

# ***Insecurity at Work in Britain:***

## **First Findings from the Skills and Employment Survey 2017**

**Alan Felstead, Duncan Gallie, Francis Green and Golo Henseke**

### **HEADLINES**

Insecurity at work can take several forms – the risk of job loss, the difficulty of securing a replacement job with an equally good one, anxieties about the job being downgraded, worries about being treated badly at work, and sudden and unexpected changes to hours of work. This report examines the scale and distribution of these insecurities, and how they have changed in Britain.

- Risk of job loss is at its lowest level in over 30 years – less than one in ten (9%) workers in Britain in 2017 reported that they had a better than evens chance of losing their job in the next 12 months. This is half the proportion (18%) of workers who made a similar assessment in 2012.
- Anxiety about changes to the job have also fallen dramatically. For example, in 2012, 37% of employees were anxious about having pay reduced, but by 2017 this had fallen to 28%, with anxiety levels falling much quicker for men than women.
- Seven percent of employees were very anxious that their working hours could change unexpectedly. This equates to 1.7 million employees and – using like for like comparisons – is more than two and a half times the estimate of 700,000 employees who work on Zero Hours Contracts according to official data.
- Those working insecure hours also suffered from other types of insecurity such as greater risk of job loss, greater anxiety of job status downgrading and more worry about unfair treatment. In addition, they reported lower pay, speedier dismissal for poor work performance and higher work effort.

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## 1. The Importance of Insecurity at Work

Insecurity can be costly to individuals, employers and society at large. Around 40% of all work-related illnesses and nearly half of all working days lost are anxiety-related with the highest prevalence in the public sector dominated industries of health and social work, education and public administration. Society shoulders the cost of treating work-related anxiety and depression disorders and rehabilitating those involved. Since insecurity undermines the organisational commitment of workers and their willingness to expend discretionary effort, employers also bear some of the costs. These manifest themselves in lower productivity and higher absenteeism. More importantly, workers themselves suffer directly from insecurity, either acutely in the form of taking time off work to recover or less visibly in the form of reduced psychological well-being. Indeed, research has shown that high levels of job insecurity can be as bad for worker well-being as being out of work.

## 2. Previous Evidence

Most previous studies of insecurity at work have focused quite narrowly on worry about job loss. However, the 2012 version of this survey included a battery of new items designed to assess the level of worker anxiety about changes to work arrangements which downgraded the current job in some way. These changes include reducing pay, lowering the level of say in the job, diminishing the skill level of the job and moving the job-holder to a less interesting post. All of these situations fall short of job loss, but they all represent a threat to the status quo. The 2012 results suggested the existence of much higher levels of anxiety about these matters than the more well studied notion of job loss insecurity. Levels of both types of insecurity were particularly high in the public sector. Furthermore, the risk of experiencing ill treatment – such as victimisation, discrimination and unwarranted dismissal – had grown faster in the public sector, albeit from a low base.

Research has also shown that, like unemployment, levels of anxiety rise in recessions and fall in recoveries. However, there are suggestions that even as the economy recovers insecurity remains entrenched for some groups of workers, such as those on contracts which do not guarantee job holders a set number of hours. These Zero Hours Contracts (ZHCs) expose workers to heightened levels of uncertainty. Rather than diminishing in the aftermath of the 2008-2009 recession they have grown – their number nearly doubled from 143,000 in 2008 to 250,000 in 2012, and has since grown even faster with the 2012 figure more than tripling to reach 883,000 in 2017. It is argued that the recent rise of the on-demand 24/7 economy has prompted employers to seek greater temporal flexibility from their workforces with working time becoming increasingly fragmented, most notably through the

use of ZHCs and gig economy labour supply platforms. Working hours have therefore become another – previously neglected – arena of insecurity on which we will shed new light.

## 3. The Skills and Employment Survey 2017: A New Source of Evidence

The Skills and Employment Survey 2017 (SES2017) allows us to examine workers' experiences of the ways in which insecurity now manifests itself at work. It collected data from working adults aged 20-65 years old in England, Wales and Scotland who were interviewed in their own homes in 2017. The sample was drawn using random probability principles subject to stratification based on a number of socio-economic indicators. Only one eligible respondent per address was randomly selected for interview, and 50% of those selected completed the survey. Data collection was directed by ourselves and conducted by GfK.

