts to the UK film and television industry (though television itself made a deficit) were £820m over the period 1983-93. The UK is also a major source of software design for computer games (but not of production). It is sometimes argued that the flexible approach to employment associated with Britain enables small companies to flourish in these sorts of areas (Office of Science and Technology/HMSO (1995: 27-31). But there is no reason to think that such policies encourage or enable start-ups specifically related to the creative or knowledge sectors.

2 Changing work patterns

2.1 Work hours and tenure

We have already provided summary information in Table 1.1 for Britain relative to other countries. In Table 2.1 we simply reproduce the information from Table 1.1 for Britain alone relative to the EU-15 as a whole.

Table 2.1 Change in selected employment indicators for the UK relative to EU-15 average

	UK		EU-15	
	1993	2004	1993	2004
Activity	75.5	75.2	67.1	70.6
Unemployed	10.0	4.7	10.0	8.1
Self-employed	13.5	12.8	16.2	14.9
Part-time	23.6	25.8	14.8	19.4
Fixed-term	6.3	6.0	11.0	13.6

Notes: As in Table 1.1.

Source: European Commission: Employment in Europe 2005

We clearly observe a decline in unemployment, though no overall increase in the already high level of activity, and no reliance on increased use of fixed-term contracts. Part-time work, however, has increased slightly, remaining well above average.

In Table 2.2 we show more detailed trends for the UK in part-time and shift work, based on the WP9 report by Birindelli and Rusticelli (2007) and derived from the European Community Labour Force Survey. The noticeable increase in shift work perhaps confirms the picture of a worsening work situation for some workers, whether male or female.

Table 2.2 Part-time work and shift-work, UK, 1995-2005

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Part-time workers as percentage of total employment	24.1	24.6	24.9	24.9	25.2	25.3	25.2	25.5	26.0	26.2	25.7
Employees working on shift work as a percentage of the total of employees	15.6	15.9	16.1	16.2	16.4	16.6	19.0	19.1	19.5	19.4	19.0

Source: Eurostat, CLFS

It is commonly believed that 'jobs for life' have ended and therefore that job tenure has declined. However, we have already noted that job tenure has not declined substantially in the aggregate. Further, any decline that has occurred need not indicate worsening employment, because the rise in employment in the 1990's and improved market opportunities have encouraged more rapid job change. However, it is possible that in more liberal Britain, reduced job tenure for both 'good' and 'bad' reasons has increased. It seems in particular that there has been some decline for more people at difficult junctures in their careers – the young, but also middle-aged men (Burchell, Dale & Joshi, 1997). This suggests a degree of involuntary change. Further, amongst those who return to work after a spell out of the labour market there is a wage loss (Gregg, Knight & Wadsworth, 2000: 39-56). However, this is not all negative as the work patterns of the more educated women are increasingly like those of men (Burchell, Dale & Joshi, 1997: 210-246), and some reduced tenure for women derives simply from more women entering the labour market (and therefore inevitably having short careers at the time of measurement). In general, it is possible that the work situation of some men has worsened and of some women improved.

If we define unusual work hours more tightly, in terms of night or weekend work, then the UK ranks extremely badly. The following table is derived from HIVA's WP8 report (Ramioul & Huys, 2007) and is based on returns from employers rather than from employees.

Table 2.3 Ranking of unusual working hours in the UK (required from at least 20 *per cent* of employees) relative to EU-21

Night work	1
Saturday work	1
Sunday work	1
Index (range 3-62)	3

2.2 Gender and work hours

Gender is an important issue for the understanding of flexibilisation, as women are not only more likely to work part-time but to be in temporary employment. Smith, Fagan and Rubery (1998) find that in general women's part-time work has increased across a range of sectors and occupations in response to employer demand for greater flexibility, and that this is greatest in countries where legislation and union policies allow. Blossfeld and Hakim (1997) suggest that the standard welfare state typology explains part-time work by women fairly well. For instance, the social-democratic countries have encouraged women's paid work and full-time over part-time work, while liberal regimes encourage high levels of low-grade female part-time work.

Nevertheless, there are important anomalies or additional factors to take into account. France's well-known family policies make this country stand out, while the liberal US has seen far more full-time work by women than liberal Britain. 'Conservative' central European countries, Germany and the Netherlands, encourage women to stay at home but also, as in Britain, part-time over full-time work, while the Netherlands has in fact become, with a change of policy, the leader in female part-time work. In respect of job

satisfaction Kaiser finds that there is little difference between many countries (2004: 105). Looking at the relationship between male and female job satisfaction, Kaiser finds a ‘surplus’ for women over men in Germany, the UK and Ireland, which is simply described as a ‘job-satisfaction paradox’ (2004: 116).

