

Article

# Job quality in the UK – analysis of job quality indicators: 2021

Analysis of eight job quality indicators to understand the quality of work across the UK, using reweighted data from the Annual Population Survey (APS) for 2021.

Contact:
Adrian Baeck and Katie Uzzell
ons.local@ons.gov.uk
+44 20 7592 8603

Release date: 16 December 2022 Next release: To be announced

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## 1. Main points

- In 2021, four out of five employees (82%) worked "satisfactory hours", which was most likely among employees in Northern Ireland, female employees and those aged over 55 years.
- Across the UK, unpaid overtime was more commonly reported than paid overtime, with London employees, those working in highly paid occupations, and employees aged 35 to 54 years most likely to report working unpaid overtime.
- The proportion of UK employees on zero-hour contracts was low (less than 3%) although this figure was higher for part-time employees, younger employees and those working in the accommodation and food services industry.
- 13% of employees in the UK were in low-pay employment, using two-thirds of UK median hourly pay as a
  measure for low pay; using local median pay, low-pay employment was most likely among London
  employees, those who were disabled, younger, or had lower levels of educational attainment.
- Men employed in London, men aged 25 to 44 years, employees with an undergraduate degree and those working in the finance and insurance industry were most likely to report good career progression opportunities.
- The proportion of employees working satisfactory hours in the UK has increased between 2015 and 2021, and the proportion of employees in low pay has fallen or remained stable in every English region.

#### 2. Overview

This article presents an extension of the <u>exploratory job quality indicator analysis published in 2019</u>, which focused on hours, earnings and contract information, using 2018 data from the Annual Population Survey (APS). Our goal is to expand on the indicators of quality work used in 2019 and to provide a range of breakdowns by employee characteristics. This includes sharing data at the lowest available level of geography, aligning with the <u>Government Statistical Service Subnational Data Strategy</u> to produce more timely, granular and harmonised subnational statistics. This analysis focuses only on employees (that is, not those who are self-employed or in alternative types of employment).

To provide a more recent and holistic picture of job quality in the UK, this release expands on the <u>previous</u> methodology by adding new job quality dimensions to the analysis. This research will help to fill the existing data gap by providing more recent data on the previously covered indicators and incorporating four more job quality indicators into the analysis.

The <u>Measuring Good Work</u> report states that equal emphasis should be placed on both the quantity and quality of jobs. To understand and assess what constitutes "quality employment", it is vital to look at various job quality indicators:

- satisfactory hours
- overtime
- desired contract
- zero-hour contracts
- low pay
- career progression
- employee involvement
- union representation
- workplace injury and illness

For more detail on definitions and how this article was produced, please refer to the <u>Glossary</u> and <u>Data sources</u> and <u>quality</u> sections.

## 3. Satisfactory hours

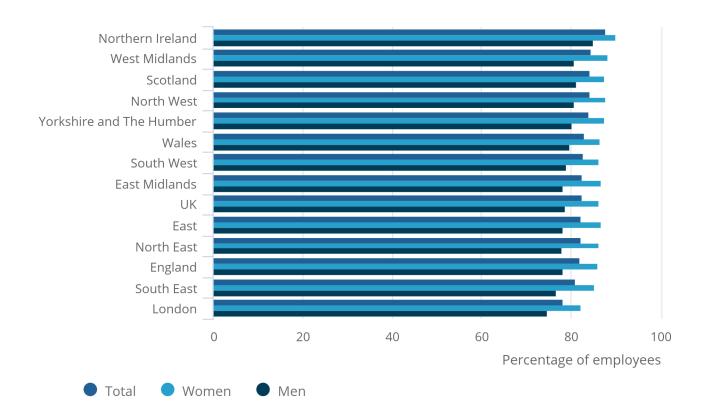
Across the UK, 82% of employees worked satisfactory hours (48 hours or less and do not consider themselves underemployed; see <u>Glossary</u>). Northern Ireland had the highest proportion of employees working satisfactory hours (88%) compared with any UK country. Between 2015 and 2021, the proportion of employees working satisfactory hours increased in every region.

Figure 1: Women were more likely to be working satisfactory hours than men across all UK countries and regions

Proportion of employees with satisfactory hours by country and region, 2021

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Proportion of employees with satisfactory hours by country and region, 2021



Source: Office for National Statistics – Annual Population Survey

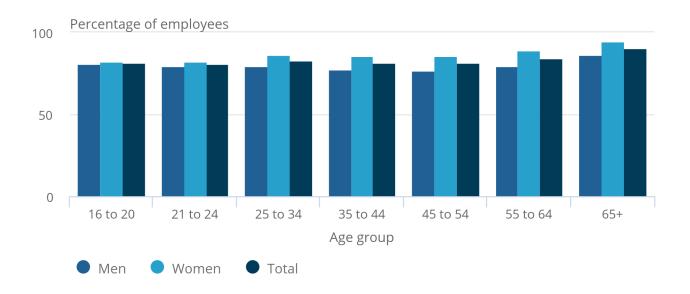
Across England, the proportion of employees working satisfactory hours ranged from 84% in the West Midlands, North West, and Yorkshire and The Humber, to 78% in London.

Figure 2: Employees aged 55 years and older were more likely to be working satisfactory hours than those aged 16 to 54 years

Office for National Statistics - Annual Population Survey

Figure 2: Employees aged 55 years and older were more likely to be working satisfactory hours than those aged 16 to 54 years

Office for National Statistics – Annual Population Survey



#### Source: Office for National Statistics - Annual Population Survey

Between the ages of 16 and 64 years, the total proportion of employees working satisfactory hours is broadly stable, ranging from 81% to 84%. This increases to 90% for employees over 65 years.

Men aged 35 to 44 years were least likely to work satisfactory hours, at 77%. The proportion of women working satisfactory hours increased with age, rising from 82% for women aged 16 to 20 years to 95% for those aged 65 years and over. The gap between men and women was <u>statistically significant</u> for every age group, apart from workers aged 16 to 24 years.

Previous Office for National Statistics (ONS) research has indicated this difference could be partly explained by women conducting more unpaid work. On average, employed women with dependent children spent more time on unpaid childcare (85 minutes per day) and household work (167 minutes per day) compared with employed men with dependent children (56 and 102 minutes per day, respectively).