SES2017 is the seventh in a series of nationally representative sample surveys of individuals in employment aged 20-60 years old (although the 2006, 2012 and 2017 surveys additionally sampled those aged 61-65). The numbers of respondents were: 4,047 in the 1986 survey; 3,855 in 1992; 2,467 in 1997; 4,470 in 2001; 7,787 in 2006; 3,200 in 2012; and 3,306 in 2017. For this report, we also draw on the Working in Britain Survey which was carried out in 2000 and contains 2,466 respondents. For each survey, weights were computed to take into account the differential probabilities of sample selection, the over-sampling of certain areas and some small response rate variations between groups (defined by sex, age and occupation). All of the analyses that follow use these weights. For more information on the series see Felstead, A, Gallie, D and Green, F (2015) (eds) *Unequal Britain at Work*, Oxford: Oxford University Press.

## 4. Indicators of Insecurity at Work

SES2017 provides data on five dimensions of insecurity at work: risk of job loss; the difficulty of getting an equivalent replacement job; anxiety over changes to job status; worries about ill treatment; and insecure working hours.

Risk of job loss is assessed through a question: 'Do you think there is any chance at all of you losing your job and becoming unemployed in the next twelve months?' Those who thought they might lose their job and become unemployed were then asked about the likelihood of this happening, with five response options: 'very likely', 'quite likely', 'evens', 'quite unlikely' and 'very unlikely'. We take those reporting at least an evens or higher chance as a *high risk of job loss*.

Respondents were also asked: 'If you were looking for work today, how easy or difficult do you think it would be for you to find a job as good as your current

one?’ If they reported it would be ‘very difficult’ we refer to this circumstance as one where it is *very difficult to get an equivalent job*. It is therefore a measure of the tightness of the labour market and a partial indicator of the cost of job loss to respondents.

Four items capture concerns about job status insecurity. Respondents were asked: ‘How anxious are you about these situations affecting you at work?’ Four response options were offered. Those reporting being ‘very anxious’ or ‘fairly anxious’ are referred to as *anxious* of the following: ‘future changes to my job that may give me less say over how it is done’; ‘future changes to my job that may make it more difficult to use my skills and abilities’; ‘future changes that may reduce my pay’; and ‘being transferred to a less interesting job in the organisation’.

To capture ill treatment, respondents were asked to indicate how anxious they were with three situations. Those reporting being ‘very anxious’ or ‘fairly anxious’ are referred to as *worried* of the following: ‘being dismissed without good reason’; ‘being unfairly treated through discrimination’; and ‘victimisation by management’.

An eighth situational item was added to the 2017 survey. This asked how anxious respondents were about ‘unexpected changes to my hours of work’ – this could be movements up or down in the number of hours worked and/or changes to when work is carried out. Those who answered that they were ‘very anxious’ that their working hours might change in any of these ways are taken to occupy jobs offering *insecure hours*.

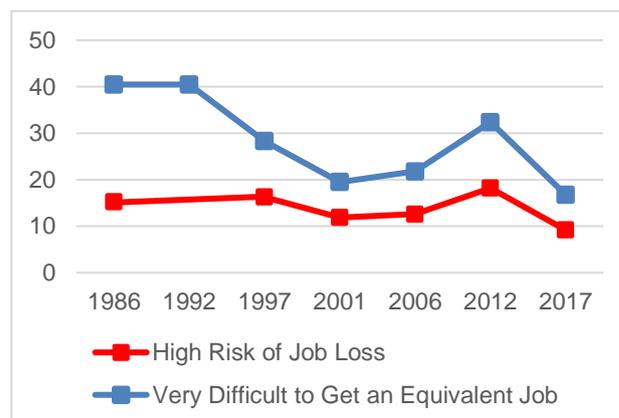
It should be noted that two of the five insecurity indicators – risk of job and the cost of job loss – are based on respondents’ estimates of the probability of certain events occurring. Anxiety about changes to job status, worries about ill treatment and insecure hours, on the other hand, capture the combined effect of a range of scenarios and their impact on individual respondents. The latter inevitably varies with some respondents more anxious by nature and/or circumstance than others.

