Better Opportunities, Greater Pressures for Britain’s Employees

The results of a major research study, covering the period 1984-2004, reveal important changes in the prospects and job conditions of British employees. The study, funded by the Economic and Social Research Council as part of its Future of Work research programme, reports the following key findings:

- Employers have restored and maintained careers and long-term employment in defiance of market pressures

- As trade unions decline their role is being replaced by individual consultation and bargaining – but this development may well put women at a disadvantage

- Controls over employees are intensifying, and surveillance by IT systems now covers more than half the workforce

- British employees experience multiple stresses at work and deteriorating family life, in particular because of the increasing impact of modern ‘human resource management’ practices

- Class differences in rewards and conditions have not been narrowing but in fact have been growing even wider than previously.

Overall, the majority of British employers have backed away from a hire-and-fire response to competitive pressures, in favour of renewing their long-term relationship with employees. At the same time, though, they have found a variety of ways of extracting more effort and higher performance from their workforce. For employees, this means more opportunity, but also more pressure, both on themselves as individuals and on their families.
The resurgence of careers and long-term employment

Most businesses, and many parts of the public sector, now operate in a highly competitive market environment. Based on experience in the USA, it has been widely supposed that this has been leading to a break-down of traditional long-term employment in Britain and a move towards 'hire and fire' practices, temporary jobs, and abandonment of training and careers. The research shows:

- Employers do use redundancies as a normal way of adjusting their numbers, even in a prosperous economy. This does have an impact on employees and is one of the factors leading to increased work pressures.

- But employers have not in general dismantled their policies to retain and develop employees long-term. For instance:

  - The proportion of employees in permanent (open-ended) employment increased during the 1990s and remains above 90 per cent.
  - Temporary (fixed-period or casual) employment, which had increased during the 1980s, once more declined in the subsequent decade.
  - Tenure in jobs of ten years’ duration or more has remained roughly unchanged between 1994 and 2004
  - The proportion of employees who saw their jobs as part of ‘career ladders’ increased slightly between 1984 and 2000, after declining somewhat in the early 1990s
  - Employers also reported that they had restored career opportunities after the cut-backs of the early 1990s.
Overall, British employers have made increasing use of practices of communication, employee participation, team organization, staff training and development, and rewards for performance. All these changes support the maintenance of a long-term workforce.
Emerging alternatives to union representation

The long-term decline in trade union recognition and membership levels potentially exposes many employees to unfair treatment. But alternative ways of giving employees a say have been emerging:

- There is a steady increase in meetings between management and employees, including with opportunities for employees to express their views. This is especially the case where there are no unions.

- More employees state that they are consulted about changes affecting their own work – again, especially the case where there are no unions.

- By 2000, about one in three employees were individually bargaining over pay when being recruited and the same proportion were asking for individual pay rises subsequently. Once more, this is more likely to happen where there are no unions.

These changes towards personal consultation and negotiation are increasing inequality at the workplace, the research notes. Employees at management and professional level are more likely than other employees to strike personal bargains over pay. Women are less likely than men to bargain over pay when they are recruited, as well as being less likely to be represented by a union, so their ability to seek higher pay is limited on both sides.

ICT surveillance stresses workers
British employers are also tightening their control and demanding higher effort and performance in response to increased competitive pressures.

The main recent development in control methods is the use of information and communications technology (ICT) to monitor and check the work of employees continuously.

*ICT surveillance in the workplace is widespread,* the research shows. One half (52%) of all British employees report that a computerized system keeps a log or record of their work. Nearly one quarter (23%) say that this information is used to check their performance. This picture from employees is also confirmed by the employers. At one in five workplaces, management claims that all employees are covered by computer-based monitoring systems.

The main consequence of ICT surveillance has been a *sharp increase in work strain* (involving feelings of exhaustion, anxiety and worry related to work). Overall there is a 7.5% increase in work strain for employees whose work is checked by ICT systems, compared with those in similar jobs but controlled by more traditional methods.

The most adverse impact on work strain is for administrative and white-collar employees, up 10% when their performance is continually checked by ICT systems. This group includes call-centre staff, others providing telephone-based services, and those processing paperwork for entry to computer databases.

There are also adverse effects on semi-skilled and routine workers. These include not only employees on production lines, but also many people in distribution whose work is now monitored electronically such as order-fillers, shelf-fillers, and check-out staff. On average, these employees have an increase in work strain of 8% when they are
under ICT surveillance, and they also work on average 3 hours per week extra without additional pay.