It is also of note that the national distribution of the wage effects of both part-time and fixed-term work follows no obvious pattern. In Belgium, Denmark, Finland, and the UK, men suffer a greater wage penalty (gross hourly) for part-time work than do women; in Italy the penalty is equal; in Austria, France, Germany, Greece, Ireland, the Netherlands, Portugal and Spain women suffer a greater wage penalty (Pissarides *et al.*, 2005: 60-63). There are no doubt complex reasons for these differences, such as skill and occupational distributions, but there is no readily available explanation.

In Table 2.4 we repeat the trend for the UK part-time work shown in Table 2.2, and now add the female proportion of this. As the latter does not rise, this suggests that the slight increase in part-time work is accompanied by an increase in female part-time *and* full-time work. Thus, although female part-time work has risen in absolute terms, and this might have negative consequences, relatively it has not.

Table 2.4 Part-time work and shift-work, UK, 1995-2005

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Part-time workers as percentage of total employment										
24.1	24.6	24.9	24.9	25.2	25.3	25.2	25.5	26.0	26.2	25.7
Female part-time workers as percentage of total female employment										
44.3	44.8	44.9	44.8	44.3	44.4	44.3	43.9	44.2	44.2	43.1

Source: Eurostat, CLFS

Overall, women’s working hours are increasing. Putting aside the role of work-time preferences, it is possible that this entails some sort of loss of utility for women. This could happen, for instance, if in order to keep their jobs or to improve promotion prospects, women have to put in longer hours to do the same job as men.³ If we look at women doing ‘men’s’ jobs, and we focus here on IT workers, especially relevant in a study of the knowledge sector, we see a surprising distribution of work hours. Using the British New Earnings Survey, in 2000 we get the distributions shown in Table 2.6. This suggests, rather remarkably, that women who work with computers full-time, whether at a high or at a routine level, tend to have higher *basic* hours than men (even, that is, if with overtime men work longer hours). The numbers of female managers and software engineers is small, while also many operators especially would be working part-time, and therefore not included in this table, but it nevertheless implies that to work full-time in these sectors women have to make higher contractual commitments of time.

³ However, it remains difficult to assess the meaning of working hours *because* of differential preferences. Many part-timers would prefer full-time work, but in one European comparison of the gap between actual and preferred working hours, in the UK men work 7.7 more hours per week than they would like and women 3.6 (European Foundation for the Improvement of Living and Working Conditions, 2001: 73).

Table 2.5 Percentage of full-time workers in weekly hour groups (normal basic)

	Less than 36	36-37	38-39	40+
Men				
Computer managers	24.2	54.4	16.5	4.9
Software engineers	16.8	66.1	15.0	2.2
Analysts/programmers	26.4	59.9	10.4	3.3
Operators	23.7	51.8	16.2	8.4
Women				
Computer managers	0.7	30.4	55.5	13.4
Analysts/programmers	1.3	34.7	56.9	7.1
Operators	7.4	23.8	53.3	15.5

Source: Office of National Statistics (2001)

2.3 Occupational change at the individual level

We have discussed length of tenure above, and mentioned that this is difficult to interpret. However, we can also look at stability in occupations over time, rather than jobs, on the assumption that changing occupations is harder than changing jobs, and therefore less willingly undertaken. This therefore provides a stronger measure of change. The analysis derives from ISER's WP9 report (Brynin & Longhi, 2007). This produces some broad results that we might mostly expect, with Denmark, France, Germany and Ireland having high stability, and Belgium, Italy, the Netherlands and the UK having low stability. It also seems that negative factors such as being in fixed-term jobs drive most occupational flux, even in the countries with limited occupational turnover (for instance, Denmark and France). Multivariate analysis shows that in virtually all countries being on a fixed-term or casual contract is a strong predictor of occupational change. Although between around 5 *per cent* and 20 *per cent* of occupational moves can perhaps be characterised as linked to promotion, the reasons for changing not only job but occupation appear to be largely negative.⁴

Table 2.6 shows the distribution of occupational change in Britain compared to one other country, Germany, because the figures for one country by itself make little sense. Change is shown for a period of two years (waves 1-3) and seven years (waves 1-8). The table indicates that there is a relatively high level of change in occupations in Britain, higher than in Germany, and that this is fairly consistent across occupations over a short period, though far less so as more time elapses. As in most other countries, stability is lowest in elementary grades but also in Britain in the technical grades.

⁴ Over a period of seven years in individuals' careers, in Britain about 17 *per cent* of men appear to move up in terms of status when they change occupations, and 12 *per cent* down, the rest (71 *per cent*) not changing their status. For women the up/down proportions are very similar: 17 *per cent* and 10 *per cent* respectively.

