

14th DECEMBER 2010

Alex Bryson and John Forth

National Institute of Economic and Social Research,
2, Dean Trench Street, London SW1P 3HE

**THE EVOLUTION OF THE
MODERN WORKER: ATTITUDES
TO WORK**

**THE EVOLUTION OF THE MODERN WORKER:
ATTITUDES TO WORK**

Alex Bryson and John Forth

NIESR Discussion Paper No. 372

December 2010

Abstract

This paper examines how employees' experiences of, and attitudes towards, work have changed over the last quarter of a century. It assesses the extent to which any developments relate to the economic cycle and to trends in the composition of the British workforce. Many of the findings are broadly positive, particularly when compared with a picture of deterioration in the late 1980s and 1990s. The onset of a major recession in the late 2000s might have been expected to herald a fundamental shift in employees' attitudes to paid work and their working environment. The impression at the time of writing is, instead, of a more muted reaction than was seen in the early 1990s – in keeping with the more muted impact of the current recession on the labour market as a whole.

Key words: wages; job security; employee engagement; employment relations; recession.

JEL: J28; J31; J53.

National Institute of Economic and Social Research
2 Dean Trench Street
London SW1P 3HE
Email: a.bryson@niesr.ac.uk or j.forth@niesr.ac.uk.

Acknowledgements: The authors gratefully acknowledge funding from the Nuffield Foundation (grant ref. OPD/37358). The *National Centre for Social Research* is grateful to the Department for Business, Innovation and Skills for their financial support which enabled them to ask the questions reported in this paper. The views expressed are those of the authors alone.

This paper appears as chapter 5 in A Park et al (eds) *British Social Attitudes: the 27th Report*, London: Sage.

1. Introduction

The world of work has undergone a transformation since the first *British Social Attitudes* (BSA) survey was conducted over a quarter of a century ago. A technological revolution has redesigned job tasks around computer and information technologies, leading to greater demand for skilled labour and the rapid decline of easy-to-automate jobs. The same technological revolution has facilitated the globalisation of product and labour markets by reducing the costs of interconnectedness. International trade has boomed and market competition is tougher than ever. As a consequence, mature western economies such as Britain have seen an increasing percentage of manufactured goods come from abroad, resulting in a substantial decline in the relative size of the manufacturing sector in Britain and a decline in the prevalence of manual jobs. At the same time, the demographic profile of employees in Britain has changed markedly.

Many of these key changes are illustrated in Table 1. It shows, for instance, that the proportion of employees working in the manufacturing sector has more than halved, from 27 per cent in 1985 to 12 per cent now. One in ten employees now belongs to a minority ethnic group, a contributing factor to this increase being the rise in immigration to the UK, a further reflection of the internationalisation of markets. And there are now nearly as many women in the workforce as there are men. Many women have also broken through the ‘glass ceiling’ which once prevented them from doing jobs in the higher echelons of the labour market (Blackburn, 2010). Finally, as Table 1 shows, just over a quarter of employees now belong to a trade union, down from nearly half in 1985.

Table 1 The changing character of employees, 1985–2009

% of employees with specified characteristics	1985	1989	1995	1999	2005	2009
Workplace characteristics:						
Manufacturing	27	25	18	22	17	12
Public sector	34	33	n/a	26	30	32
Job characteristics:						
Manual occupation	44	43	38	39	37	35
Union member	47	44	36	32	29	27
Employee characteristics:						
Female	44	46	51	49	48	47
Ethnic minority	3	3	4	4	8	10
Degree-level qualification	25	27	32	34	39	40
<i>Base</i>	857	1462	1448	1364	1952	1594

Base: all employees

The *British Social Attitudes* sample of employees only includes those working 10 or more hours per week

Of course, alongside changes in the real economy, there have been numerous important policy shifts in the UK which have also affected the nature of employment. *Laissez-faire* policies in the 1980s saw rapid de-industrialisation, high levels of unemployment, and unprecedented growth in wage inequality in Britain, with statutory interventions aiming to increase the flexibility of the labour market and pin back the power of trade unions. The first half of the 1990s continued in the same vein, but the advent of a Labour government in 1997 marked a profound shift in policy (Dickens and Hall, 2009). It ushered in a period of labour market ‘re-regulation’ perhaps best epitomised by the introduction, for the first time in Britain’s history, of a national minimum

wage. A huge expansion in higher and further education was intended to meet the big growth in demand for highly skilled labour, and contributed to a substantial rise in the proportion of graduate employees, from a quarter in 1985 to 40 per cent now. The public sector, which had shrunk in size in the 1990s, also grew again under Labour as a result of the policy focus on education and health.

There has also been much talk of a revolution in the management of employees. Firms have adopted 'employee engagement' practices, such as team working, encouraging efforts on the part of workers to participate in the creation of high-quality goods and services which can compete in increasingly competitive markets (Wood and Bryson, 2009). The ways in which firms are created and governed have also undergone a radical overhaul. Mergers and acquisitions are commonplace, facilitated by new international rules governing corporate structures. Corporate decision making at companies such as Cadbury (recently acquired by Kraft of the US) – traditionally thought of as British-owned – takes place in other parts of the world where the 'global brand' is key.

Some of the effects of these changes are well-known. There has been a polarisation in the rewards from working, with skilled workers commanding a large wage premium (Autor *et al.* 2008; Machin, forthcoming). This is nowhere more evident than the market for the best paid 'super-stars' (chief executives, bond traders and the like) where rewards are often heavily geared to individual or company performance (Bell and Van Reenen, 2010). At the other end of the labour market, cost pressures on firms have led to the adoption of more flexible employment practices, such as the introduction of temporary contracts, intended to minimise labour costs and deliver 'flexible firms' capable of responding through 'just-in-time' production to increasingly uncertain patterns of demand for goods and services.

In this paper we explore how employees' *experiences of, and attitudes to, work* have changed over the last quarter of a century. A previous examination of the period 1983–96 found that the quality of working life deteriorated between the early 1980s and early 1990s, a time which not only encompassed the economic and policy upheavals we have already mentioned, but also the deep recession of 1990/91 (Bryson and McKay, 1997). Since then, Britain first experienced 12 years of uninterrupted economic growth, and then the most severe recession since the 1930s. So we will examine how employees' experiences of, and attitudes towards, work have changed since then. Has there been further deterioration in the most recent decade, or did the years of economic prosperity and the introduction of many new minimum standards lead, instead, to an improvement? Further, what effect has the most recent recession had on employees' attitudes to work?

We begin by examining employees' perceptions to two of the most critical aspects of any employment relationship: the degree of job security and the amount of pay on offer. We then move on to consider more qualitative features of the employment relationship: the degree of trust or conflict between employees and their employers, and the degree of involvement that employees consider themselves to have over decision making at their workplace.

1.1 Exploring changes in attitudes to work

In trying to explain trends in employee attitudes we need to distinguish between three possible explanations for change. The first stems from *compositional changes*; changes in the composition of the workforce. For example, if the proportion of employees who are women is growing, and women are more likely than men to hold a particular view, then – all other things being equal – the proportion of employees holding this view will grow. A second possible reason for change is linked to *the economic cycle*. It may be, for example, that some attitudes vary depending on whether the economy is in a period of upturn or downturn – so some changes may simply reflect fluctuations in the economy. As noted above, there have been two major recessions since 1983; Bryson and McKay (1997) observed only the first of these, so we are in a better position to

identify cyclical trends. The third possible reason for change is an *underlying time trend*, that is, a change over time which is independent of the economic cycle and does not reflect the changing nature of the workforce. Such developments might be prompted by changes in societal norms, for instance. These different possible trends not only have different implications for policy makers, but may also counteract and mask one another – making simple year-on-year data difficult to interpret.