## 5. Findings

### Risk and Cost of Job Loss

Figure 1 shows the proportion of workers who reported a high risk of job loss as well as the proportion reporting that it would be very difficult to get a replacement job. Risk of job loss reached its highest point in the series in 2012, but has since plummeted to its lowest level ever. In 2017 one in ten (9%) workers reported an evens or better chance that they would lose their job in the following 12 months, whereas in 2012 the figure stood at 18% – within five years the risk of job loss has been halved.

**Figure 1: Risk and Cost of Job Loss (%), 1986-2017**



The difficulty of getting an equivalent replacement job has more or less mirrored this pattern with 17% of workers reporting in 2017 that it would be either very difficult to ‘find as good a job as your current one’ if they were looking for work. This exceeds by three percentage points the other low point in the series recorded in 2001.

As Table 1 shows, the recent decline in the risk of job loss has been fairly evenly felt across a range of different socio-economic groups – with an average nine percentage point drop between 2012 and 2017 ( $p < 0.01$ ). However, it fell slightly more for men, those working in the public sector and those with lower level qualifications.

**Table 1: Risk of Job Loss and Anxiety About Pay Cuts (%), 2012-2017**

	Risk of Job Loss		Anxious about Reduced Pay	
	2012	2017	2012	2017
Men	19.2	9.4	37.8	25.6
Women	17.1	9.0	36.7	31.4
Private sector	17.8	8.9	34.3	25.9
Public sector	19.5	8.6	44.8	34.6
Not-for-profit sector	16.9	9.9	29.5	24.8
A-level and above qualifications held	17.8	9.5	35.6	27.5
Below A-level qualifications held	19.3	8.5	40.3	30.3
Top 3 SOC 1-digit jobs	18.4	9.5	33.4	23.8
Middle 3 SOC 1-digit jobs	17.4	8.6	40.8	30.2
Bottom 3 SOC 1-digit jobs	18.9	9.4	39.8	34.7
<b>All</b>	<b>18.2</b>	<b>9.2</b>	<b>37.3</b>	<b>28.4</b>

### Anxiety About Changes to Job Status

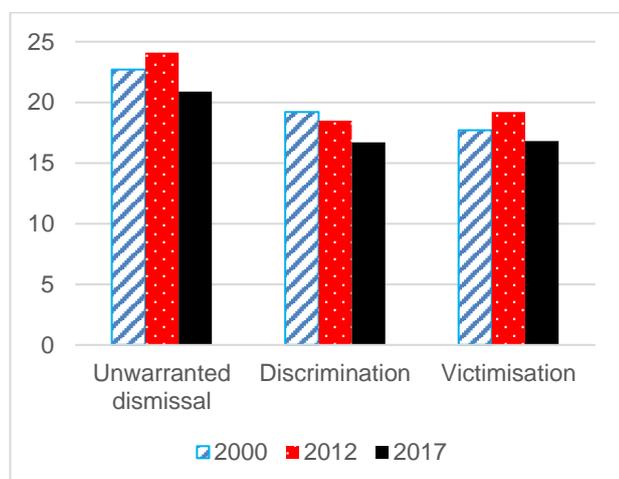
While the proportions reporting a high risk of job loss were broadly comparable across a number of socio-economic groups in 2012 and 2017, anxiety about a reduction to pay, for example, was more variable – ranging from 25% of those working in the not-for-profit sector in 2017 to 35% of those working in the public sector.