Table 2.6 Percentages of workers remaining in same occupations wave 1-wave 3 and wave 1-wave 8, Germany and Britain

	Waves 1-3		Waves 1-8	
	Germany	Britain	Germany	Britain
Senior manager	89.3	84.2	44.6	63.8
Professional	93.8	86.6	79.2	63.0
Technical	92.4	77.1	73.7	52.2
Clerical	93.2	82.2	67.5	61.9
Service	93.2	85.1	63.2	60.6
Skilled	95.5	82.8	74.8	63.8
Less skilled	95.3	84.0	67.3	57.4
Elementary	89.2	76.3	54.7	37.0

2.4 The IT sector

We next look at a specific example of the knowledge sector, at IT jobs. We would expect, if knowledge is in high demand, that this sort of work would be characterised by high job turnover. However, as IT skills can be used across a range of occupations, IT work might also be subject to high occupational turnover. Table 2.7 shows the proportion of moves in and out of any IT occupation, compared also to moves in and out of some other (arbitrarily chosen) professions in order to provide a baseline. The data are based on the BHPS and GSOEP, both of which form part of the ECHP but which provide more detailed occupational data in the original surveys (three rather than two digit ISCO). The table shows moves across four waves, a span selected to allow for a reasonably high probability of a move without reducing sample size excessively through attrition (the sample is inevitably very small in the first place). The figures are also based on person-waves, so that people mostly appear more than once in the sample. However, if they have not already made a change they have the same probability of moving at each point in time.

All figures show people working at both time points. Thus over four waves (*i.e.* three years) there is an astonishing degree of movement not only out of jobs, but out of one profession into another. In both countries this is high for IT specialists, but in fact much the same as for accountancy. The percentage of the current profession in the sample comprising new recruits from other professions is, however, mostly higher in the case of IT, but in fact this does not mark out this profession as all the professions exhibit a net gain with the exception of accountancy in Britain. Broadly speaking, IT and accountancy in both countries, but also engineering in Britain, are similar in respect of the degree of change. It is much lower in the case of personnel and engineering in Germany, but a great deal higher in British personnel work. Overall, therefore it is higher in Britain than in Germany, and IT does not stand out particularly.

Table 2.7 Percentage of moves in and out of selected professions over 4 waves (GSOEP and BHPS)

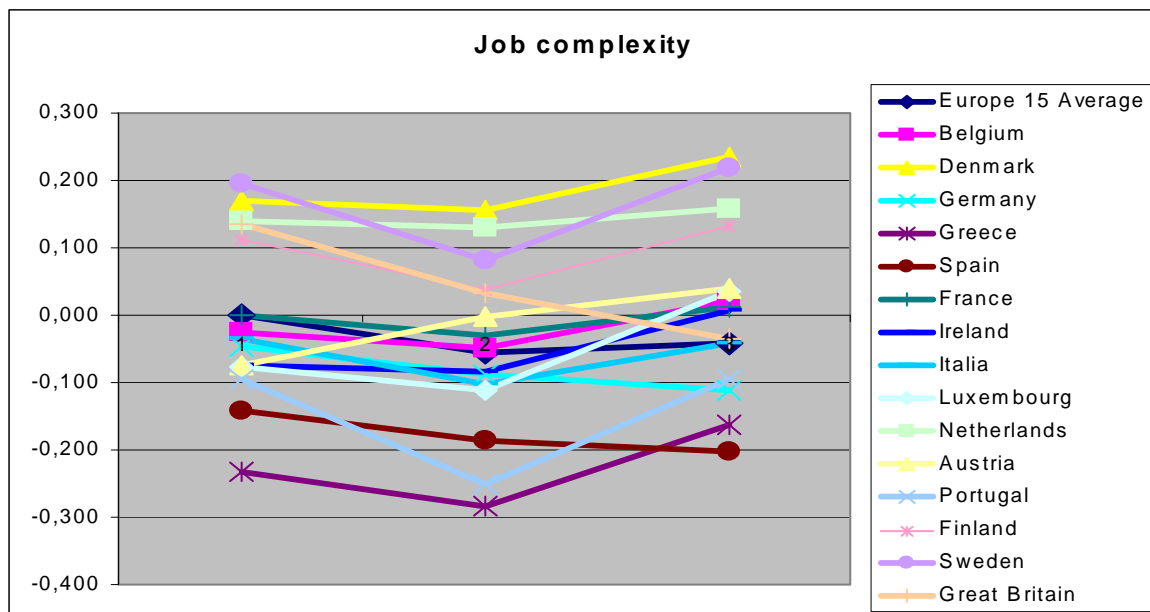
	IT	Accountancy	Personnel	Engineering
Germany				
Out of profession	41.2	41.4	27.9	25.1
New recruits	46.8	46.0	32.8	28.3
- N in profession year 1	838	476	222	4454
- N in profession year 4	926	517	238	4659
Britain				
Out of profession	47.1	45.6	52.6	43.5
New recruits	53.5	45.6	61.6	45.2
- N in profession year 1	810	1188	289	1605
- N in profession year 4	931	1187	357	1654

Although occupational turnover in IT is lower in Germany, it is high there relative to two of the other professions, unlike in Britain where, surprisingly, it is about average compared to these professions. As the figures for new recruits show, in Britain there is also a stronger tendency to recruit from outside the profession rather than through upward mobility from lower grades. IT skills are bought 'off the peg'. Compared to Germany there is relatively little progression in the IT profession itself but more movement across (possibly similar) professions.

