

**EMBARGOED UNTIL 00:01 on 25th Nov 2013**

## **Growing Job Insecurity in the Public Sector, but not in the Private Sector**

A survey of how employment is changing shows that employment relations continue to be relatively good, despite the recession. However there has been a marked rise in feelings of job insecurity in the public sector in Britain since the mid-2000s.

In 2004, employees in the private and public sectors gave similar ratings of their job security. However by 2011, public sector employees were much more likely to feel insecure in their jobs. The Workplace Employment Relations Study (WERS) shows that there have been other changes in employees' job quality, but these have also tended to favour employees in the private sector.

Whilst the private sector recovery gains pace, the Office for Budget Responsibility is forecasting that public sector employment will fall by a further fifth by 2018.<sup>1</sup> The lot of public sector workers is therefore unlikely to improve in the near future.

### **Employment relations broadly stable**

The proportion of all employees who viewed relations with their workplace managers as either 'good' or 'very good' was slightly higher in 2011 (64%) than in 2004 (62%), despite the challenging economic climate. However, the proportion of employees giving positive ratings was higher in the private sector than in the public sector in 2004 (64% versus 57%) and the gap widened in 2011 (67% versus 57%).

### **But growing job insecurity in the public sector**

Back in 2004 there was no difference in perceived job security between public and private sector employees: roughly two-thirds agreed or strongly agreed their jobs were secure (left-hand panel in Table 1). In 2011 perceptions of job security in the private sector were at their previous level, despite the longest recession in living memory; but in the public sector perceived job security had plummeted so that fewer than half of public sector employees felt secure in their jobs. These trends fed through to employees' satisfaction with their job security (right-hand panel in Table 1).

*Table 1 - Job Security: Perceptions and Satisfaction*

	<i>Employees agreeing that 'My job is secure in this workplace'</i>		<i>Employees 'satisfied' or 'very satisfied' with job security</i>	
	2004	2011	2004	2011
Private sector	68	65	65	63
Public sector	66	47	64	46

<sup>1</sup> Chart C (p.77) of the Office for Budget Responsibility's *Economic and Fiscal Outlook – March 2013*.

## Jobs more demanding

The percentage of employees saying that their job requires them to work very hard rose in both the public and private sectors between 2004 and 2011. However, public sector employees remained more likely to say that they never had enough time to get their work done (Table 2).

Nevertheless the long-hours culture is more prevalent in the private sector, where more than two-fifths of employees believe that they have to work long hours to progress.

*Table 2 - Job Demands*

<i>Employees agreeing that...</i>	<i>'My job requires that I work very hard'</i>		<i>'I never seem to have enough time to get my work done'</i>		<i>'People in this workplace who want to progress usually have to put in long hours'</i>
	<i>2004</i>	<i>2011</i>	<i>2004</i>	<i>2011</i>	<i>2011</i>
Private sector	74	83	36	38	42
Public sector	80	85	51	48	37

## Wages being restrained

Whilst official statistics show that average wages have risen to a similar degree in the private and public sectors since the mid-2000s, WERS shows that public sector workers were more likely than those in the private sector to have recently experienced pay freezes or pay cuts. Almost half (49%) of public sector employees said that their pay had recently been frozen or cut, compared with only 26% in the private sector.

Public sector workers remain more likely to receive employer pension contributions, to have access to extra-statutory sick pay and to enjoy longer annual leave entitlements. However the public sector advantage on such benefits is likely to be reduced, following Lord Hutton's review of public sector pensions and reforms which will expand private sector pension provision.

## Management support for employees

Public sector workplaces remain more likely than those in the private sector to offer off-the-job training, but the proportion of public sector employees who judged that managers encouraged people to develop their skills fell below that seen in the private sector between 2004 and 2011 (see Table 3).