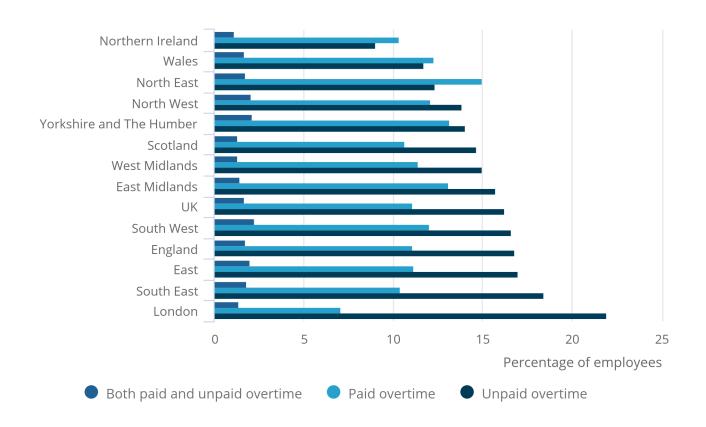
As they do more unpaid work on average than men, women may pursue jobs with more flexible hours or work on a part-time basis. Women are therefore less likely to be in paid employment working above the 48-hour threshold, which is the main cause of employees working unsatisfactory hours.

## 4. Overtime

Across the UK, more employees reported working unpaid overtime (16%) than paid overtime (11%). Less than 2% of UK employees reported working both paid and unpaid overtime.

Figure 3: Almost a quarter of employees in London reported working unpaid overtime

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Source: Office for National Statistics - Annual Population Survey

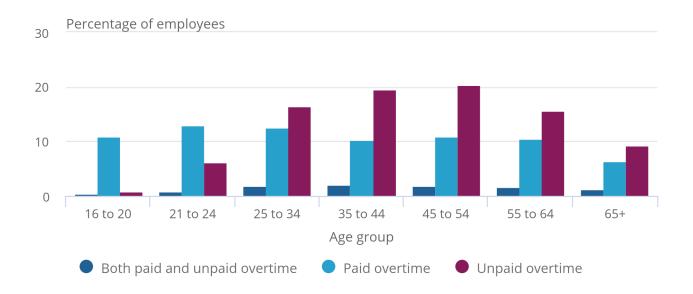
The higher level of reported unpaid overtime compared with paid overtime was consistent across each of the English regions, except for the North East, which also had a relatively low proportion of employees who reported working unpaid overtime. This difference was <u>statistically significant</u> in all areas, aside from Yorkshire and The Humber.

Wales had the same proportion of employees working either unpaid or paid overtime (12%). These proportions were also similar in Northern Ireland, with 9% of employees reporting unpaid overtime compared with 10% for paid overtime. In Scotland, unpaid overtime (15%) was more common than paid overtime (11%).

The proportion of employees who reported working a mixture of both paid and unpaid overtime was small across the UK countries and English regions, ranging from 1% to 2%.

Figure 4: One fifth of employees aged 35 to 54 years reported working unpaid overtime

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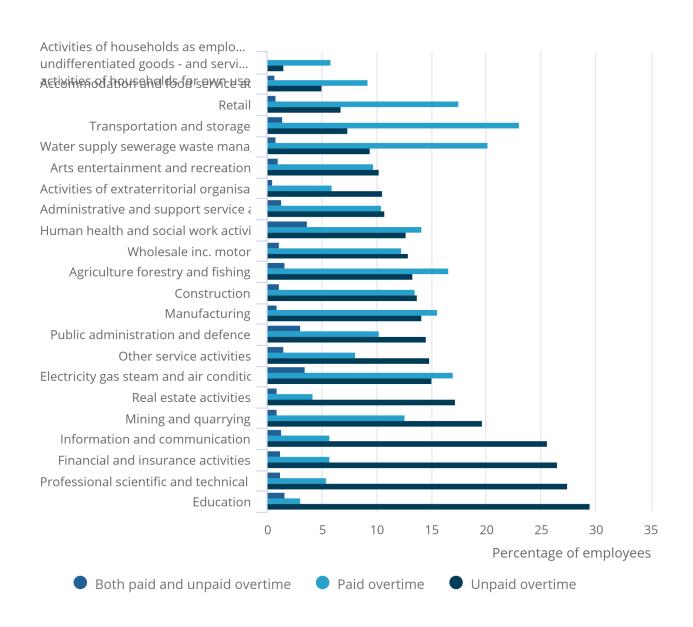


#### Source: Office for National Statistics - Annual Population Survey

The proportion of employees who reported working paid overtime was highest for those aged 21 to 34 years, at 13%, and dropped to 6% for employees over 65 years. For unpaid overtime, this trend increased with age, peaking at 20% for those aged 35 to 54 years, before declining to 9% for employees over 65 years. This could be driven by age differences in employee industry and job role responsibilities.

Figure 5: Almost 3 in 10 employees working in education reported working unpaid overtime

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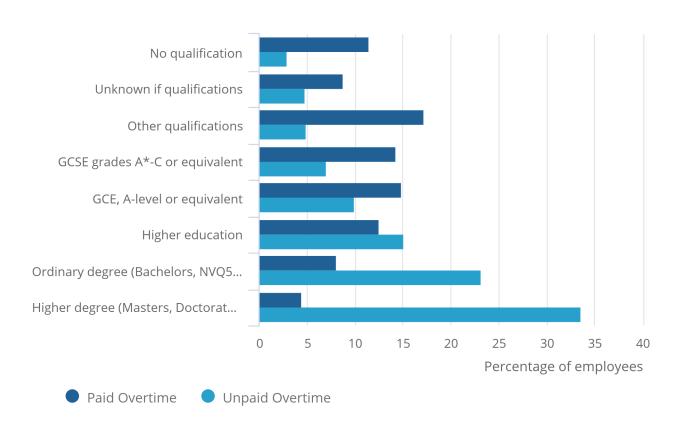
#### Source: Office for National Statistics - Annual Population Survey

Whether employees work paid or unpaid, overtime is largely driven by industry and job pay, which in turn is influenced by education level.