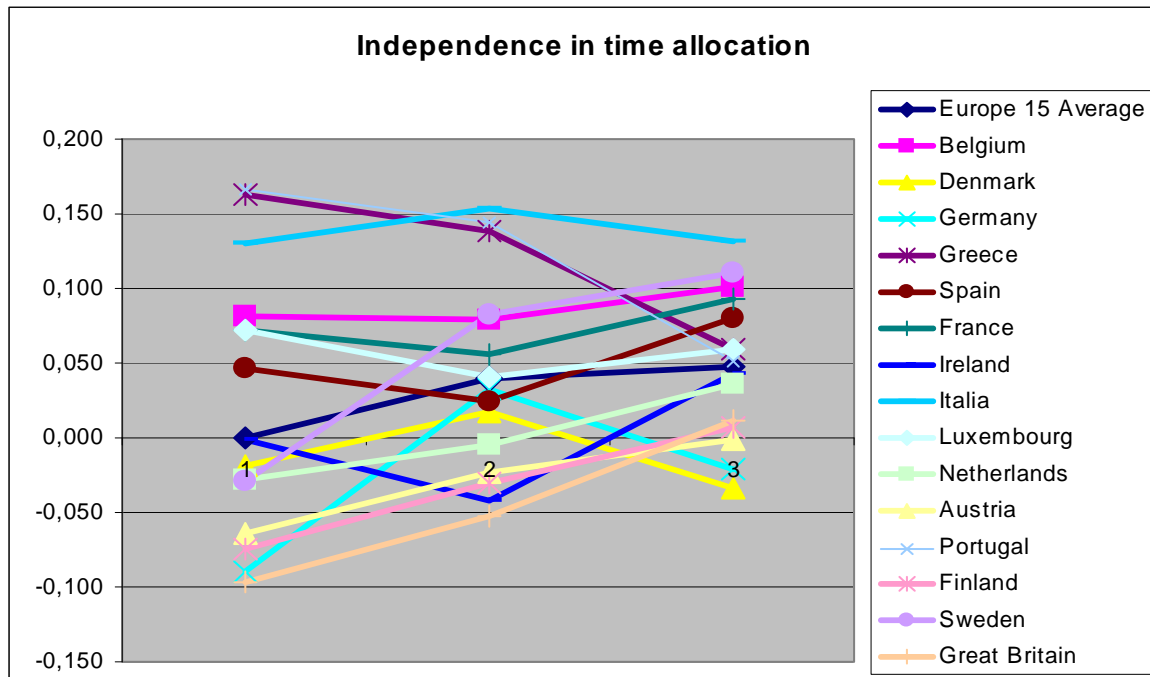
3 The changing nature of work

Although in their WP9 report on change in working conditions in Europe from 1995 to 2005 the CEE find a tendency towards poor working conditions and low job complexity in some southern and eastern European countries, overall they argue that: 'Mapping of the national distribution of a number of indicators (work complexity, independence in time allocation, work intensity and quality of working conditions) shows little consistency. This suggests that national groupings are difficult to discern' (Greenan, Kalugina & Walkowiak, 2007: 53). Below we reproduce two diagrams from their report showing changes in job complexity and in independence in time allocation. It might be expected that these would either rise or fall together. In the case of the UK we observe a fall in job complexity, unlike most other countries, but also a rise in independence.

Figure 3.1 Changes in job complexity 1995-2005



Source: Greenan, Kalugina and Walkowiak (2007)

Figure 3.2 independence in time allocation 1995-2005

Source: Greenan, Kalugina and Walkowiak (2007)

The specific rankings of Britain relative to the other 14 countries in the EU15 are given in Table 3.1. It is difficult to interpret these results as the ranking change quite surprisingly in 2005. In both 1995 and 2000 it is possible to say that the position of Britain is mixed, high on some dimensions, low on others. In 2005 there appears to have been a general deterioration, despite improved economic conditions, with the exception of some slight improvement in independence in use of time and a major improvement in respect of quality of working conditions. Some clue might be provided by the last of these, as this is the most direct measure of conditions themselves. The other dimensions are more ambiguous in what they say about the nature of the job. For instance, reduced time independence could be related to more teamwork, which cannot be described as a negative development. Increased technical constraints could entail technological upgrading. Certainly, though, the figures suggest an overall increase in work pressures, though not a decline in actual conditions of work.