ICT monitoring even applies to many managers and professionals, but appears to have no adverse effects for this group. This is probably because the monitoring only applies to minor aspects of managers’ and professionals’ work, such as usage of e-mails and the Internet.

**Other factors increasing work strain**

Three other factors that increase work demands or work strain are highlighted in the research.

- Insecurity or fear of job loss for those in workplaces that had been ‘downsized’ or where closure and redundancy was expected in the near future.

- Taking part in pay-for-performance incentive schemes that are based on what the individual achieves. This particularly affects managers and professionals (about 3 in 4 of those at higher management or higher professional level are now covered).

- Involvement in intensive ‘human resource management’ practices, geared to achieving higher performance.

**Family life undermined by modern management pressures**

‘Human resource management’ practices – such as team-based organization, developing individual potential, and providing incentive – are widely held to be essential for a modern high-performing business, and are also thought to be good for employees’ morale. Yet these approaches inevitably put pressure on employees to perform. This is
The research asked questions about family relationship strain, satisfaction or dissatisfaction with childcare arrangements, and the extent to which men take a share of the housework. Being employed at a workplace with numerous teamworking, development and incentive practices adversely affects all three.

- Women are more adversely affected by modern management practices than men. To be involved in an additional practice such as teamworking puts as much strain on women's family relations as working an additional 120 hours a year, the research estimates.

- Women are somewhat more likely than men to become anxious about their childcare arrangements when they are put under pressure by these workplace practices.

- Women are less likely to get help at home from their partners when the men are employed in jobs where they come under these kinds of pressures.

Many employees now negotiate hours of work to suit their personal circumstances or preferences. Nearly one in three women surveyed had done so in their current jobs. However, there is no way that employees can ‘opt out’ of such practices as team-based organization or performance appraisals once these are introduced in their workplace. This may explain why the adverse family impacts of such practices are so extensive.

*Class differences at the workplace greater than ever*
The increase in competitive market pressures has led to speculation about a decline in differences of pay and conditions between classes (such as managers and professionals at one extreme or those in routine jobs at the other). In reality, there has been an increase in class inequality:

- Increased *earnings inequality* over the 1992-2000 period reflected both very large real increases in the average earnings of higher managers (with a somewhat lower, but still substantial, gain for lower managers) and a rather static or even declining situation for those in the semi-routine and routine occupations.

- There was a particularly large increase in the *variation of earnings within* the managerial groups, especially the higher managerial: most were doing well, but some were doing exceedingly well.

- The research examined a range of *fringe benefits*, including occupational pensions, occupational sickness pay, and paid holidays. There was a marked ‘class gradient’ across all these, with higher managerial and higher professional groups most likely to have access and those in semi-routine and routine groups least likely.
  - In all types of benefit except one, class differences either remained stable over an 8-year period or actually increased.

- The research also developed a measure of ‘job desirability’ that takes account not only of earnings but also of a wide variety of non-financial aspects that employees themselves regard as important, such as flexible hours and autonomy in planning tasks. *Job desirability differed greatly by class.*
• There was a much larger gap in job desirability between upper-level and lower-level occupations than between full-time and part-time employees or between permanent and temporary. Eight of the 10 top-ranked jobs were in various kinds of management (e.g. in large businesses, in finance, in education etc.) [Note: A Table showing the Top 20 and Bottom 20 occupations is available on request.]

Inequality in pay and benefits is likely to continue to increase in future because of the other developments identified by the research. Managers and professionals take more advantage of increased opportunities for personal bargaining over pay increases. They are also the group most involved in pay-for-performance deals that give them the chance of substantial bonus payments or salary hikes.

Additional notes The findings come from research conducted as part of the Future of Work Research Programme funded by the Economic and Social Research Council. The research included a specially commissioned national survey of British employees, carried out in 2000/1, and a survey of British employers carried out in 2002, as well as a review of information from a variety of other national surveys over the period 1984-2004. The results are reported in a book published by Oxford University Press on 6 December 2007, “Market, Class, and Employment”, co-authored by Patrick McGovern, Stephen Hill, Colin Mills, and Michael White.

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Publication details “Market, Class, and Employment” is available in both hard-back and paper-back.