We explore these issues through both descriptive and multivariate analysis.¹ The multivariate analysis uses regression models to assess the importance of certain factors after taking account of (controlling for) all others. Changes in the *composition* of the workforce are accounted for by including in our models a number of factors relating to the demographic characteristics of employees, their jobs and the workplace within which they work. The models then account for changes in the *economic cycle* by including variables indicating the level of unemployment in each year and the changes in unemployment levels (and, in some models, changes in gross domestic product (GDP)). Once these various factors have been controlled for, dummy variables which identify each of the survey years serve to indicate the extent to which attitude change has occurred over time *above and beyond* what would be expected as a result of changes in workforce composition and economic changes. (Further details of the regression analysis that has been carried out can be found in the appendix to this paper). Our analysis will indicate whether any overall changes we find in employees' attitudes to work reflect changes in workforce composition, the economic cycle or other trends.

¹ For both the descriptive and multivariate analysis, respondents answering "don't know" or refusing to answer a substantive item of interest have been excluded from the analysis of that item, hence their views are not accounted for in the percentages presented in the tables and figures. Theoretically, it was felt to be appropriate to exclude these groups from the binary regressions as they do not represent a definite view on the items of interest.

2. Job security

It is already known that feelings of job security tend to follow the economic cycle to some degree (see Green, 2006). Employees feel more secure when the economy is growing and less secure when economic downturns begin to lead to job losses. But there is also a general perception that job security has seen a secular decline over the past quarter century, as increased competition (partly arising from the globalisation of product markets and supply chains, but also extending into the public sector) has all but eliminated the ‘job for life’. To examine perceptions of job security, BSA asks employees:

How likely or unlikely is it that you will leave this employer over the next year for any reason?

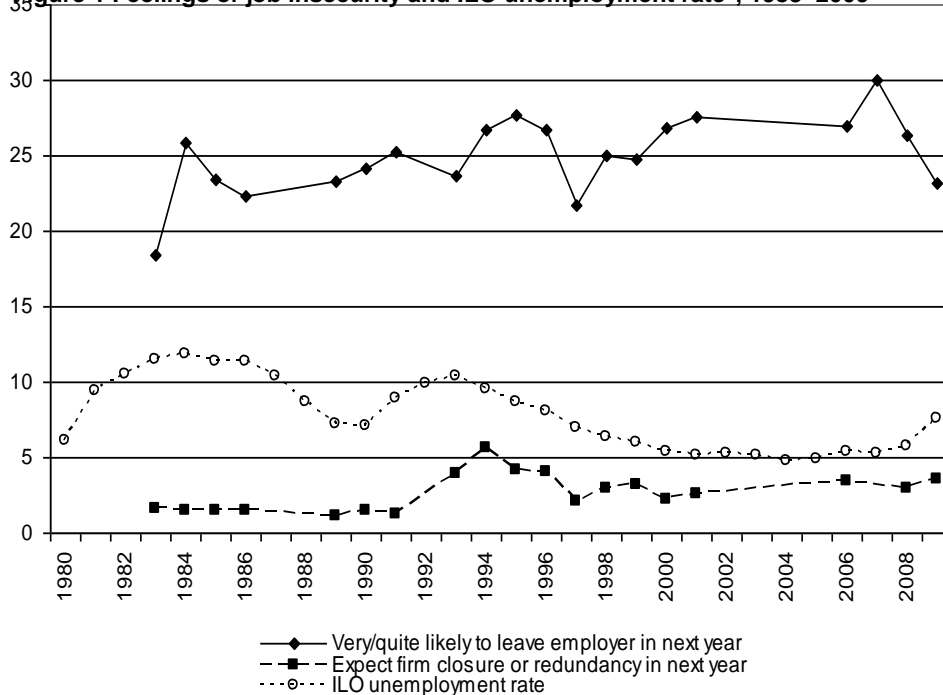
This question has appeared in most years of the series and the pattern of results is shown in the line at the top of Figure 1. The last reading shows that just under a quarter (23 per cent) think they will leave their employer within the next year, a proportion which has fluctuated considerably since the mid-1980s. However, there does appear to be a gradual upward trend since 1983 in the proportion of people who think it likely they will leave their job within the next year. This corresponds with other data which suggest that average job tenure fell in the 1980s and 1990s (Gregg and Wadsworth, 2002).²

Of course, for some employees the end of the current employment relationship will come voluntarily, as they look for a new challenge or better terms and conditions in another organisation. However, from the point of view of job insecurity, we are most interested in people who are leaving involuntarily. We identify them by asking respondents who say that they are “very” or “quite” likely to leave their employer why they think this will happen. Here we focus on those employees who say either that “my firm will close down” or that “I will be made redundant”; the percentage of all employees giving either response is shown on the dashed line towards the bottom of Figure 1.

One would expect this second series to rise as the economy falters and firms begin to consider layoffs, and then to fall as the economy recovers. However, the series was surprisingly stable throughout the period from 1983 to 1991, although unemployment fell sharply between 1983 and 1989. Once unemployment began to rise after the recession of 1990/91, however, the two series began to move upwards in tandem. The response to the recent recession has been much less pronounced – at least up until the time of writing. The percentage of employees saying that they are likely to leave their current job because of redundancy or the closure of their firm now stands at four per cent, with no significant change since 2008. Similarly, when employees were asked in 2005 and 2009 “how secure do you feel your employment is with your present employer?”, the proportion saying either “insecure” or “very insecure” was the same (nine per cent) in both years. The only indication of an increase in insecurity was a fall in the percentage saying they felt “very secure” (from 37 per cent in 2005 to 30 per cent in 2009) and an equivalent rise in the percentage saying they felt either “secure” or “neither secure nor insecure” (see Curtice and Park in the *BSA 27th Report*). This relatively muted response to the recent recession no doubt reflects the lower rate of actual job loss when compared with its predecessors, despite the comparatively larger fall in GDP (Gregg and Wadsworth, 2010). This has been attributed to higher rates of firm profitability going into the current recession, which reduced the pressure on firms to shed jobs, and to supportive monetary and fiscal policies (*ibid.*).

² Gregg and Wadsworth show that job stability fell for men and women without dependent children. Although it rose for women with young children, this group of employees are under-represented in *British Social Attitudes* because of the focus of the survey questions on employees working 10 or more hours per week

Figure 1 Feelings of job insecurity and ILO unemployment rate⁺, 1983–2009



Base: all employees

The data on which Figure 1 is based can be found in the appendix to this paper

⁺ Source: ONS Time Series Databank – series MGSX

Figure 1 does nevertheless provide some clear support for the notion of a secular increase in perceptions of insecurity since the 1980s. Even in the period of economic boom and expanding employment from 1998 through to 2005/6, the percentage of employees who thought their job would come to an involuntary end in the next 12 months remained around one and a half percentage points above the percentage seen when the economy was growing and unemployment falling in the second half of the 1980s.³ The survey data we have cannot tell us whether this might be due to a greater proliferation of temporary or fixed-term contracts. However, the rise in insecurity since the 1980s cannot be attributed to other obvious changes in the composition of the workforce such as the decline (in the 1990s) of public sector employment, which has traditionally been seen as more secure. If we control for our standard set of compositional factors (including employee, job and workplace characteristics), the difference of around one and a half percentage points seen in Figure 1 is unchanged and remains statistically significant.