Table 3.1 Rankings in quality of aspects of work in Britain relative to EU-15

	1995	2000	2005
Job complexity	4	5	10
Time independence	15	15	11
Technical constraints	2	4	10
Market constraints	4	7	14
Working conditions	13	11	2

It has already been stated that some aspects of these dimensions are ambiguous in terms of the welfare of workers, especially time independence. This can be constrained by teamwork or problem-solving groups, which can be an innovative way of working designed in part to engage workers more with organisational goals. However, the HIVA WP8 report on organisational surveys notes from analysis undertaken using British employer-level data (WERS) that while teamwork might be widespread this rarely involves much delegation of responsibility or problem-solving (Ramioul & Huys, 2007). Implicitly, therefore, such measures could act primarily as a form of control. Nevertheless, other research based on WERS suggests that while teamwork is associated with organisational improvement, there is no single model which is best, and this includes forms which allow more autonomy for team members.

4 Skills

In terms of levels of provision of or access to education, Müller and Wolbers (2003) group European countries into three categories. One, comprising the Scandinavian countries, Germany, the Netherlands and Austria has a large proportion of people with middle-ranking vocational qualifications and a relatively small proportion with low levels of education. The emphasis in these countries has therefore been on middle-ranking skills, while tertiary education is fairly small (except in Scandinavia). The second group – the UK, Ireland, France and Belgium – has more tertiary education but also a higher proportion of people leaving education with little or no qualifications. Vocational education also tends to be limited. In the southern countries – Greece, Italy, Portugal and Spain – significantly larger proportions of people have low levels of education, while vocational education is very limited. How helpful are these broad groupings? In an analysis of European educational convergence, Green, Wolf and Leney conclude that there is ‘a great deal of variability which can only be explained in terms of particular characteristics of national systems’ (Green *et al.*, 1999: 38-9). The UK is quite different from other countries in many respects, with a poor tradition of vocational training, a strongly generalist education, and a very rapidly expanding higher education sector. Its education system is also more decentralised and unstructured than in many other countries.

4.1 The returns to education and overqualification

Skill distributions, as well as the returns to skills, are an important part of the knowledge society. It is generally believed that the increase in inequality in the US and UK is in part a response to the ability of the markets in these countries to reward those with the necessary skills (Nickell & Bell, 1995). However, in the 1990’s Italy appears to have a slightly greater increase in wage dispersion than the UK, which was little ahead of Ireland and the Netherlands (Green, 2006: 121). If countries are more flexible in their use of skills, they should also be able to match wages to skills more efficiently than others. This implies that the returns to education should be higher in more ‘liberal’ countries. It does seem that this could be the case, insofar as in one analysis the more egalitarian Scandinavian countries generally have low returns to (years of) education and the UK and Ireland have amongst the highest. However, the latter share this place with Finland, while Portugal comes slightly higher (Harmon, Walker, & Westergaard-Nielsen, 2001: 11).

It is at least clear that despite a considerable growth in education the returns to education in Britain have remained stable over a long period of time (Blundell *et al* 2000; Chevalier & Walker, 2001: 302-330). This implies that the demand for skills is still rising, though this is possibly now tailing off (Elias & Purcell, 2004). There are also signs that a significant proportion of the working population is overqualified for the work they do, and higher than in some other countries (Brynin, 2002a; Brynin & Longhi, forthcoming).

There is very little comparative data on overqualification, and no commonly used European dataset contains information on this about Britain.

In Table 4.1 we show the distribution of overqualification in four European countries by educational level, based on data from the Framework 6 *eLiving* survey. This includes information on the average pay associated with each educational level.

Quite apparent in this table are two profiles of overqualification. Britain and Germany have a relative excess at the middle and lowest levels, the other two countries higher up. In no country is more than one third of graduates overqualified. The proportion of people with higher school-leaving certificates that is overqualified is always much higher than one third, while it is at least one third in three countries even at the lower school level. Especially taking into account absolute numbers, overqualification seems to be more predominant at the school than the degree level. However, of most significance is, first, that Britain has the highest proportion of overqualification, suggesting a significant problem of job mismatches, and, second, that this actually occurs amongst people with very low levels of education, implying the existence of a substantial pool of jobs where no qualifications at all are required.