*Table 3 - Supportive Management*

<i>Employees agreeing that managers at their workplace...</i>	<i>Private sector</i>		<i>Public sector</i>	
	<i>2004</i>	<i>2011</i>	<i>2004</i>	<i>2011</i>
Encourage people to develop their skills	58	60	61	55
Understand about employees having to meet responsibilities outside work	59	63	61	58
Are sincere in attempting to understand employees' views	56	59	52	51
Deal with employees honestly	58	60	52	51
Can be relied upon to keep their promises	51	53	44	42
Treat employees fairly	58	60	54	53

Public sector workplaces also remain more likely to offer flexible working arrangements. Yet there was a decrease between 2004 and 2011 in the proportion of public sector employees who judged managers to be ‘understanding about employees having to meet responsibilities outside work’; in contrast this proportion rose among private sector employees (Table 3).

Table 3 also shows that employees in the private sector in 2011 were more likely than those in the public sector to say that managers are:

- sincere in attempting to understand employees’ views
- deal with employees honestly
- can be relied upon to keep their promises
- treat employees fairly.

### **Comments on the report**

Alex Bryson, Principal Research Fellow at NIESR and one of the co-authors of the report, said:

" In our survey the biggest difference in working conditions in recent years relates to job security: perceptions of job security have declined markedly in the public sector since the mid-2000s. Demands made of employees to work harder have increased in both sectors, but private sector employees have generally benefited from more supportive management. These differences partly reflect different employer responses to recession in the two sectors. But the continuing squeeze on public finances means it is likely that there will continue to be pressure on working conditions in the public sector for some time to come."

**ENDS**

### **Notes to Editors:**

1. The 2011 WERS is the sixth in a series of workplace employment relations surveys. Previous surveys were conducted in 1980, 1984, 1990, 1998 and 2004. Interviews were undertaken with around 2,700 workplace managers and 1,000 employee representatives, whilst over 20,000 employees completed questionnaires. Fieldwork ran from March 2011 to June 2012 and was conducted by the National Centre for Social Research (NatCen). Further information on WERS is available at: : <https://www.gov.uk/government/publications/the-2011-workplace-employment-relations-study-wers>
2. The 2011 survey was jointly sponsored by the Department for Business Innovation and Skills (BIS), the Economic and Social Research Council (ESRC), the UK Commission for Employment and Skills (UKCES), the Advisory Conciliation and Arbitration Service (Acas) and the National Institute of Economic and Social Research (NIESR). NIESR’s contribution was made possible by a grant from the Nuffield Foundation. The views expressed are those of the publication’s authors and not necessarily those of the sponsors.

3. *Employment Relations in the Shadow of Recession: Findings from the 2011 Workplace Employment Relations Study* by Brigid Van Wanrooy, Helen Bewley, Alex Bryson, John Forth, Stephanie Freeth, Lucy Stokes and Stephen Wood is published by Palgrave MacMillan (ISBN 978-1-137-27576-9). To obtain a review copy please contact Brooke Hollingshead on +44(0)20 7654 1923 (or b.hollingshead@niesr.ac.uk).
4. Brigid Van Wanrooy was previously a Principal Researcher at Acas and is now a Research Manager at the Centre for Workplace Leadership in Melbourne. Alex Bryson, John Forth and Helen Bewley are Principal Research Fellows at the National Institute of Economic and Social Research (NIESR). Lucy Stokes is a Senior Research Fellow at NIESR. Dr Stephanie Freeth is a Senior Research Officer at the Department for Business Innovation and Skills. Stephen Wood is Professor of Management at the University of Leicester.
5. All findings reported in the publication relate to workplaces with 5 or more employees.

**Issued by:**

The National Institute of Economic and Social Research (NIESR) and the Economic and Social Research Council (ESRC).

NIESR is Britain's longest established independent economic research institute with over sixty years' experience of applying academic excellence to the needs of business and policy makers.

The Nuffield Foundation, which funded NIESR's contribution to the research, works to improve social well-being by funding research and innovation in education and social policy.

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