This suggests that the apparent increase in the ‘underlying’ rate of job insecurity cannot be attributed to compositional changes in the workforce. Nor does it simply reflect changes in the economic cycle. Rather, it appears that there has been a secular increase in feelings of insecurity, which can be traced back to the early 1990s and was not reversed by the labour market policies introduced by Labour during their time in office from 1997.

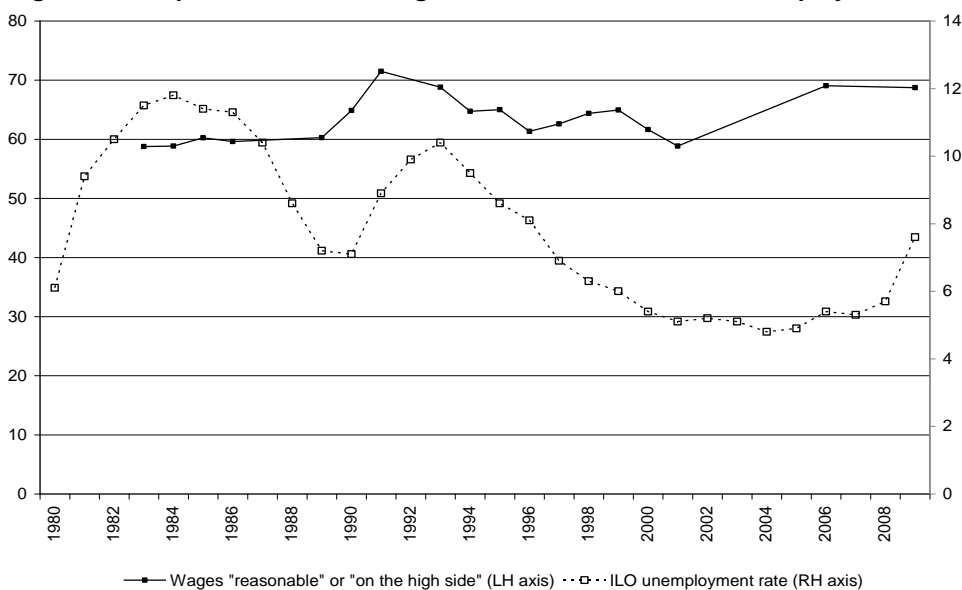
³ The difference between the two periods is statistically significant at the 1 per cent level.

3. Wages

Wages are probably the greatest concern to employees after job security. They represent the principal pecuniary reward from employment and are the chief determinant of most employees' standard of living. So we turn now to examine employees' attitudes both to pay levels and to pay inequality, and assess how these have changed over time.

Wage growth typically falls in recessionary periods, because reductions in profits limit employers' ability to award pay increases while rising unemployment weakens employees' bargaining power. However, it does not automatically follow that employees will be less satisfied with their wages as a result: this will depend on the extent to which they take wider factors – such as the probability of job loss – into account. We can assess this by looking at responses to a question that asks employees whether they would describe the wages or salary they are paid for the job they do as being “very low”, “on the low side”, “reasonable” or “on the high side”. On this measure, satisfaction with ones own wage seems to be loosely counter-cyclical (that is, it increases when the economy is slowing down, and falls when economic conditions improve). This is illustrated by Figure 2, which plots both satisfaction with wages and the unemployment rate; this shows that satisfaction was at its highest in the early 1990s and 2006/9, both periods marked by increasing levels of unemployment.

Figure 2 Perceptions of whether wages are reasonable and ILO unemployment rate⁺, 1983–2009



Base: all employees

The data on which Figure 2 is based can be found in the appendix to this paper.

⁺ Source: ONS Time Series Databank – series MGSX

Our multivariate analysis confirms the link between wage satisfaction and the state of the economic cycle. Changes in the composition of the workforce account for almost none of the variation shown in Figure 2. Instead, four particular years emerge as having levels of wage satisfaction that are significantly higher (in a statistical sense) than the base year of 1985: 1991 (13 percentage points higher), 1993 (eight points), 2006 (nine points) and 2009 (nine points). These are the only four years in our estimation sample in which unemployment rose. On average, satisfaction is eight percentage points higher in years when the unemployment rate is rising, all other things being equal. An obvious explanation for this is that those employees who remain in

work during these sorts of periods are glad still to be receiving some kind of wage when the aggregate risk of job loss is rising, and their views about their wage levels reflect this.

Perhaps the best-known labour market intervention of recent years is the introduction in 1999 of Britain's first national minimum wage (NMW). It seems possible that, by raising the wages of the lowest paid, the minimum wage might have had a discernible impact on wage satisfaction. However, no such effect is apparent in the BSA data. In fact, among employees at the lower end of the wage distribution (those earning less than £12,000 per year – which would be just above the current minimum wage for a full-time worker) the percentage saying their pay was “reasonable” or “on the high side” fell from 56 per cent in 1999 to 44 per cent in 2009. This fall of 12 percentage points remained unaltered after controlling for compositional changes in the workforce. It could be that, by compressing wages at the bottom end of the distribution, the NMW has reduced satisfaction among those who were earning just above the minimum rate prior to its introduction and who now feel less distance between themselves and the lowest paid.

According to the National Equality Panel, inequalities in earnings and incomes are high in Britain by comparison with a generation ago, with most of the increase having taken place during the 1980s (Hills *et al.*, 2010). The *British Social Attitudes* survey shows that this issue is clearly of public concern. Throughout the series' lifetime, we have asked employees:

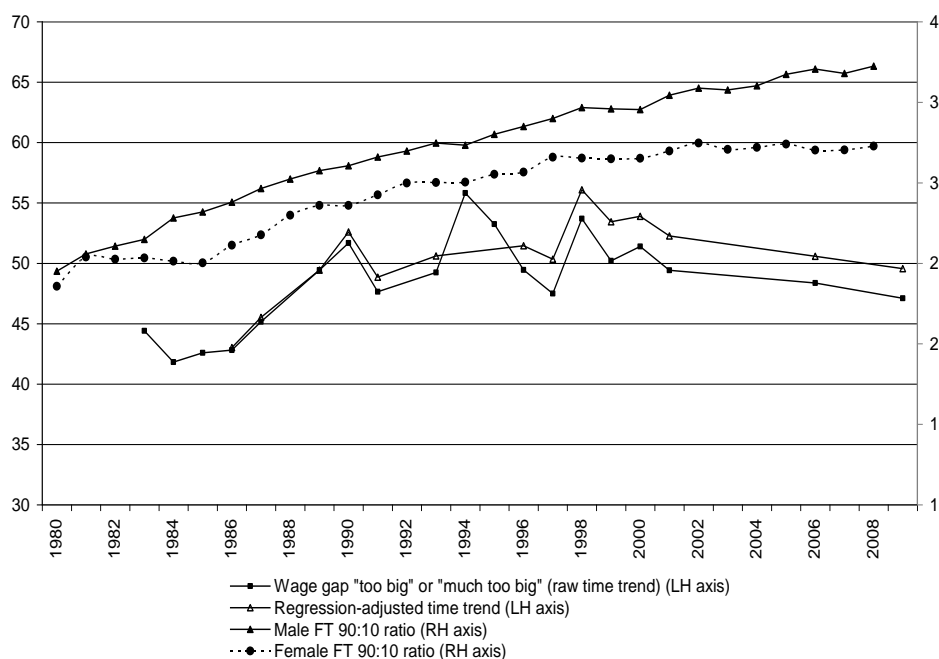
Thinking of the highest and the lowest paid people at your place of work, how would you describe the gap between their pay, as far as you know?