Anxiety about reduced pay – like the risk of job loss – fell by nine percentage points between 2012 and 2017. However, the fall was much more uneven. For example, it fell by twelve percentage points for men compared to just five points for women (Table 1). Anxiety levels also fell more sharply for men over other aspects of insecurity such as having a reduced pay, being moved to a less interesting job and having less scope to use their skills and abilities. In fact, men enjoyed statistically significant ( $p < 0.05$  or better) falls in anxiety over all four aspects of job status insecurity, while women only reported significantly less anxiety about getting a pay cut ( $p < 0.01$ ). As a result, women in 2017 were significantly ( $p < 0.1$  or better) more anxious than men about experiencing a deterioration in all four aspects of their job status, whereas in 2012 gender differences were negligible. Furthermore, within sector gender trends suggest that women failed to reap the rewards of falling anxiety levels in the private sector whereas men did.

Job status insecurity also tended to fall more sharply among those in higher occupational groups. Anxiety over reductions to pay, for example, fell over ten percentage points ( $p < 0.01$ ) for those in the top six occupational categories, but fell by only five non-significant percentage points for those in the bottom three categories, namely sales and customer service workers, plant and machine operators and routine operatives.

### Worries About Ill Treatment

**Figure 2: Forms of Ill Treatment (%), 2000-2017**



In line with other forms of insecurity, worries about ill treatment fell between 2012 and 2017. The prevalence of worries about each form of ill treatment

fell by around 2-3 percentage points with statistically significant falls for unwarranted dismissal and victimisation ( $p < 0.1$  or better). Notably, differences between the public and private sectors continued to narrow with no discernible differences recorded in 2017.

### Insecure Hours

Despite the fall in many types of insecurity so far reported, over one in twenty (7%) employees in 2017 felt very anxious that their working hours could change unexpectedly in terms of duration and/or scheduling. This equates to 1.7 million employees. By analysing data taken from the Labour Force Survey (LFS) for the second quarter of 2017, we estimate that this is more than two and a half times the 705,000 employees who are working on Zero Hours Contracts (ZHCs) and are aged 20-65 years old (i.e. within the scope of SES2017).

Table 2 compares the profile of these two groups, again focusing only on those within the age range of SES2017. This shows that both types of job are more prevalent among women. However, the prevalence of insecure hours is spread more evenly across occupational categories and qualification level than ZHCs which are over-represented among those with no qualifications and those lower in the occupational hierarchy. The most striking contrast is the finding that over a fifth (22%) of temporary workers report being on a ZHC compared to just 2% of those in permanent jobs. This compares to a negligible, non-significant gap of two percentage points of those working insecure hours.

**Table 2: Comparing the Profile of Zero Hours Contracts and Jobs with Insecure Hours (%), 2017**

	Zero Hours Contracts	Insecure Hours
Men	2.2	5.8
Women	3.7	8.4
20-29 year olds	5.1	5.8
30-59 year olds	2.2	7.5
60-65 year olds	3.9	4.3
Permanent job	2.1	6.7
Temporary job	22.0	8.5
Level 4 and above qualifications held	2.1	5.8
No qualifications held	4.7	6.3
Top 3 SOC 1-digit jobs	1.3	5.1
Middle 3 SOC 1-digit jobs	3.8	8.8
Bottom 3 SOC 1-digit jobs	5.0	8.5
<b>All</b>	<b>2.9</b>	<b>7.0</b>

However, the comparison between these two groups cannot be extended to other aspects of insecurity since data on how ZHC workers fare in these respects are not available. Nevertheless, our findings suggest that those working insecure hours are exposed to a range of other fears, anxieties and worries. They were significantly more likely to report