Employees with undergraduate or postgraduate degrees were more likely to report higher levels of unpaid overtime compared with those without degrees. Working unpaid overtime was also more common in <a href="https://high.night.ni

Figure 6: Employees with higher education attainment are more likely to work unpaid overtime

Figure 6: Employees with higher education attainment are more likely to work unpaid overtime



#### Source: Office for National Statistics - Annual Population Survey

Conversely, employees with no qualifications or qualifications below GCSE level tended to work more paid overtime in contrast to those with higher levels of qualification. Industries where paid overtime was more common include "transportation and storage", where 23% worked paid overtime, "water supply, sewerage and waste management" (20%) and "retail" (18%), and occupations such as "process, plant and machine operatives" (26%) and "skilled trades occupations" (22%).

Overall, employees not working satisfactory hours were approximately twice as likely to report working paid or unpaid overtime (9.3% and 13% respectively) compared with people working satisfactory hours (20% and 30% respectively).

## 5. Desired contract

Across the UK, almost all employees (98%) had a desired contract (either a permanent contract or non-permanent contract for a reason other than "could not find a permanent job"; see <u>Glossary</u>) with little variation by UK country, region, or sex. Furthermore, almost the entire workforce (98%) has been employed on desired contracts since 2015.

Non-UK and non-EU nationals were less likely to have a desired contract (95%), compared with UK or EU nationals (98%). White employees (98%) were more likely to be on their desired contract than Black, African, Caribbean or Black British (96%) and Indian employees (97%). Non-disabled employees were also more likely to have a desired contract (98%) than disabled employees (97%). All of these differences were statistically significant

While there was no statistically significant difference between sexes overall in the proportion of people in desired contracts, men who worked part-time were less likely to be on their desired contract (96%) than women who worked part-time (98%), with statistical significance. This could suggest that a larger proportion of women had a temporary contract by choice than men. Employees on undesired contracts were also more likely to be in low pay (28%) than people with their desired contract (17%).

Employees who were not on a desired contract were more than five times more likely to be on zero-hour contracts (16%) than those who were on a desired contract (3%). Those with a desired contract were also far more likely to report good opportunities at work (55%) compared with people who did not have a desired contract (34%).

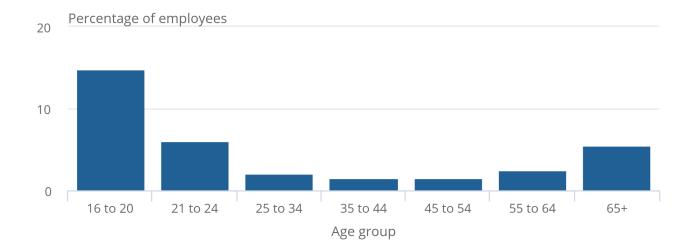
## 6. Zero-hour contracts

Zero-hour contracts are neither an indicator of a "good" nor a "bad" job, as different employees have different preferences for work arrangements. However, given the nuances and implications of zero-hour contracts – such as flexibility – they are an important component to consider.

Across the UK in 2021, the proportion of employees with zero-hour contracts was very low, at less than 3%. Women were slightly more likely to be working zero-hour contracts than men (3% and 2% respectively). Disabled employees were also more likely to be on zero-hour contracts (4%) than non-disabled employees (3%). Part-time employees (8%) were far more likely to be on zero-hour contracts than full-time employees (1%). Northern Ireland was the only region where the difference in the level of zero-hour contracts (1%) was statistically significant.

Figure 7: Employees aged 16 to 20 years were over twice as likely to be on a zero-hour contract than those in any other age group

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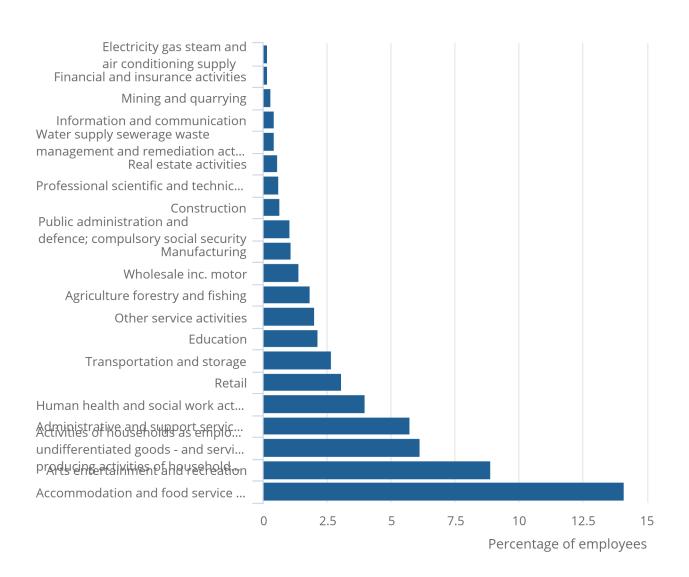


Source: Office for National Statistics - Annual Population Survey

Employees aged 16 to 20 years were more likely to have a zero-hour contract (15%), with statistical significance, after which the proportion of employees on zero-hour contracts sharply dropped, before picking up again for employees aged over 65 years (5.5%). The higher proportion of younger workers on zero-hour contracts could be driven by the student population, with students more than three times more likely to be on zero-hour contracts (7.5%) than non-students (2.2%).

Figure 8: 1 in 7 employees in the accommodation and food service activities industry were on a zero-hour contract

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#### Source: Office for National Statistics - Annual Population Survey

When broken down by industry, 14% of employees in the accommodation and food services industry were on zero-hour contracts, which is statistically significant compared with the UK figure of 3%.

Those on zero-hour contracts were less likely to report working overtime. This was most pronounced for unpaid overtime, where 2% of employees on zero-hour contracts reported working unpaid overtime, compared with 17% of employees not on zero-hour contracts. Employees on zero-hour contracts were also less likely to be working satisfactory hours (69%) than those not on zero-hour contracts (83%). Finally, over half of employees on zero-hour contracts were in low pay (51%), whereas 16% of workers on non-zero-hour contracts were in low pay.

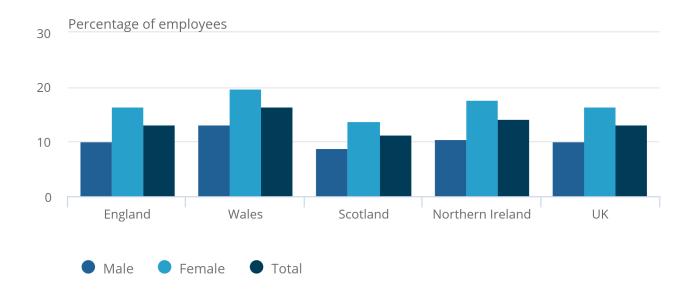
## 7. Low pay (UK-wide measure)

The Annual Survey for Hours and Earnings (ASHE) is the preferred data source for the overall analysis of pay and hours. This analysis uses the Annual Population Survey (APS), rather than ASHE, because it allows analysis of a wider range of characteristics of those in low pay.