Answer options range from “much too big”, “too big” and “about right” to “too small” or “much too small”. As shown in Figure 3, the percentage of employees saying “much too big” or “too big” increased markedly in the second half of the 1980s, reaching a peak of 56 per cent in 1994. The degree of concern has receded a little since the mid-1990s, coinciding with a cessation in the growth of inequality among female full-time employees and a slight reduction in the rate of growth among male full-timers (Hills *et al.*, 2010). However, it is striking that, despite an overall increase in inequality since the mid-1980s, the proportion who think the gap between the highest and lowest paid within their workplace is too big is remarkably similar now (47 per cent) to what it was when we first asked the question in 1983 (44 per cent). This coincides with a general decline over the last decade in public levels of concern about inequality and redistribution, as discussed in other chapters of the *BSA 27th Report* (see the chapters by Rowlingson *et al.* and Curtice and Park). This could mean that workers – and the general public – are now more comfortable with earnings inequality, but could also suggest that they are unaware of the degree of inequality which now exists.⁴

There is very little evidence that these changes in people's perceptions of differential pay rates at work reflect the changing composition of the workforce. Indeed, the percentage of employees shown in Figure 3 who say that the wage gap is either “too big” or “much too big” would be slightly *higher* if there had been no compositional change since 1985.

⁴ This could be the case if much of the increase in inequality has taken place, not within workplaces, but between them; this is known to have been the case in the USA, for example.

Figure 3 Perceptions of the wage gap at the employees' workplace, 1983–2009



Base: all employees

The data on which Figure 3 is based can be found in the appendix to this paper

Source: The male and female FT ratios are derived from Hills *et al.* (2010)

The first two substantive sections of this paper have shown a mixed picture. The increase in job insecurity noted in the mid-1990s by Bryson and McKay was clearly not temporary; there has been an increase in feelings of job insecurity over the last 25 years, which the economic growth and labour market regulation of the late 1990s and early to mid-2000s did nothing to ameliorate. In relation to wages, employees' satisfaction with their pay has risen in recent years, but this seems largely attributable to the worsening economic climate. Perceptions of whether wage inequality within the workplace is too great, however, do seem to have improved.

4. Employment relations

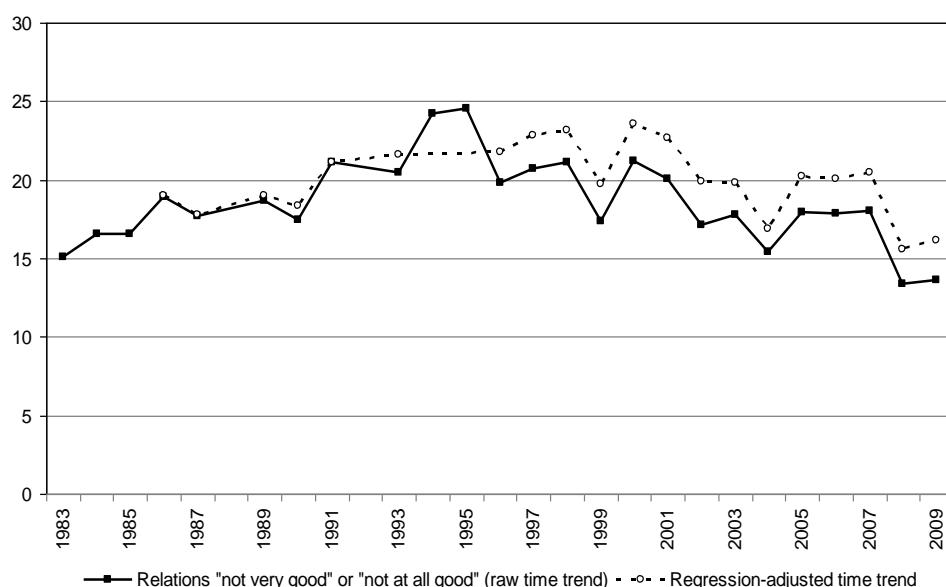
We turn now to examine employment relations, and the extent to which employees' attitudes in this area have changed over the last two decades. Notwithstanding considerable media interest in some recent strikes in the public sector and at British Airways, industrial action is lower now than at any time since 1960 (Dix *et al.*, 2009). However, while collective disputes are now relatively uncommon, measures of individual grievances (such as the number of employment tribunal cases) have been rising while others (such as absenteeism and resignations) remain high (*ibid.*). In light of these countervailing trends it is instructive to consider how employees view the relationship between management and employees. BSA asks:

In general how would you describe relations between management and other employees at your workplace?

[Very good, quite good, not very good, or, not at all good]

Typically around one third of employees say “very good” (34 per cent in 2009), a little under a half (48 per cent) say “quite good” and the remainder respond “not very good” (14 per cent) or “not at all good” (4 per cent). The solid line in Figure 4 shows the percentage of employees in each year who say that the climate of employment relations in their workplace is poor – that is, not very, or not at all, good. This shows that perceptions deteriorated in the early 1990s, with a marked increase in the proportion thinking that employment relations in their workplace were poor – from 17 per cent in 1990 to 25 per cent in 1995, but started to improve from around 2000. By 2008, employees were no more likely to report poor management/employee relations than they had been in 1983 (14 and 15 per cent respectively). This pattern appears unaffected by the economic cycle: correlations with the unemployment rate, changes in unemployment and changes in GDP are small and are not statistically significant.

Figure 4 Perception that relations between management and other employees are “not very good” or “not at all good”, 1985–2009



Base: all employees

The data on which Figure 4 is based can be found in the appendix to this paper

Three characteristics are significantly associated with employee perceptions throughout the period: managers are less likely than other socio-economic groups to perceive employment relations as being very poor; those in the smallest workplaces have a more positive view of employment relations than those in larger workplaces; and trade union members are less sanguine about relations with management than non-members.

To what extent do changes in the composition of the workforce underpin the changing perceptions of employment relations that we have found? The dashed line in Figure 4 shows what we would expect employee perceptions to look like if the profile of the workforce looked the same now as it did in the 1980s. This line lies above the solid line showing actual perceptions, and the gap between the two lines widens over time. This suggests that employees increasingly exhibit traits which are conducive to more positive perceptions of employment relations, and this helps explain some of the changes we have found over time.

A more marked improvement in workplace relations is apparent in employee perceptions about the degree of conflict between managers and workers. To assess this BSA asked “how much conflict is there between management and workers?” As Table 2 shows, the proportion saying there were “very strong” or “strong” conflicts has fallen from nearly six in ten in 1987 to four in ten in 2009. Regression analyses confirm that this decline is statistically significant, as is the decline between 1999 and 2009.