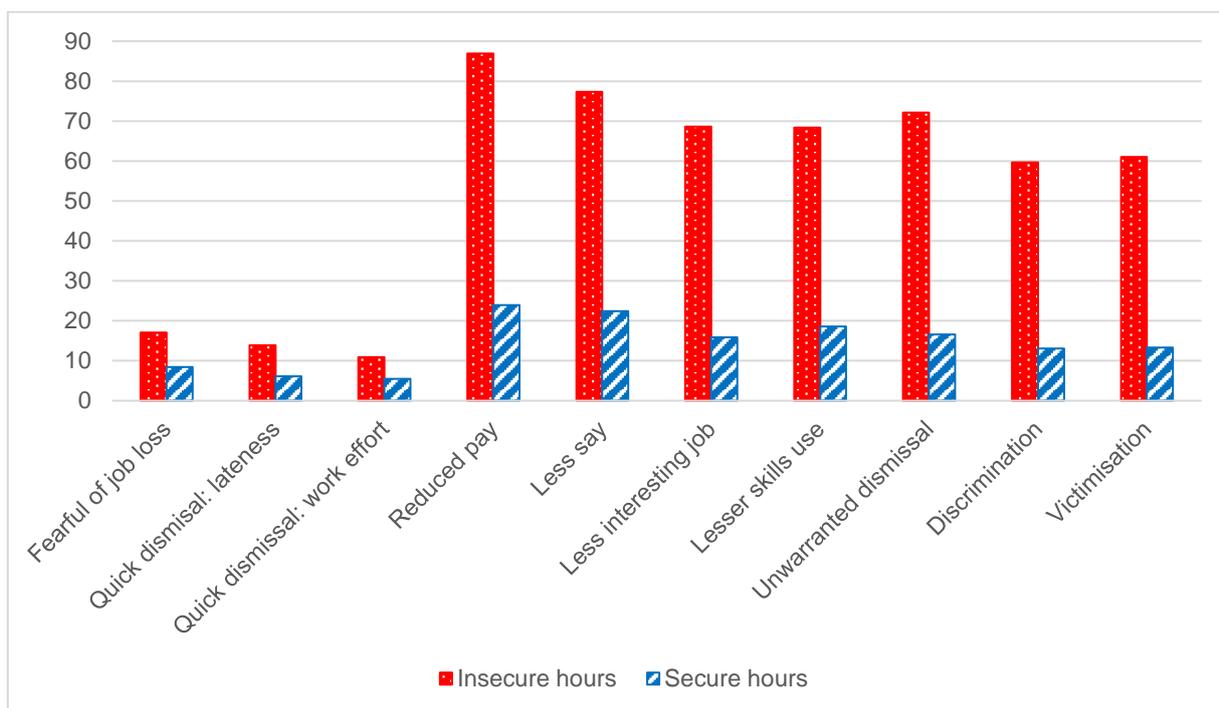
a high risk of job loss and working in conditions where they would be quickly dismissed for poor work performance. For example, 14% of those in jobs with insecure hours reported that they would be dismissed within the week if they arrived late to work compared to 6% of those in jobs with secure hours. For those deemed to be not working hard enough, the gap is narrower but still significantly different ( $p < 0.05$ ) – 11% of those reporting insecure hours would expect to receive their marching orders within a week compared to 6% of their secure hours counterparts.

These differences extend to anxiety over changes to

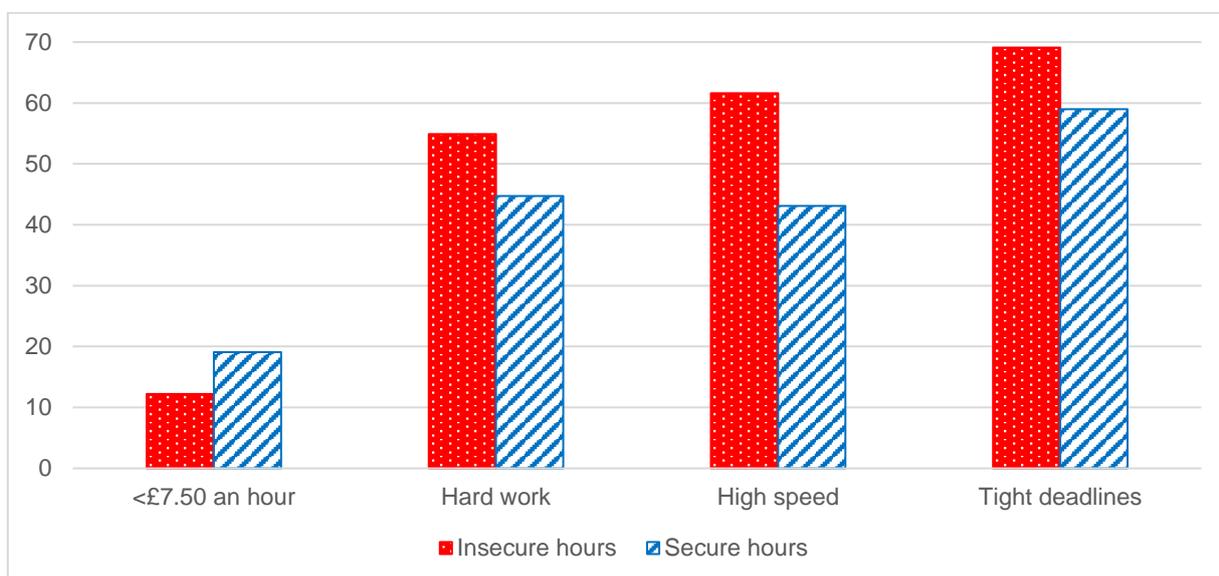
job status and worries about ill treatment. The gaps are very large and statistically significant ( $p < 0.01$ ) – ranging from a 63 percentage point gap for anxiety about a pay cut to a 47-point gap for discrimination (Figure 3).