Following the same methodology as the <u>previous release</u>, low pay is measured in two distinct ways in this article. In this section, we investigate employees whose hourly pay is below two-thirds of the UK's median pay. In the next section, Low pay (local measure), we compare an employee's hourly pay against two-thirds of the median hourly pay of all employees living in the same local authority. We include the more localised analysis as this provides a more accurate indication of whether a person's pay can offer the relative standard of living in the local area where the employee resides.

Figure 9: Women were more likely to be in low-paid employment then men in all UK countries

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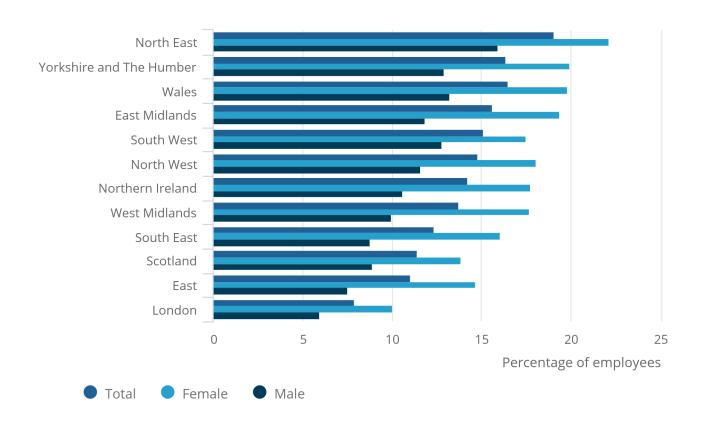
Source: Office for National Statistics - Annual Population Survey

Using two-thirds of the UK median hourly pay as a measure for low pay, 13% of employees in the UK were in low-pay employment. In Wales, the proportion of employees in low pay was 17%, compared with 11% in Scotland and 14% in Northern Ireland.

The proportion of women in low pay across the UK was 16%, compared with 10% for men. This difference is comparable with the <u>ASHE estimates of 17% for women and 12% for men</u>. For a more detailed analysis of differences in pay between men and women, please consult the annual <u>Gender pay gap in the UK</u> bulletin.

Figure 10: London employees were the least likely to be in low pay when using the UK measure of low pay

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#### Source: Office for National Statistics - Annual Population Survey

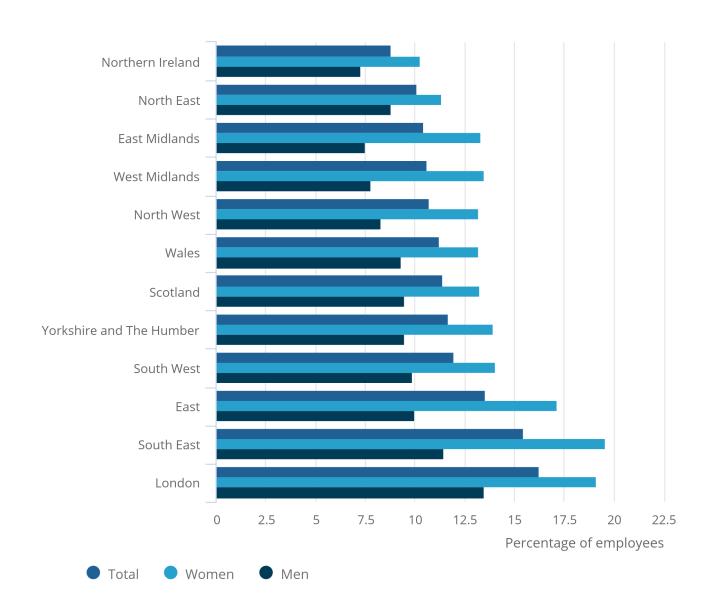
Using the UK-wide measure of low pay, London employees were the least likely to be in low pay (8%), whereas employees in the North East were most likely to be in low pay (19%). Women were more likely to be in low pay than men across all the England regions, with the gap most apparent in the West Midlands, East Midlands and the South East.

Low-pay employees were less likely to be working satisfactory hours (79%) than people not in low pay (84%). Those in low pay were also more than twice as likely to be working paid overtime (21%) than those not in low pay (10%). Not being in low-pay employment also means you were more likely to report having good opportunities (56%) than low-paid workers (42%).

## 8. Low pay (local measure)

Figure 11: London employees were the most likely to be in low pay when using the local measure of low pay

Figure 11: London employees were the most likely to be in low pay when using the local measure of low pay



Source: Office for National Statistics - Annual Population Survey

Using the local low pay measure (see <u>Glossary</u>), which defines low-pay employment as below two-thirds of the average (median) hourly pay of all employees living in the same local authority, 16% of employees in London were categorised as in low pay, compared with 10% in the North East.

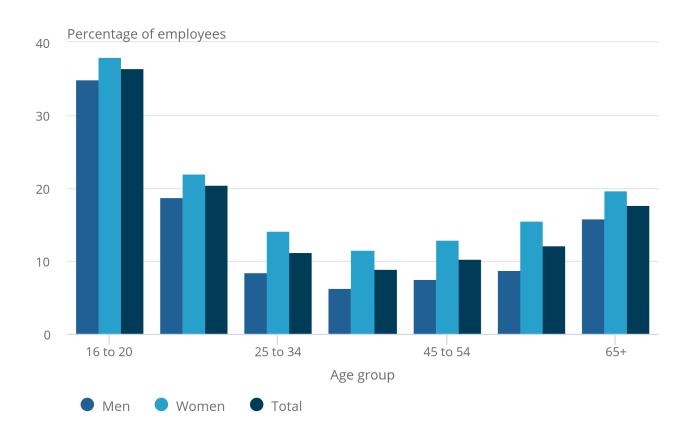
This is because wages vary more in London; alongside higher-paying jobs, many employees in London continue to earn the National Minimum Wage. This means the median hourly pay in London is £18.10, compared with the UK median of £13.70. As a result, a higher proportion of employees in London fall into the low pay category, using our measure of local low pay. In addition, the proportion of employees in low pay has fallen in every English region since 2015, except London, where low pay employment has been relatively stable.