Table 2 Perceptions of conflict between management and workers, 1987, 1999 and 2009

Conflict between management and workers	1987	1999	2009
	%	%	%
Very strong conflicts	10	8	3
Strong conflicts	47	38	37
Not very strong conflicts	40	53	57
No conflicts	3	2	3
<i>Base</i>	588	328	431

Base: all employees

Like perceptions of relations between management and employees, employee perceptions of managerial competence deteriorated in the 1990s but have subsequently recovered. Employees are asked:

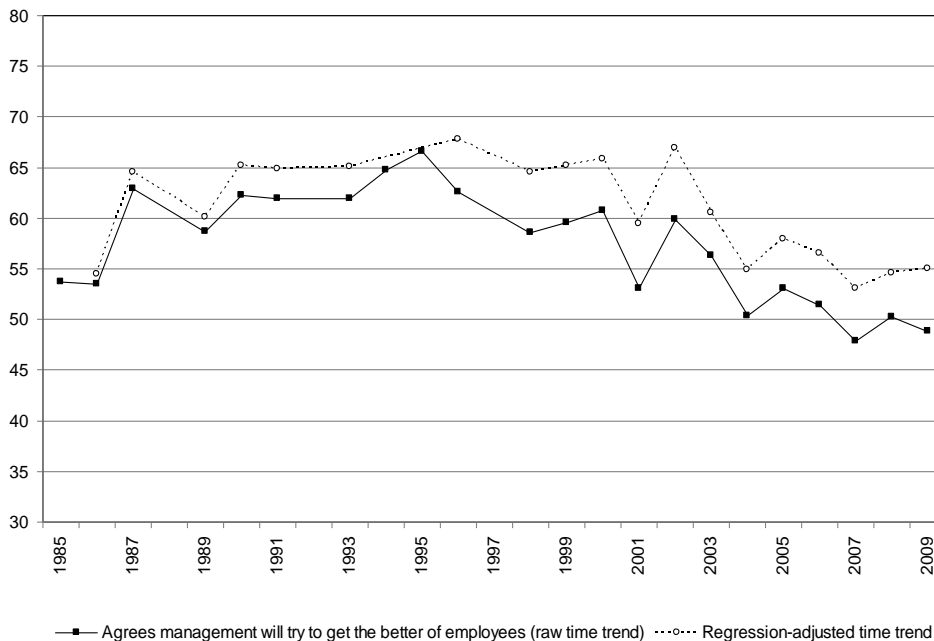
In general, would you say your workplace was very well managed, quite well managed or not well managed?

The proportion saying “very well managed” was in the high 20s during the 1980s, falling to the low 20s in the mid-1990s. It now stands at 28 per cent, with just over half (54%) of employees feeling their workplace is “quite well managed” and under a fifth (17%) saying “not well managed”. Regression analyses confirm a u-shaped time trend in the probability of employees saying their workplace is well managed: perceptions in 2009 were not significantly different to what they had been in the 1980s, having recovered from a period in the 1990s and early 2000s when employees appeared particularly concerned about how well their workplaces were being managed. Employees increasingly exhibit traits which are conducive to more positive perceptions of managerial competence but these perceptions of managerial competence are not significantly associated with measures of the economic cycle.

Employee trust in management, often touted by Human Resources specialists as the bedrock of ‘partnership’, is a precious commodity. Asked whether they agreed with the statement “Management will always try to get the better of employees if it gets the chance” nearly half of all employees (49 per cent) either “agreed” or “strongly agreed” in 2009. However, with the exception of 2007, when the figure was 48 per cent, this was the lowest figure recorded in the survey series since the question was first asked in 1985. Distrust in management rose in the 1980s and early 1990s, peaking in 1995 when two-thirds (67 per cent) of employees agreed with the statement, as shown by the solid line in Figure 5. Distrust has fallen since then such that it is now significantly lower than it was in 1985.

Throughout the whole period there are persistent differences between individuals in terms of the trust they have in management: controlling for other factors, women, white employees, the more highly qualified, union non-members and employers and professionals tend to have more trust in management. These differences provide a clue as to what underpins the improvements in trust that we have found over time; they reflect compositional change within the British workforce. So, as the dashed line in Figure 5 shows, mistrust in management would be markedly higher now than it is, had the make-up of the workforce not altered since the 1980s. In contrast to perceptions of employment relations and managerial competence, perceptions that management may try to get the better of employees rise in periods of high unemployment.⁵

Figure 5 Agreement with the statement “management will always try to get the better of employees if it gets the chance”, 1985–2009



Base: all employees

The data on which Figure 5 is based can be found in the appendix to this paper

⁵ If one adds the unemployment rate and change in unemployment to our model alongside a linear time trend and our standard controls, the unemployment rate is negative and statistically significant at a 99 per cent confidence level, whereas unemployment change is not significant.

A further suite of three questions asked in 2004, 2007 and 2009 also probe trust in management but, unlike the question reported above, respondents are asked specifically about trust in management “at my workplace”.⁶ Table 3 presents the percentages agreeing or strongly agreeing with the statements. Roughly half of employees appear to trust management at their workplace on these three items, though the scores are somewhat lower with respect to management keeping promises. There is decline in trust on all three measures between 2004 and 2007 and a small upturn on two of the three between 2007 and 2009, but not to the levels experienced in 2004. The declines between 2004 and 2009 are statistically significant in the case of employers dealing honestly with employees and being sincere in their attempts to understand them, but the decline in the perceived reliability of managers to keep their promises is not statistically significant.

Once again, being female and being a manager were positively associated with higher trust while union members were less inclined to trust management than non-members. And, in contrast to what we found in relation to trust in management more generally, establishment size also matters, with those in smaller workplaces being significantly more trusting in management than their counterparts in larger establishments. However, changes like these in workforce composition do not explain the trends we have found in trust in management as, even once they are taken into account, the decline we found between 2004 and 2007 remains significant.

Table 3 Trust in management, 2004, 2007 and 2009

	2004	2007	2009
% agree that management at the workplace ...			
... can be relied upon to keep their promises	47	43	45
... are sincere in attempting to understand employees' views	56	51	45
... deal with employees honestly	57	51	53
<i>Base</i>	1164	1147	1280

Base: all employees

In summary, employee perceptions of workplace governance, defined in terms of the climate of employment relations, good management and trust in management, deteriorated in the late 1980s and 1990s but have improved subsequently and are now largely indistinguishable from what they were in the mid-1980s. Improvements in perceived workplace governance are partly attributable to compositional change in the workforce since employees are increasingly exhibiting traits which predispose them to more positive perceptions of management and employment relations. Business cycle effects were confined to trust in management which is pro-cyclical. Some may wonder why it is, given improvements in objective conditions at work, that employee perceptions of their working environment have not discernibly improved more in over a quarter of a century. Perhaps those improvements are more apparent in relation to the content of employees' jobs, rather than in aspects of their working relationships? It is to this issue which we now turn.

⁶ These three items load together on a single factor each with factor loadings above 0.9, and a Cronbach's alpha reliability score for the three items of 0.92. These results confirm that the items are discrete measures of a single concept which we will sum up as trust in management.

5. Employee engagement

During the mid-1980s academics in business schools were seeking to promote the idea of employee involvement as a way to get a comparative advantage over competitors. Employees were viewed as a source of ‘value’ which could only be fully exploited through ‘high-involvement’ management practices which elicited their commitment and thus higher levels of discretionary effort (Walton, 1985). The practices have diffused through large swathes of the economy and the issue of ‘employee engagement’ as it has become known, has become an important political issue once again (MacLeod and Clarke, 2009). But are employees really any more ‘involved’ or ‘engaged’ than they used to be?