Table 4.1 Proportion of matched, over- and under-qualified workers and their hourly wages (euros)

	Britain		Italy		Germany		Norway	
	(1) <i>per cent</i>	(2) Pay	(1) <i>per cent</i>	(2) Pay	(1) <i>per cent</i>	(2) Pay	(1) <i>per cent</i>	(2) Pay
<i>Underqualified:</i>								
- needs degree	3.4	19.5	3.7	12.6	2.5	21.9	4.5	19.2
- needs HSL certificate	1.8	14.5	2.1	10.5	4.5	14.5	2.8	18.1
- needs LSL certificate	1.6	10.9	1.8	5.8	5.2	14.2	1.8	15.5
<i>Overqualified:</i>								
- has degree	6.2	17.3	6.5	11.9	3.4	19.3	10.4	19.8
- has HSL certificate	11.4	13.2	7.6	8.5	13.6	12.3	5.1	17.7
- has LSL certificate	15.4	11.5	5.1	6.4	10.6	11.0	6.2	16.6
<i>Matched:</i>								
- has degree	18.2	21.3	13.0	17.4	7.0	17.7	46.7	21.6
- has HSL certificate	7.5	16.1	3.5	12.2	11.8	17.0	4.1	18.5
- has LSL certificate	5.9	11.7	54.8	8.1	16.4	13.3	15.9	16.5
- low/no qualification	28.2	10.8	1.9	8.2	25.0	10.9	2.6	15.6
Total	100.0		100.0		100.0		100.0	
<i>Per cent overqualified</i>	33.0		19.2		27.6		21.7	
<i>Per cent graduates overqualified</i>	25		33		33		18	
<i>Per cent HSL overqualified</i>	53		60		49		48	
<i>Per cent LSL overqualified</i>	69		8		36		23	
Observations	1225	909	1369	611	1408	847	1700	1396

Note: HSL=higher school level, LSL=lower school level.

Source: eLiving survey

The problem at the upper end, in the graduate market, is different. The graduate market is possibly becoming overcrowded in some sectors, leading to a wage loss at least amongst men (Brynin, 2002). However, there is no comparative evidence for other countries. This suggest, though, that at least in Britain the demand for skills continues to rise, but possibly less than the social demand for education.

4.2 Training and skills

Although provision of training by British employers has traditionally been very poor, on certain criteria the UK appears about average. Table 4.2 is derived from the HIVA WP8 report (Ramioul & Huys, 2007). The UK ranks high in terms of the number of organisations providing continuing training and in the actual participation rate, though the number of hours on offer, a measure of training intensity, is low (26 out of a range from 24 to 41).

Table 4.2 Proportion of organisations offering continuing training, participation rates and participation hours in Britain plus rank relative to 25 EU countries

Organisations with training (per cent)	Rank	Participation rate (per cent)	Rank	Hours	Rank	Sum of ranks (range 6-58)
87	4	51	8	26	23	35

The HIVA report also notes research based on WERS that employment shake-outs have reduced the share of unskilled work while the introduction of computers is associated with an increase in the share of the wage bill going to managers and technicians. Other WERS-based research suggests that the low skilled rarely obtain training.

5 Job satisfaction

Job satisfaction, being highly subjective, is difficult to compare across countries, which have different work cultures. However, when we add trend information, this is more useful. Green uses ISSP data to compare a number of countries in 1989 and 1997. Below we reproduce this information for just two countries, Britain and Germany (Green, 2006: 155). This compares the percentage completely, very or fairly satisfied (coded as low satisfaction) to those with high levels (completely or very satisfied). Germans appear slightly more satisfied than Britons but in both countries there seems to have been an increase in the proportion with low job satisfaction and a decrease with high satisfaction.

Table 5.1 Job satisfaction in Britain and Germany 1989 and 1997

	1989		1997	
	Low	High	Low	High
Britain	16.5	39.6	21.2	35.6
Germany (West)	15.3	43.8	18.6	39.0

Source: International Social Survey Program

Given the problems of direct comparison of such figures is it perhaps alternatively possible to group countries into broad categories of high, medium or low satisfaction? In our WP9 report (Brynin & Longhi, 2007) it was not in fact possible to find obvious national groupings of job satisfaction. Job satisfaction was the lowest in Italy and Greece, also low in Spain and Portugal, and high in Austria, the Netherlands and Denmark. So to some extent we see a southern against Scandinavian divide, as in the case of some other indicators. But as soon as we try to assess reasons for this, for instance whether it relates to differences in the use of fixed-term contracts, no obvious European pattern emerges (Brynin & Longhi, 2007: 10-12).

In the ECHIP data, job satisfaction is defined by four variables: satisfaction with earnings, job security, type of work, and working hours. The scale for each item is 1 to 6, where 6 indicates the highest satisfaction. As Germany and Luxembourg do not have this information, the results, shown in Table 5.2, are for the 12 remaining countries. In this table Britain appears average.