Across the UK, disabled employees were more likely to be in low pay (17%) than non-disabled employees (12%). By sex, the proportion of employees in low pay was highest for disabled females (19%) and lowest for non-disabled males (9%).

By education, employees with no qualifications were most likely to be in low pay (21%), whereas employees with an undergraduate or a higher degree were least likely to be in low pay, at 8% and 5% respectively.

Figure 12: Over a third of employees aged 16 to 20 years were in low-paid employment

Figure 12: Over a third of employees aged 16 to 20 years were in low-paid employment



Source: Office for National Statistics - Annual Population Survey

Younger employees were more likely to be in low-pay employment, with 36% of employees aged 16 to 20 years categorised as in low pay. This is because you must be at least 23 years old to receive the National Living Wage. The <a href="National Minimum Wage">National Minimum Wage</a> also decreases by age for those under 23 years.

After the 16 to 20 years age group, the proportion of employees in low pay dropped until 35 to 44 years, before gradually increasing again. Women were more likely to be in low pay than men in all age groups. The lowest earning employees also tend to be part-time, and work in the accommodation or food service industry. In our data, part-time employees were also more likely to be in low-pay employment (22%) compared with full-time employees (10%).

According to our <u>Families in the labour market</u> release, 50% of working families in 2021 had both parents employed full time. However, 44% of working families have the father employed full time while their partner works part time, compared with only 3% the other way around. In addition, 33% of mothers reported special working arrangements (such as flexible or term-time hours), compared with 24% of fathers. Given women are more likely to be in part-time employment, this helps to explain why a higher proportion of women are in low pay.

By occupation, employees in elementary occupations, such as delivery operatives (28%), sales and customer service occupations, (26%) and caring, leisure, and other service occupations (24%), were most likely to be in low-pay employment. Employees in professional occupations were least likely to be in low-pay employment, at 4%.

## 9. Career progression

Just over half of employees in the UK (55%) believed they had good opportunities for career progression, with little variation across England, Scotland, Wales and Northern Ireland.

Full-time employees were more likely to report good career progression opportunities compared with part-time employees (59% and 40% respectively). Employees with a completed undergraduate degree were also more likely to report good progression opportunities (60%) compared with those with lower levels of qualification, such as GCSEs (47%).

Figure 13: The proportion of employees who reported good career progression opportunities was highest in the 25 to 34 years age group

Figure 13: The proportion of employees who reported good career progression opportunities was highest in the 25 to 34 years age group



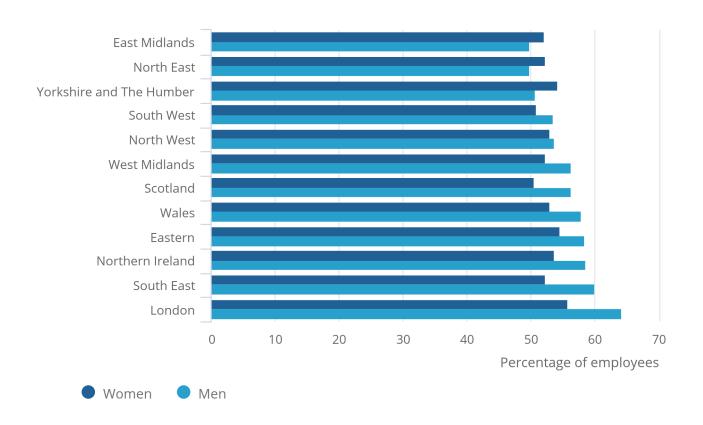
#### Source: Office for National Statistics - Annual Population Survey

The proportion of employees who reported good career progression initially increases with age, reaching 64% in the 25 to 34 years age group, and then decreases, falling to 33% for those aged over 65 years.

Men aged 25 to 44 years were more likely than women to report good career progression opportunities, with <u>statistical significance</u>. This could be driven by women within those age groups taking time off or changing to part-time working patterns to allow childcare. As outlined previously, part-time working patterns decrease perceived progression opportunities.

Figure 14: Almost two-thirds of men in London reported good career progression opportunities

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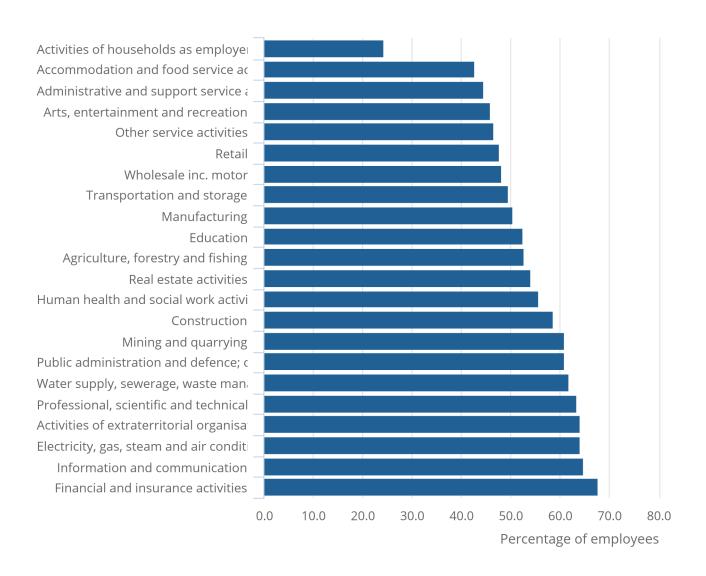
#### Source: Office for National Statistics - Annual Population Survey

The highest proportion of self-reported career progression opportunities was among men in London, with almost two-thirds (64%) believing they had good opportunities for career progression. A noticeably high proportion of men in the South East also reported good career progression opportunities (60%). Only one in two men reported good career progression opportunities in the North East and East Midlands.

There was a statistically significant difference in reported career progression opportunities between disabled employees (47%) and their non-disabled colleagues (57%). This appears to be driven by sex, with a 12-percentage point difference between disabled and non-disabled men (46% and 58% respectively), compared with only a 7-percentage point difference for women.

Figure 15: Two-thirds of employees working in the financial and insurance activities industry reported good career progression opportunities

Figure 15: Two-thirds of employees working in the financial and insurance activities industry reported good career progression opportunities



#### Source: Office for National Statistics - Annual Population Survey

When analysed by industry, the proportion of employees who reported good career progression opportunities in the UK ranged from 24% to almost 68%. Industry distribution drives the geographical trends outlined earlier. Men in London report higher perceived progression opportunities as the industries with the highest reported career progression are <u>disproportionality located in London</u> and are male dominated.