To assess this, we can look at responses to the following question, asked of employees since 1985:

*Suppose there was going to be some decision made at your place of work that changed the way you do your job. Do you think that **you personally** would have any say in the decision about the change, or not?*

We then ask those who think they *would* have a say:

How much say or chance to influence the decision do you think you would have?

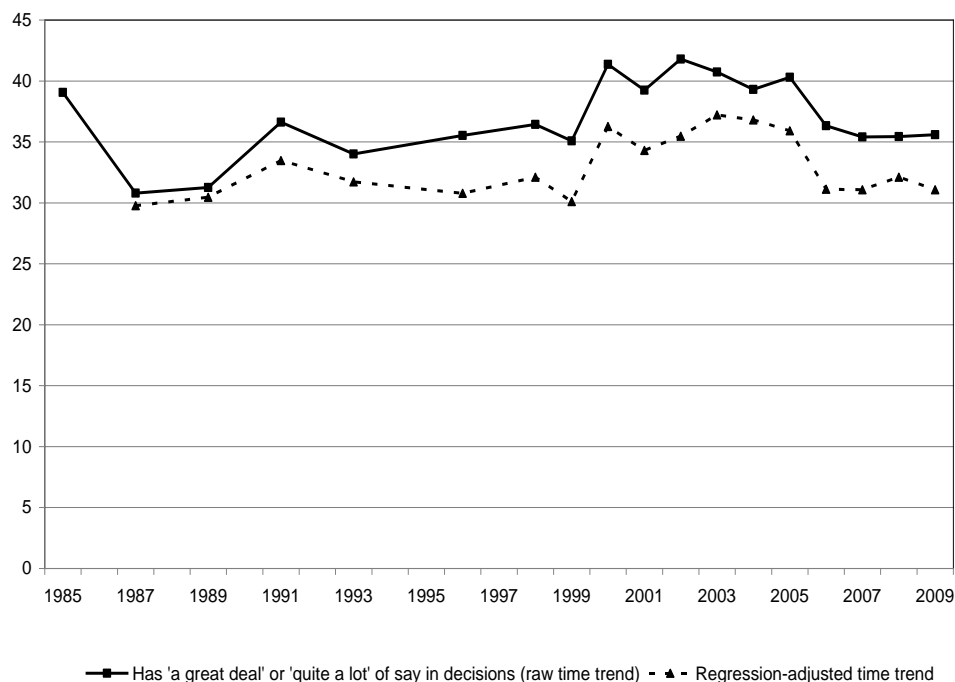
[A great deal, quite a lot, or, just a little]

Every year the percentage of employees saying they have a say in decisions has remained above a half, ranging between 52 per cent in 1989 and 65 per cent in 1985. The percentage in 2009 was 55 per cent, which is around the average for the whole period. Figure 6 shows the trends in the proportion who report having “a great deal” or “quite a lot” of say about changes to the way they do their job. The solid line shows the proportion of employees with “a great deal” or “quite a lot” of say. It averages a little above a third (37 per cent), and has ranged between 31 per cent in 1987 and 1989 to 42 per cent in 2002. Now 36 per cent say they have “a great deal” or “quite a lot” of say, one percentage point below the mean for the whole period.

Some types of worker persistently report greater influence over changes to their jobs than others. Controlling for other factors, those higher up the occupational hierarchy have greater say, with managers and employers most likely to have a lot of say followed by professionals. Those with higher academic qualifications also have greater say, while the probability of having influence is lower for young employees. Those in smaller workplaces have more influence than ‘like’ employees in larger workplaces; this difference has become more pronounced over time. Since the mid-1990s union members are less likely to report having a say over decisions about their jobs than otherwise ‘like’ non-union members. The appearance of this gap may be an indication that unions are finding it increasingly difficult to influence managerial decision-making (Bryson and Forth, forthcoming).

Employee perceptions of their decision-making influence are affected by the business cycle: “say” is lower when the unemployment rate is high. However, the current decline began in 2005–6 prior to the recent recession, so the economic cycle cannot account for the recent decline shown in Figure 6.

Figure 6 Employees with “a great deal” or “quite a lot” of say in decisions about changes to one’s job, 1985–2009



Base: all employees

The data on which Figure 6 is based can be found in the appendix to this paper

Employee influence in decision making was highest in 1985 and in the first half of the 2000s. Once again, the dashed line in Figure 6 presents the time trend after having accounted for our standard controls. With the introduction of control variables the decline in “say” since the early to mid-2000s becomes more pronounced. By 2009, employee “say” was significantly lower than it was at the outset in 1985 and in the first half of the 2000s, but it was not significantly different to other years. This runs counter to recent improvements in both perceptions of employment relations and trust in management. Comparing the dashed line with the solid line representing the raw time trend reveals how much the changes we have found reflect changes in workforce composition. The fact that the dashed line lies below the solid line indicates that perceptions of “say” would be lower had workforce composition remained as it was in the 1980s.

A lack of influence matters to employees. BSA asks: “Do you think you should have more say in decisions affecting your work, or are you satisfied with the way things are?” In most years between 40 and 50 per cent of employees say they want more say. There is no discernible trend over time, suggesting that the much vaunted push for greater employee involvement since the early 1980s either did not happen or, if it did happen, it failed to meet employees’ aspirations. In 2009, nearly half (46 per cent of employees) wanted more say.

A further suite of three questions asked in 2005, 2008 and 2009 probes management’s ability to involve employees “at your workplace”. Table 4 presents the percentages agreeing or strongly

agreeing with the statements.⁷ The figures are stable over the four-year period but what is particularly noticeable is that, whereas around half of employees think managers at their workplace are good at seeking employees' views and responding to employee suggestions, only around one third think management are good at allowing employees to influence final decisions. Thus, weaker forms of employee engagement appear far more prevalent than the sort of engagement which gives employees a role in decision making.

Table 4 Management consultation, 2005, 2008 and 2009

	2005	2008	2009
% agree management are good at ...			
... seeking views of employees or employee representatives	54	56	55
... responding to suggestions from employees or employee representatives	50	51	52
... allowing employees to influence final decisions	35	36	34
<i>Base</i>	1110	1260	1271

Base: all employees

Policy initiatives have sought to foster limited employee engagement. Some of these, such as the Information and Consultation (I&C) Regulations 2004, implement EU Directives in UK law and are explicitly focused on improving information sharing and consultation. The I&C Regulations came into effect for businesses with 150 or more employees in April 2005 and were gradually rolled out so that by April 2008 all businesses with 50 or more employees were covered.⁸

To what extent have policy initiatives like these had an impact on employees' perceptions of what happens within their own workplace? Since 1998, we have asked employees how much they agree or disagree with this statement:

People at my workplace usually feel well-informed about what is happening there

Since 1998, the percentage agreeing has risen markedly, from 43 per cent to 52 per cent in 2003, a level at which it has remained since then. This jump is statistically significant and remains so having controlled for other factors. However, the trend has remained constant since 2003.⁹

In 2004 and 2009 employees were also asked how good they thought their employer was at keeping them informed about four facets of the workplace.¹⁰ Table 5 shows the percentage saying their management was "very good" or "fairly good" at keeping them informed. Roughly two-thirds of employees think their managers are either "fairly good" or "very good" at keeping

⁷ These three items load together on a single factor each with factor loadings above 0.9, and a Cronbach's alpha reliability score for the three items of 0.92. These results confirm that the items are discrete measures of a single concept which we will sum up as management's ability to involve employees.