Those working insecure hours also suffer from poorer job quality (Figure 4). They are in jobs which demand more work effort as measured by the proportion who strongly agree that that their job requires them to work very hard (55% versus 45%), they are required to work at very high speed (62% versus 43%) and to tight deadlines for three-quarters or more of the time (69% versus 59%).

**Figure 3: Insecure Hours, Risk of Job Loss, and Other Anxieties and Worries (%), 2017**



**Figure 4: Insecure Hours, Pay and Work Effort (%), 2017**



Taking the 2017 National Living Wage benchmark figure of £7.50 per hour (payable to those 25 and over) as a definition of low pay, we find that 19% of those in jobs with insecure hours are low paid compared to 12% of those with more secure hours. Despite the relatively small sample size, SES-derived estimates of average hourly pay are reassuringly close to those derived from the LFS. All of these bivariate differences are statistically significant and in most cases highly so ( $p < 0.01$ ). Moreover, the connection between insecure hours and poorer job quality remains robust in multivariate analyses which take into account gender, age, education, occupation and industry.

## 6. Policy Implications

While the lowering of insecurity at work in general over the period 2012 to 2017 is something to

celebrate, these results suggest that not all have benefited. Men in general have seen their anxieties about job loss and other threats to their job status fall significantly, but women have not benefitted to the same extent. Stubborn pockets of insecurity also remain. In addition to uncertainty over working hours, those in jobs with insecure hours suffer from a variety of additional insecurities, while at the same time their job quality is poor. The implication from these findings is that if policy makers are serious about creating good work, more attention needs to be paid to reducing the prevalence of uncertain working hours rather than only focusing on formal aspects of the employment contract such as ZHCs. After all, jobs with insecure hours make up 7% of the employee workforce or 1.7 million employees – two and a half times the number on ZHCs – and is a feature of work which is significantly associated with poorer quality jobs.

## Further Reading

CIPD (2015) [Zero-hours and Short-hours Contracts in the UK: Employer and Employee Perspectives](#), London: Chartered Institute of Personnel and Development.

Gallie, D, Felstead, A, Inanc, H and Green, F (2017) [‘The hidden face of job insecurity’](#), *Work, Employment and Society*, 31(1): 36-53.

Green, F (2015) [‘Health effects of insecurity’](#), *IZA World of Labor 2015*, 212.

HSE (2017) [Work-related Stress, Depression or Anxiety Statistics in Great Britain 2017](#), Bootle: Health and Safety Executive.

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All titles, along with technical reports, are downloadable free from the survey website at [www.cardiff.ac.uk/ses2017](http://www.cardiff.ac.uk/ses2017) (1-3 after 18/7/18; 4-6 after 2/10/18).

Also you may like to take the Job Quality Quiz which is an additional output emanating from the project, [www.howgoodismyjob.com](http://www.howgoodismyjob.com)

**Author Affiliations:** Alan Felstead – Cardiff University; Duncan Gallie – Nuffield College, Oxford; Francis Green and Golo Henseke – LLAKES, UCL Institute of Education.

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