Industries with the highest proportion of employees who reported good career progression opportunities also reported higher unpaid overtime. When broken down by sex, the differences in self-reported career progression opportunities across industries were not statistically significant. Thus, the small gender gap for career progression opportunities is likely driven by differences in working pattern.

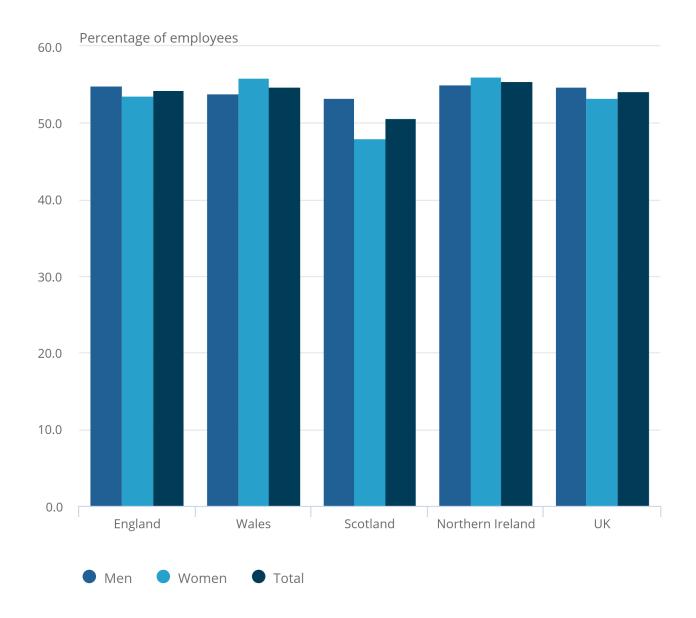
Employees who perceived good opportunities for career progression were more likely to work unpaid overtime (22%) than those who did not (18%). In addition, those who felt there were good opportunities for career progression were over 30-percentage points more likely to report good employee involvement (69%), compared with those who did not (36%). Lastly, employees who did not feel that there were good opportunities for career progression were more than twice as likely to be on a zero-hours contract (3.7%) than people who perceived good career progression opportunities (1.6%).

## 10 . Employee involvement

In 2021, 54% of employees in the UK felt involved and represented in their employer's decision making. Disabled employees were less likely to report good employee involvement (47%), compared with employees who were not disabled (54%).

Figure 16: Employees in Scotland were least likely to report good employee involvement

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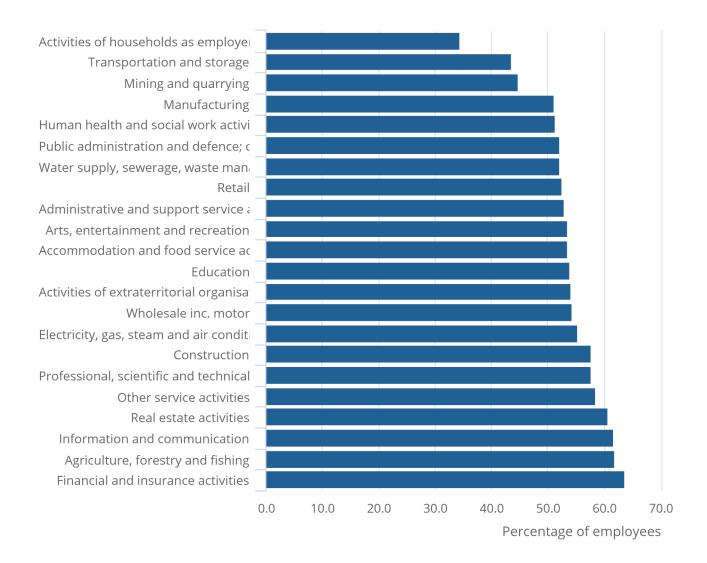
Source: Office for National Statistics – Annual Population Survey

By English region, the proportion of employees who reported good employee involvement ranged from 50% in the North East to 56% in London. The proportion of employees who reported good employee involvement was higher in London and the South East, compared with the North East, North West, South West and East Midlands.

Employees with higher-level qualifications were more likely to feel involved in decision making in their workplace than those with no qualification. Men with higher degrees reported higher levels of employee involvement (59%), compared with women with the same qualification level (53%). Interestingly, 61% of employees who did not perceive they had good involvement also did not consider themselves to have good career progression opportunities, more than double the rate of people who reported good employee involvement (29%).

Figure 17: The proportion of employees who felt involved in their workplace decision making in the UK ranged from 36% to 64% when looking at different industries

Figure 17: The proportion of employees who felt involved in their workplace decision making in the UK ranged from 36% to 64% when looking at different industries



Source: Office for National Statistics - Annual Population Survey

The differences by industry can shed light onto the regional variation we have described previously. Out of the UK countries, employees in Scotland were least likely to report good employee involvement, as its <u>biggest industries</u> – by <u>workforce</u> – report employee involvement below the UK figure of 54%.

For instance, only 45.6% of Scottish employees in "human health and social work activities" feel involved in their employer's decision making. The industry is also dominated by women, which helps explain why women in Scotland are less likely to report good employee involvement. Similarly, employee involvement is higher in London where a high proportion of jobs are within industries such as financial and insurance activities, information and communication, and professional, scientific and technical activities. A further regional breakdown of industry by job quality indicator is available in the accompanying datasets.

## 11. Union representation

The Department for Business, Energy and Industrial Strategy (BEIS) publishes annual statistics on <u>trade union</u> <u>membership (PDF, 4.29MB)</u> and the most recent release includes data for 2021. These statistics provide a record of collective representation of employees in the UK workforce and how it has changed over time.

The proportion of UK employees who were trade union members fell to 23.1% in 2021 from 23.7% in 2020. This represents the lowest union membership rate on record (since 1995). The proportion of employees who were trade union members fell in England, Scotland and Northern Ireland in 2021. In contrast, the proportion of employees who were trade union members in Wales rose by 3.7 percentage points to 35.6%, its highest since 2014.