⁸ See <http://www.bis.gov.uk/files/file25934.pdf>

⁹ The percentage agreeing was 54 per cent in 2004, 53 per cent in 2005, 52 per cent in 2007 and 55 per cent in 2009.

¹⁰ These four items load together on a single factor each with factor loadings around 0.8, and a Cronbach's alpha reliability score for the four items of 0.82. These results confirm that the items are discrete measures of a single concept which might be summed up as management's ability to inform employees.

them informed and the figures have stayed roughly constant since 2004. This is confirmed in regression analyses.

Table 5 Management information provision, 2004 and 2009

	2004	2009
% agree management are good at keeping you informed about ...		
... plans for future employment in your organisation	69	66
... financial performance of the organisation	70	68
... training opportunities for you to advance your career	67	67
... your legal rights at work	65	62
<i>Base</i>	1042	1189

Base: all employees

Together, these questions suggest that there was a perceived improvement in management's ability to inform employees about what was happening at their workplace in the late 1990s and early 2000s, but there has been no change in the last five years as a result of recent legislation. Of course, it is possible that management anticipated the legislation that came into effect in 2005 by improving their practices and procedures. However, this appears at odds with the recent decline in employees' perceptions of the "say" they have in decision making at work, and the substantial unmet desire for having more "say" and influence in decision making which has been a feature of *British Social Attitudes* since the 1980s.

6. Conclusions

This paper sought to examine how employees' experiences of, and attitudes towards, work have changed over the last quarter of a century, and how any developments relate to the economic cycle as well as to trends in the make-up of the British workforce. Many of our findings are broadly positive, particularly when compared with a picture of deterioration in the late 1980s and 1990s. Employees' ratings of employment relations within their workplace, and of managerial competence, have improved since the 1990s, as has the degree of trust that employees have in their managers. Satisfaction with wage levels is higher too. Employee perceptions of management's ability to keep them informed also improved in the late 1990s, although it has remained stable since then. However, other trends are more negative. In particular, there has been a secular decrease in job security which can be traced back to the early 1990s and which was seemingly impervious to the continued economic growth of the late 1990s and early 2000s. And the degree of influence which employees' report they have in decision making has also declined over the past decade.

The quality of the working environment experienced by Britain's employees therefore appears to have improved somewhat over the past decade, albeit with notable exceptions. To some extent these changes reflect the economic cycle; feelings of job security, the degree of trust in management and employee influence over decision making all tend to decline when unemployment increases. By contrast, satisfaction with wages increases as unemployment goes up, presumably reflecting employees' increased sense of good fortune at having a job. Other changes at least partly reflect trends in the socio-demographic composition of Britain's workforce, as well as longer-term changes such as the decline of manufacturing and manual work, and a fall in trade union membership. These compositional changes help account for some of the improvements we found in perceptions of employment relations, in managerial competence, trust in management and in employee involvement in decision-making. But the economic cycle and socio-demographic make-up of the workforce cannot account for all the changes over time that we have found.

The onset of a major recession in the late 2000s might have been expected to herald a fundamental shift in employees' attitudes to paid work and their working environment. In fact, none of the attitudinal series presented in this paper have yet responded sharply to the recession. The impression, instead, is of a more muted reaction than was seen in the early 1990s – in keeping with the more muted impact of the current recession on the labour market as a whole. However, it is possible that the effects of the current recession have yet to have any pronounced impact on the attitudes that employees have towards their employers and their jobs, and so it remains to be seen whether any prolonging of the recession will result in a more pronounced reaction.

7. References

- Autor, D., Katz, L. and Kearney, M. (2008), 'Trends in US wage inequality: re-assessing the revisionists', *Review of Economics and Statistics*, **90**: 300–323
- Bell, B. and Van Reenen, J. (2010), 'Bankers' Pay and Extreme Wage Inequality in the UK', CEP Special Report No. 21
- Blackburn, R. (2010), 'Vertical and Horizontal Gender Segregation; Cross-National Comparison and Analysis', report to the Economic and Social Research Council
- Bryson, A. and Forth, J. (forthcoming), 'Trade Unions', in Gregg, P. and Wadsworth, J. (eds.), *The State of Working Britain*, 3rd edition, Oxford: Oxford University Press
- Bryson, A. and McKay, S. (1997), 'What about the workers?', in Jowell, R., Curtice, J., Park, A., Brook, L., Thomson, K. and Bryson, C. (eds.), *British Social Attitudes: the 14th Report*, Aldershot: Ashgate, pp. 23–48
- Dickens, L. and Hall, M. (2009), 'Legal Regulation and the Changing Workplace', in Brown, W., Bryson, A., Forth, J. and Whitfield, K. (eds.), *The Evolution of the Modern Workplace*, Cambridge: Cambridge University Press, pp. 332–352
- Dix, G., Sisson, K. and Forth, J. (2009), 'Conflict and Work: The Changing Pattern of Disputes', in Brown, W., Bryson, A., Forth, J. and Whitfield, K. (eds.), *The Evolution of the Modern Workplace*, Cambridge: Cambridge University Press, pp. 176–200
- Fredman, S. and Morris, G. (1989), *The State as Employer: Labour Law in the Public Services*, London: Mansell
- Green, F. (2006), *Demanding Work: The Paradox of Job Quality in the Affluent Economy*, Princeton, NJ: Princeton University Press
- Gregg, P. and Wadsworth, J. (2002), 'Job tenure in Britain, 1975–2000, Is a job for life or just for Christmas?', *Oxford Bulletin of Economics and Statistics*, **64**, **2**: 111–134
- Gregg, P. and Wadsworth, J. (2010), 'The UK labour market and the 2008–2009 recession', Centre for Economic Performance, Occasional Paper No. 25, London: Centre for Economic Performance, LSE
- Hills, J., Brewer, M., Jenkins, S., Lister, R., Lupton, R., Machin, S., Mills, C., Modood, T., Rees, T. and Riddell, S. (2010), *An anatomy of economic inequality in the UK: Report of the National Equality Panel*, London: Government Equalities Office
- Machin, S. (forthcoming), 'Changes in UK Wage Inequality Over the Last Forty Years', in Gregg, P. and Wadsworth, J. (eds.) *The State of Working Britain*, 3rd edition, Oxford: Oxford University Press
- MacLeod, D. and Clarke, N. (2009), *Engaging for Success: Enhancing Performance Through Employee Engagement*, London: Department for Business, Innovation and Skills
- Walton, R.E. (1985), 'From Control to Commitment in the Workplace', *Harvard Business Review*, **63**: 77–84

Wood, S. and Bryson, A. (2009), 'High involvement management', in Brown, W., Bryson, A., Forth, J. and Whitfield, K. (eds.) *The Evolution of the Modern Workplace*, Cambridge: Cambridge University Press, pp. 151–175

Appendix

This paper presents the results of a series of regression models. These are typically probit models of binary dependent variables. The control variables included to take account of compositional changes are: gender (dummy), ethnic minority (dummy), age (six dummies); highest educational qualification (five dummies); part-time job (dummy); socio-economic classification (five dummies); union member (dummy); recognised union at workplace (dummy); region (six dummies); industry (four dummies); public sector (dummy); and establishment size (five dummies). While many of the attitudinal series covered in the paper begin in 1983, our regression analysis begins in 1985, when this set of control variables were first all present. The regression analysis excludes 1994 and 1995 due to the absence of the public sector variable in these years.