Table 5.2 Mean job satisfaction on four items and in total (12 countries)

	Total	Pay	Security	Work	Hours
Austria	18.9	4.1	4.9	5.1	4.8
Denmark	18.9	4.3	4.8	4.9	4.8
Netherlands	18.5	4.4	4.7	4.8	4.6
Ireland	18.0	3.9	4.6	4.9	4.6
Belgium	17.6	4.0	4.5	4.7	4.5
Finland	17.2	3.9	4.4	4.5	4.4
Britain	17.1	4.3	4.3	4.4	4.1
Italy	15.6	3.3	4.1	4.2	3.9
Spain	15.5	3.3	4.1	4.3	3.8
France	15.5	3.5	4.1	4.6	3.3
Portugal	15.1	3.1	4.0	4.2	3.8
Greece	14.6	3.2	3.9	3.9	3.7

But does Britain fall into a distinct European cluster? To test this we need to see if the means for each country are more distant from the European average than for other countries, which we do for the purposes of this report through cluster analysis. We arbitrarily choose three groups and this produces the results shown in Table 5.3. We see a clear north-south divide with France as the pivot between these two large nodes.

Table 5.3 Clusters of 12 countries by average job satisfaction

High	Austria, Belgium, Britain, Denmark, Finland, Ireland, Netherlands
Medium	France
Low	Greece, Italy, Portugal, Spain

However, this ignores distributional differences between countries (that is, in some countries with apparently similar average levels of job satisfaction the bulk of people might have an average score while the others reveal extreme high and low values, which then cancel out). Do we get such an extreme north-south polarisation when we take this into account? We test this through comparing all individuals in the entire European sample with the overall mean, rather than using country means, and then seeing how well the countries map on to the pattern this produces.⁵

Table 5.4 shows the results for the 12 countries. Each column totals 100 *per cent*. There are three groupings which stand out, though these are not entirely homogeneous and ultimately we have to resort to subjective judgements in one or two cases to decide which countries go in each category. One group, in the top part of the table, comprises countries with high percentages of people who fall into the high job satisfaction cluster. These countries are Austria, Denmark, Ireland and the Netherlands. The second group is defined by high proportions with a high level of satisfaction (but nevertheless fewer peo-

⁵ It should be added that factor analysis could have been used instead, or just an arbitrary division between the summary measure of all four variables. Neither process, though, would satisfy the aim of seeing how far the distribution of job satisfaction in each country fits the overall European pattern.

ple than in the first group) and roughly equally high numbers with medium job satisfaction. This consists of Belgium, Britain and Finland. The final group contains France, Greece, Italy, Portugal and Spain, all having a high proportion of people with low job satisfaction and a low proportion with high satisfaction, though France is at one extreme of this group and Greece at another. The position of Britain is now different from Table 5.3, and more similar to Table 5.2. Britain is average on most counts of job satisfaction, including an overall measure, and has a relatively average distribution of job satisfaction.

Table 5.4 Percentage Distribution of Job Satisfaction in 12 Countries on Basis of Clusters for all Countries

Countries with a 'favourable' distribution of job satisfaction

	Austria	Denmark	Ireland	Netherlands
High	67	67	57	64
Medium	25	24	27	27
Low	8	10	16	9

Countries with a 'neutral' distribution of job satisfaction

	Belgium	Finland	UK
High	50	46	48
Medium	33	37	31
Low	17	17	21

Countries with a 'unfavourable' distribution of job satisfaction

	France	Greece	Italy	Portugal	Spain
High	28	21	30	16	30
Medium	49	37	39	60	41
Low	23	42	30	24	29

6 Conclusions

This report suggests that the overall picture in Britain is one of improving rather than deteriorating employment conditions, but characterised by poor (possibly worsening) conditions for some workers. There is a high degree of polarisation where good jobs which are also matched to skills are more widely available but also a large pool of poor jobs where people are also often overqualified and cannot use their skills effectively. We summarise the main points of this report as follows:

1. on a number of dimensions it is difficult to say that Britain, despite its 'liberal' credentials, differs consistently from some other European countries in terms of work patterns and working conditions;
2. the UK has a relatively low proportion of fixed-term jobs and a high proportion of part-time work. It has witnessed a rise in shift work 1995-2005. However, it ranks the highest amongst the EU-21 for the use by employers of night and weekend work;
3. both female part-time and full-time work have increased over this period, thus keeping the percentage of part-time work for women at the same level. But women who work in typically 'male' jobs might have to work excessive hours to maintain their careers;
4. Britain has a relatively high level of occupational turnover characterised not only by people changing jobs but apparently changing the work they do. This turnover is generally explained by negative aspects of work like being on a fixed-term contract;
5. turnover in knowledge sectors such as IT tends not to be especially high compared to some other occupations, but there is a strong tendency to recruit IT specialists from outside the profession itself, suggesting a ready-made market for these skills;
6. conditions of work in Britain were mixed compared to other countries in the 1990's, being relatively 'good' in terms of job complexity and of limited technical and market constraints, but relatively poor in respect of independence in time use and in working conditions. In 2005 this situation had worsened on all dimensions except working conditions, which greatly improved;
7. returns to education are high in Britain and also associated with relatively high wage inequality. However, Britain also has comparatively high overqualification (excessive skills for the specific job), though this is mostly amongst those with low education - who presumably therefore have very poor jobs;
8. a high proportion of British employers offer continuing training and take-up is high, but the training intensity (number of hours training supplied) is low;
9. Britain does not stand out in terms of its average job satisfaction or of the distribution of job satisfaction between those with very high and very low satisfaction.