## 12. Workplace injury and illness

The Health and Safety Executive (HSE) produce regular statistics on <u>workplace injury and work-related illnesses</u> for Great Britain (PDF, 1.73MB). Their most recent report suggests that in the year 2019 to 2020, there were 1.6 million work-related ill-health cases and 0.7 million workers sustained a non-fatal injury in their workplace.

For Northern Ireland, the Health and Safety Executive for Northern Ireland (HSENI) are responsible for reporting Northern Ireland workplace injury and illness statistics. They estimate that workplace ill-heath costs the Northern Ireland economy over £238 million per year.

## 13. How does your local area fare for quality work?

Data time series of quality work indicators, tracking satisfactory hours, desired contracts and the local measure of low pay, Great Britain, 2015 to 2021.

Figure 18: Satisfactory hours, desired contracts, and low pay (local) by local and unitary authority, Great Britain, 2015 to 2021.

#### Notes:

- 1. Time series is based on APS "unitary authority and local authority" breakdowns (UALA), which does not collect data on local authorities in Northern Ireland and the "City of London".
- 2. "Cheshire East" and "Cheshire West and Chester" are derived from the same UALA code ("Cheshire") and therefore have the same values.
- 3. "Cornwall" and "Isle of Scilly" are derived from the same UALA code ("Cornwall and the Isles of Scilly") and therefore have the same values.
- 4. "Eilean Siar,"Orkney Islands" and "Shetland Islands" are derived from the same UALA code ("Eilean Siar, Orkney & Shetland") and therefore have the same values.
- 5. "Bedford" and "Central Bedfordshire" are derived from the same UALA code ("Bedfordshire") and therefore have the same values.

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## 14. What is quality of work?

The International Labour Organization (ILO) outlines a range of benefits, which are associated with <u>decent work</u>. Decent work is also one of the Sustainable Development Goals (SDGs) Goal 8: Decent work and economic growth.

To lay out the vision for the future of the UK labour market, the government produced the <u>Good Work Plan</u> policy paper in 2018, following the <u>Taylor Review of Modern Working Practices (PDF, 3.84KB)</u>. The 'Good Work Plan' states that equal emphasis should be placed on both the quantity and quality of jobs, and that work quality must be defined, measured and understood, to enable improvements to be measured in the future.

In response to the review, the Carnegie Trust and Royal Society of Arts, Manufactures and Commerce (RSA) set up the Measuring Job Quality Working Group (PDF, 1.72KB). The working group recommended the adoption of a new set of job quality metrics and a robust, regular and reliable approach for measurement, preferably from a single data source such as the Labour Force Survey (LFS) or Annual Population Survey (APS). As a result, 18 priority measures were established, covering both objective and subjective components.

These priority measures were grouped into seven dimensions:

- · terms of employment
- pay and benefits
- · health, safety and psychological well-being
- · job design and nature of work
- social support and cohesion
- · voice and representation
- work-life balance

These dimensions and their accompanying indicators have been used as a foundation for this article. The <u>previous analysis of quality job indicators</u> was published in 2019, with focus limited to low pay, satisfactory hours and desired contracts. For data time series purposes, this article reproduces the previously reported indicators in our 2019 release, using 2021 reweighted APS data. This release expands on the previous methodology by adding new job quality dimensions; the previous report captured three of the seven dimensions, while this report captures six.

The priority metrics not captured in this article include:

- minimum guaranteed hours
- satisfaction with pay
- mental health
- use of skill
- control
- sense of purpose
- peer support
- line manager relationship
- employee information
- over-employment

The devolved administrations of Scotland, Wales and Northern Ireland each have existing strategies for promoting the delivery of better jobs. In Scotland, this includes the <u>Fair Work Framework Scotland</u> and the <u>Fair Work Convention Scotland</u>. In Wales, there is the <u>Fair Work Commission</u> and <u>Annual Ministerial Statement on Fair Work</u>, alongside a range of National Well-being indicators. And in Northern Ireland, the Northern Ireland Statistics and Research Agency (NISRA) analyse job quality indicators in their own <u>Work Quality publication</u>.

## 15. Job quality in the UK data

Job quality indicator tables, UK

Dataset | Released 16 December 2022

Data on the work quality indicators for the article "Job quality in the UK – analysis of job quality indicators: 2021" by country, region and local authority.

## 16. Glossary

## Satisfactory hours

In this article, we choose to define "satisfactory hours" as employees who usually work fewer than 48 hours a week (TTUSHR) and are not underemployed (that is, do not wish to work more hours in their current role and are not looking for an additional or replacement job that offers more hours).

As over- and underemployment statistics are published on a <u>quarterly basis</u>, this article has chosen to deviate from the "working group" recommendation of reporting them separately. Instead, the combined measure "satisfactory hours" captures underemployment, while also incorporating the 48-hour working week limit set out in the UK's <u>Working time regulations</u>. What it does not capture, however, are employees who choose to opt out of the upper working hours limit.

#### **Overtime**

Employee reports ever doing any work they regard as overtime (EVEROT = 1). Subsequent breakdowns are:

- unpaid: employee reports working unpaid overtime hours (UOTHR > 0) and does not report working paid overtime (POTHR = 0, 99)
- paid: employee reports working paid overtime hours (POTHR > 0) and does not report working unpaid overtime (UOTHR = 0, 99)
- both paid and unpaid: employee reports working both paid and unpaid overtime (POTHR > 0 & UOTHR > 0)

#### **Desired contract**

Employee reports either a permanent contract or a non-permanent contract for a reason other than "Could not find a permanent job" (JOBTYP = 1 or [JOBTYP = 2 and WHYTMP6 in (1,2,4,5]).

#### **Zero-hour contract**

Employee reports "zero-hour contract" working arrangement (FLEXW7 = 1).

## Low-pay employment

Low pay is calculated in two ways, where employees not in low pay are either:

- earning at least two-thirds of the median pay (HOURPAY) of the UK
- earning at least two-thirds of the median pay (HOURPAY) of their subnational authority of residence (UALA); subnational authority refers to the combination of unitary authority and county geographies, as is collected in the variable UALA by the Labour Force Survey (LFS)

Data time series analysis has been done at local authority level for the years 2015 to 2021 for satisfactory hours, desired contracts and low pay (local). These figures are not comparable with the <u>previous publication</u> because of improvements in the <u>LFS and APS weighting methodology</u>.

## Career progression

Employee has good career progression opportunities if they "agree" or "strongly agree" with the following statement:

"My job offers good opportunities for career progression" (JOBPRO = 4, 5).