The data for Figures 1 to 6 are shown below.

Table A.1 Feelings of job insecurity and ILO unemployment rate

Year	Very/quite likely to leave employer in next year	Expect firm closure or redundancy in next year	ILO unemployment rate	<i>Base</i>
1980	n/a	n/a	6.1	<i>n/a</i>
1981	n/a	n/a	9.4	<i>n/a</i>
1982	n/a	n/a	10.5	<i>n/a</i>
1983	18	2	11.5	812
1984	26	2	11.8	774
1985	23	1	11.4	856
1986	22	2	11.3	1527
1987	n/a	n/a	10.4	<i>n/a</i>
1988	n/a	n/a	8.6	<i>n/a</i>
1989	23	1	7.2	1457
1990	24	1	7.1	1304
1991	25	1	8.9	1230
1992	n/a	n/a	9.9	<i>n/a</i>
1993	24	4	10.4	1139
1994	27	6	9.5	1429
1995	28	4	8.6	1440
1996	27	4	8.1	1508
1997	22	2	6.9	537
1998	25	3	6.3	1416
1999	25	3	6.0	1350
2000	27	2	5.4	1513
2001	28	3	5.1	1515
2002	n/a	n/a	5.2	<i>n/a</i>
2003	n/a	n/a	5.1	<i>n/a</i>
2004	n/a	n/a	4.8	<i>n/a</i>
2005	n/a	n/a	4.9	<i>n/a</i>
2006	27	3	5.4	1489
2007	30	n/a	5.3	1408
2008	26	3	5.7	1556
2009	23	4	7.6	1576

Base: all employees

Table A.2 Perceptions of whether wages are reasonable and ILO unemployment rate

Year	Wages 'reasonable' or 'on the high side'	ILO unemployment rate	<i>Base</i>
1980	n/a	6.1	<i>n/a</i>
1981	n/a	9.4	<i>n/a</i>
1982	n/a	10.5	<i>n/a</i>
1983	59	11.5	<i>816</i>
1984	29	11.8	<i>771</i>
1985	60	11.4	<i>854</i>
1986	60	11.3	<i>1524</i>
1987	58	10.4	<i>1379</i>
1988	n/a	8.6	<i>n/a</i>
1989	60	7.2	<i>1459</i>
1990	65	7.1	<i>1303</i>
1991	72	8.9	<i>1232</i>
1992	n/a	9.9	<i>n/a</i>
1993	69	10.4	<i>1140</i>
1994	65	9.5	<i>1443</i>
1995	65	8.6	<i>1444</i>
1996	61	8.1	<i>1526</i>
1997	63	6.9	<i>544</i>
1998	64	6.3	<i>1425</i>
1999	65	6.0	<i>1361</i>
2000	62	5.4	<i>1520</i>
2001	59	5.1	<i>1532</i>
2002	n/a	5.2	<i>n/a</i>
2003	n/a	5.1	<i>n/a</i>
2004	n/a	4.8	<i>n/a</i>
2005	n/a	4.9	<i>n/a</i>
2006	69	5.4	<i>1495</i>
2007	n/a	5.3	<i>n/a</i>
2008	n/a	5.7	<i>n/a</i>
2009	69	7.6	<i>1586</i>

Base: all employees

Table A.3 Perceptions of the wage gap at the employees' workplace

Year	Wage gap 'too big' or 'much too big' (raw time trend)	Regression-adjusted time trend	Male FT 90:10 ratio	Female FT 90:10 ratio	<i>Base</i>
1983	44	n/a	2.648	2.534	732
1984	42	n/a	2.782	2.513	707
1985	43	n/a	2.819	2.503	778
1986	43	43	2.880	2.613	1392
1987	45	46	2.964	2.676	1237
1988	n/a	n/a	3.023	2.798	n/a
1989	49	49	3.075	2.859	1321
1990	52	53	3.106	2.859	1196
1991	48	49	3.160	2.925	1129
1992	n/a	n/a	3.197	2.998	n/a
1993	49	51	3.247	3.002	1067
1994	56	n/a	3.233	3.004	1351
1995	53	n/a	3.301	3.052	1357
1996	49	51	3.350	3.066	1397
1997	47	50	3.400	3.158	510
1998	54	56	3.467	3.153	1327
1999	50	53	3.460	3.149	1274
2000	51	54	3.455	3.152	1434
2001	49	52	3.544	3.198	1411
2002	n/a	n/a	3.588	3.247	n/a
2003	n/a	n/a	3.576	3.208	n/a
2004	n/a	n/a	3.603	3.220	n/a
2005	n/a	n/a	3.674	3.240	n/a
2006	48	51	3.707	3.203	1400
2007	n/a	n/a	3.679	3.204	n/a
2008	n/a	n/a	3.725	3.227	n/a
2009	47	50			1501

Base: all employees

Table A.4 Perception that relations between management and other employees are “not very good” or “not at all good”, 1985–2009

Year	Relations “not very good” or “not at all good”	Regression-adjusted time trend	<i>Base</i>
1983	15	n/a	810
1984	17	n/a	772
1985	17	n/a	851
1986	19	19	1514
1987	18	18	1372
1988	n/a	n/a	n/a
1989	19	19	1449
1990	17	18	1300
1991	21	21	1227
1992	n/a	n/a	n/a
1993	20	22	1133
1994	24	n/a	1438
1995	25	n/a	1436
1996	20	22	1515
1997	21	23	540
1998	21	23	1410
1999	17	20	1356
2000	21	24	1511
2001	20	23	1520
2002	17	20	1548
2003	18	20	1453
2004	15	17	1493
2005	18	20	1455
2006	18	20	1483
2007	18	20	1417
2008	13	16	1550
2009	14	16	1583

Base: all employees

Table A.5 Agreement with the statement “management will always try to get the better of employees if it gets the chance”, 1985–2009

Year	Agrees management will try to get the better of employees (raw time trend)	Regression-adjusted time trend	<i>Base</i>
1985	54	n/a	738
1986	53	54	666
1987	63	64	1238
1989	59	60	1268
1990	62	65	1161
1991	62	65	1144
1993	62	65	526
1994	65	n/a	1262
1995	67	n/a	1261
1996	63	68	1332
1998	59	65	1186
1999	60	65	1065
2000	61	66	1350
2001	53	59	1317
2002	60	67	1402
2003	56	60	1624
2004	50	55	1222
2005	53	58	1609
2006	51	57	1756
2007	48	53	1582
2008	50	55	1831
2009	49	55	1371

Base: all employees

Table A.6 Employees with “a great deal” or “quite a lot” of say in decisions about changes to one’s job, 1985–2009

Year	Has “a great deal” or “quite a lot” of say in decisions (raw time trend)	Regression-adjusted time trend	<i>Base</i>
1985	39	n/a	818
1987	31	30	1317
1989	31	30	1413
1991	37	33	1190
1993	34	32	1112
1996	36	31	1500
1998	36	32	1402
1999	35	30	1322
2000	41	36	1496
2001	39	34	1500
2002	42	35	1582
2003	41	37	1422
2004	39	37	1476
2005	40	36	1432
2006	36	31	1454
2007	35	31	1384
2008	35	32	1527
2009	36	31	1561

Base: all employees