Bibliography

- Auer P. & Cazes S., (eds.) (2003), *Employment Stability in an Age of Flexibility*, International Labour Office, Geneva.
- Birindelli L. & Rusticelli E. (2007), 'Occupational and Industrial Trends in the EU', in *The Transformation of Work*, WP9 Report, WORKS Project.
- Blossfeld H.-P. & Hakim C., (eds.) (1997), *Between Equalization and Marginalization: Women Working Part-Time in Europe and the United States of America*, Oxford University Press, Oxford.
- Blundell R., Dearden L., Goodman A. & Reed H. (2000), 'The Returns to Higher Education in Britain, Evidence from a British Cohort', *Economic Journal*, vol. 110, n°461, p. 82-99.
- Boje T.P. & Grönlund A. (2003), 'Post-Industrial Labour Markets', in T.P. Boje & B.E. Furaker (eds.), *Flexibility and Employment Insecurity*, p. 186-212, Routledge, London.
- Brynin M. (2002), 'Graduate Density, Gender, and Employment', *British Journal of Sociology*, vol. 53, n°3, p. 363-381.
- Brynin M. & Longhi S. (2007), 'Occupational Change in Europe', in *The Transformation of Work*, WP9 Report, WORKS Project.
- Brynin M. & Longhi S. (forthcoming), 'Overqualification, Major or Minor Mismatch?', *Economics of Education Review*.
- Burchell B., Ladipo D. & Wilkinson F. (eds.) (2002), *Job Insecurity and Work Intensification*, Routledge, London.
- Chevalier A. (2000), *Graduate over-Education in the UK*, Centre for the Economics of Education.
- Clark P. (1996), *Hope and Glory, Britain 1900-1990*, Penguin, London.
- Elias P. & Purcell K. (2004), 'Soc (He), A Classification of Occupations for Studying the Graduate Labour Market', *Research Graduate Careers Seven Years On*, Research Paper No. 6.
- Esping-Andersen G. & Regini M. (2000), *Why Deregulate Labour Markets?*, Oxford University Press, Oxford.
- European Commission (2007), 'Europe in Figures', *Eurostat Yearbook*, vol. 2006, n°7.
- European Foundation (2001), 'Gender, Employment and Working time Preferences', in *European Foundation for the Improvement of Living and Working Conditions*, Europe, Dublin.
- Green A., Wolf A. & Leney T. (1999), 'Convergence and Divergence', in *European Education and Training Systems*, London, Institute of Education.
- Green F. (2006), *Demanding Work. The Paradox of Job Quality in the Affluent Economy*, Princeton University Press, Princeton.
- Greenan N., Kalugina E. & Walkowiak E. (2007), 'European Working Condition Survey', in *The Transformation of Work*, WP9 Report, WORKS Project.
- Harmon C., Walker I. & Westergaard-Nielsen N., (eds.) (2001), *Education and Earnings in Europe. A Cross Country Analysis of the Returns to Education*, Edward Elgar, Cheltenham.
- Heery E. & Salmon J. (eds.) (2000), *The Insecure Workforce*, London, Routledge.
- Kaiser L. (2004), 'Standard and Non-Standard Employment, Gender and Modernisation in European Labour Markets', in R. Berthoud & M. Iacovou (eds.), *Social Europe: Living Standards and Welfare States*, p. 99-119, Edward Elgar, Cheltenham (UK).
- Müller W. & Gangl M. (eds.) (2003), *Transitions from Education to Work in Europe. The Integration of Youth into EU Labour Markets*, Oxford University Press, Oxford.
- Müller W. & Wolbers M.H.J. (2003), Educational Attainment in the European Union, Recent Trends in Qualification Patterns, in W. Müller & M. Gangl (eds.), *Transitions from Education to*

- Work in Europe, The Integration of Youth into EU Labour Markets*, p. 23-62, Oxford University Press, Oxford.
- Nickell S. & Bell B. (1995), 'The Collapse in Demand for the Unskilled and unemployment across the OECD', *Oxford Review of Economic Policy*, vol. 11, n°1, p. 40-62.
- Office of National Statistics (2001), *Labour Market, New Earnings Survey 2000*, London.
- Ramioul M. & Huys R. (2007), *Comparative Analysis of Organisational Surveys in Europe*, WP8 Report, WORKS Project.