Proportions are calculated as a percentage of the total of all respondents (JOBPRO = 1-6) including those that refused to answer (JOBPRO = -8).

## **Employee involvement**

Employee has good employee involvement if they answer "good" or "very good" in response to:

"How poor or good would you say managers at your workplace are at involving employees and their representatives in decision making?" (JOBREP = 4, 5).

Proportions are calculated as a percentage of the total of all respondents (JOBREP = 1-6) including those that refused to answer (JOBPRO = -8).

## 17. Data sources and quality

These indicators are further broken down by a range of demographic variables in the accompanying datasets. These datasets analyse the eight job quality indicators listed previously, broken down by:

- sex
- age
- ethnicity
- · country of birth
- nationality
- educational attainment
- full-time and part-time employment
- disability status
- occupation
- industry

All demographic data are available at the UK level, alongside breakdowns by UK country, English region and local and unitary authority levels. Confidence internals are provided for clarity.

These data are <u>experimental</u> and the methodology may be amended in future outputs. This analysis is not a government definition of quality jobs and suggestions for future research are highlighted in the <u>Future</u> <u>developments section</u>. Figures may differ to other job quality measures because of differences in methodologies. More details on definitions can be found in the <u>Glossary section</u>.

This analysis uses the Annual Population Survey (APS). To maintain the data time series, this article has reproduced the previous analysis with reweighted APS data from 2021. This article has also expanded on the previous methodology by adding new job quality dimensions to the analysis, to provide a more recent and holistic picture of job quality in the UK.

Although the Annual Survey of Hours and Earnings (ASHE) is the primary source of data for earnings analysis and hours worked in the UK, the APS provides vital employment indicators and more demographic information that are crucial for this detailed analysis (such as education).

The APS collects self-reported data from respondents. Although data validation and imputation are used, collected responses may not be fully accurate, may be missing information and may not fully match responses given by businesses.

The APS also has a smaller sample size than ASHE, which restricts the extent of multivariate analysis available, particularly for sub-regional breakdowns. For quality purposes, proportions in the accompanying dataset that are of low data quality have been removed and those with lower confidence shaded grey.

For the analysis presented in this article, income, person, and non-proxy weights have been calculated and applied – for more information refer to the <u>Labour Force Survey weighting methodology</u>. Please consult the <u>Volume 6: APS User Guide</u> for more background on the APS.

An issue with the collection of some occupational data was identified in July 2022, which affects all LFS and APS datasets from January 2021 to September 2022. The issue was caused by the implementation of the updated <u>Standard Occupational Classification (SOC)</u> from SOC 2010 to SOC 2020 and is limited to occupation variables and associated derived variables. An <u>impact assessment</u> has been conducted and concluded that analysis at Major SOC group level (one-digit) – which we have done in this analysis – has only marginal effects on results.

Lastly, it should be acknowledged that the 2021 APS took place during the coronavirus (COVID-19) pandemic, with some government restrictions and employment support policies in place, which may have an impact on labour market measures at that time.

## 18. Future developments

This analysis focuses only on employees and therefore misses a portion of the labour force who are selfemployed or in alternative types of employment. For a holistic understanding of work quality in the UK, an analysis of the latter two groups would be required.

It is important to stress that this is not yet a comprehensive measure of job quality, but rather a further step towards having one. The aim of this article is to fill an existing data gap by providing more recent data on the <u>previously analysed indicators</u> and offer more nuance, by incorporating more job quality dimensions into the analysis.

For future research, it will be possible to expand on the indicators we report on, to cover all seven job quality dimensions set out in the <u>Measuring Good Work (PDF, 1.72MB)</u> report. To measure social support and cohesion, we can incorporate an indicator about line manager support. Data on bullying and harassment will also be available next year, which can serve as a proxy for psychological well-being.

With the changes to the way we work brought on by the coronavirus (COVID-19) pandemic, there is also a growing need to revisit and redefine job quality dimensions. For instance, flexible and homeworking arrangements have become common practice in many industries, and any analysis on job quality ought to include them in the discussion.

Alongside national restrictions and policies that were introduced during the pandemic, changes in APS data collection were also implemented. In future publications, where more data points are available, it may be possible to explore the impact of the pandemic on job quality measures. New variables introduced during this time will help to supplement this research.

Furthermore, with a <u>largely unchanged employment rate</u>, and economic inactivity on the rise, the relationship between job quality and economic activity represents a research avenue that could be explored further. Future research on quality of work could incorporate economic inactivity and assess its relationship with job quality indicators.

Moving beyond the single source approach taken in this analysis, alternative data sources, such as administrative data or employee reviews, could also be used to further aid our understanding of what employees consider to be important in a job.

Work is ongoing across government to determine how to best measure and report quality of work, and there is potential for a future consultation exercise to ensure all perspectives are included in these discussions. Work is ongoing across the office to develop an indicator-based approach to measure human capital. A consultation exercise is planned for early 2023, if you would like to know more about or engage with us on this, please get in touch <a href="mailto:economic.wellbeing@ons.gov.uk">economic.wellbeing@ons.gov.uk</a>.

## 19. Related links

#### Job quality indicators in the UK - hours, pay and contracts: 2018

Article | Released 4 December 2019.

Analysis of job quality in the UK using newly reweighted earnings data from the Annual Population Survey (APS) for 2018.

#### Low and high pay in the UK: 2021

Bulletin | Released 26 October 2021

The distribution of hourly earnings of high-paid and low-paid jobs and jobs paid below the National Minimum Wage.

#### Families and the labour market, UK: 2021

Article | Released 22 July 2022

The employment rates and employment practices of men and women with dependent children in the UK, based on data from the Labour Force Survey, Annual Population Survey and Time Use Survey.

#### JOBS05: Workforce jobs by region and industry

Dataset | Released quarterly

Workforce jobs by region and industry. Workforce jobs tables are usually updated in March, June, September and December.

#### Labour Force Survey weighting methodology

Methodology | Updated 17 May 2021

New population weights using PAYE Real-Time Information data to allow for changes to Labour Force Survey (LFS) collection methods, and changes to population movements in 2020. To be applied to LFS results from July 2021.

## 20. Cite this article

Office for National Statistics (ONS), released 16 December 2022, ONS website, article, <u>Job quality in the UK - analysis of job quality dimensions: 2021</u>