

Topic guide: Employment and work conditions

Produced by Magda Borkowska, Charlotte Hamilton and Ricky Kanabar

Contents

Employment and work conditions.....	1
Introduction	1
Employment, work conditions and earnings content in Understanding Society	3
Exploring employment and work conditions using Understanding Society	4
Selected publications.....	8
Data access.....	8
User Support	9

Introduction

Employment and work conditions have been at the forefront of the policy agenda for some time. The rise of non-standard work due to the so called gig economy driven by technological advancement and on-demand talent marketplaces; and the rise of self-employment partly attributable to the financial crisis, has led to various commentators arguing for an overhaul of employment legislation in these areas to ensure workers are protected adequately. In addition to the rise of the gig economy and self-employment, other key issues which have dominated headlines include families in working poverty and the gender pay gap.



The quality of work, including job security and a capacity to generate sufficient income, have major implications for a long-term career progression and for a wide range of wellbeing outcomes for individuals and their families.

Being in insecure (e.g. temporary or casual) and/or low-paid employment, especially for a prolonged period of time, is often associated with a number of scarring effects, e.g. worse mental health outcomes or inability to progress into higher paid work. It can lead to people being trapped in a cycle of so called 'low pay no pay'. Insecure or low-paid work can be a factor contributing to poverty, especially in households where only one person is in paid employment.

Understanding Society is the only representative UK household panel study that enables researchers to explore the short and long-term changes in employment, work conditions and earnings and their association with a variety of important outcomes, including: mental health and well-being; future employment prospects; family relationships and the outcomes of children. Equally it allows the investigation of the impact of changing family circumstances and other characteristics on employment and career prospects. Most of the questions related to employment are asked annually, which means that it is possible to systematically track short- and long-term effects of individual work arrangements and how these are affected by local and national economic conditions. For respondents who were part of the British Household Panel Survey and are now in *Understanding Society*, this means there are up to 25 waves of employment histories available for them.

Not all workers are affected equally by changes in the labour market. The likelihood of being in temporary, part-time or low-paid work varies by education, gender, age, ethnicity, sector of the economy and the place where one lives, among other factors. *Understanding Society*, thanks to its large samples and geo-coding, provides a unique opportunity for researchers to look at the dynamics of work conditions amongst different sub-groups and to examine how these vary between different local contexts.

Understanding Society included an Ethnic Minority Boost Sample (EMBS) from wave 1 and an Immigrant and Ethnic Minority Boost Sample (IEMB) was included at wave 6. These boost samples enable researchers to analyse employment conditions amongst particular subpopulations in the UK that have in the past been difficult to study, particularly longitudinally, using other general population survey data.

This guide provides an overview of the content in *Understanding Society* that enables users to explore the dynamics of work conditions and earnings in the UK. It provides examples of descriptive statistics from wave 6 of the Study and points out resources helpful for new and existing users interested in carrying out further analysis themselves.

Employment, work conditions and earnings content in Understanding Society

Questions asked annually (available in all waves) as part of individual questionnaire. Data file: indresp

Current employment: Whether in employment, permanency, type of job, job start date

Hours worked (employees): how many hours normally worked per week (main job), how many overtime hours worked in normal week, hours worked as paid overtime

Job details (employees): Whether has managerial responsibilities, type and size of employer, commute

Job details (self-employment): Number of people employed, type of self-employment, hours worked, accounts, work location, commute

Job satisfaction: How satisfied with job overall

Non-employment: Job-seeking, retirement date, whether ever worked, details of last job

Mothers return to work – asked of women on maternity leave: Plans to return to work, type of work; available from wave 3

Second jobs: Whether has second job, details of second job

Income from earnings (employees): information on pay (gross and net), usual pay, overtime

Income from self-employment: information on income from job/business

Income from second jobs: information on gross earnings

Questions asked annually (available in all waves) as part of household questionnaire. Data file: hhresp

Household members in work: Number of employed persons in the household, number people in the household who are not in paid employment.

Questions asked on rotating basis as part of individual questionnaire. Data file: indresp (rotation)

Commuting behaviour (asked every other year) : Distance, difficulties of commute if travelling by car or van

Work-related benefits (asked every other year): Bonuses, pay rises, employer pension

Work arrangements and job security (asked every other year): times of day worked, flexible working arrangements, autonomy, stress, job security

Additional work-related questions (asked every four years): Attitudes towards work and importance of different features (such as work load, relationship with manager and pay), future job plans, trade union membership

Other work-related questions asked at specific points in time as part of individual questionnaire. Data file: indresp

Employment status history (asked at wave 1 or 5 or panel entry): Details of periods in and out of employment since leaving full-time education.

Own first job (asked at wave 2 or panel entry): Details of first job after leaving full-time education

Retirement planning (asked at ages 45, 50, 55, 60 and 65 if not retired): Age expected to retire, perceived advantages and disadvantages of retirement, expected income sources, expected replacement rate of income

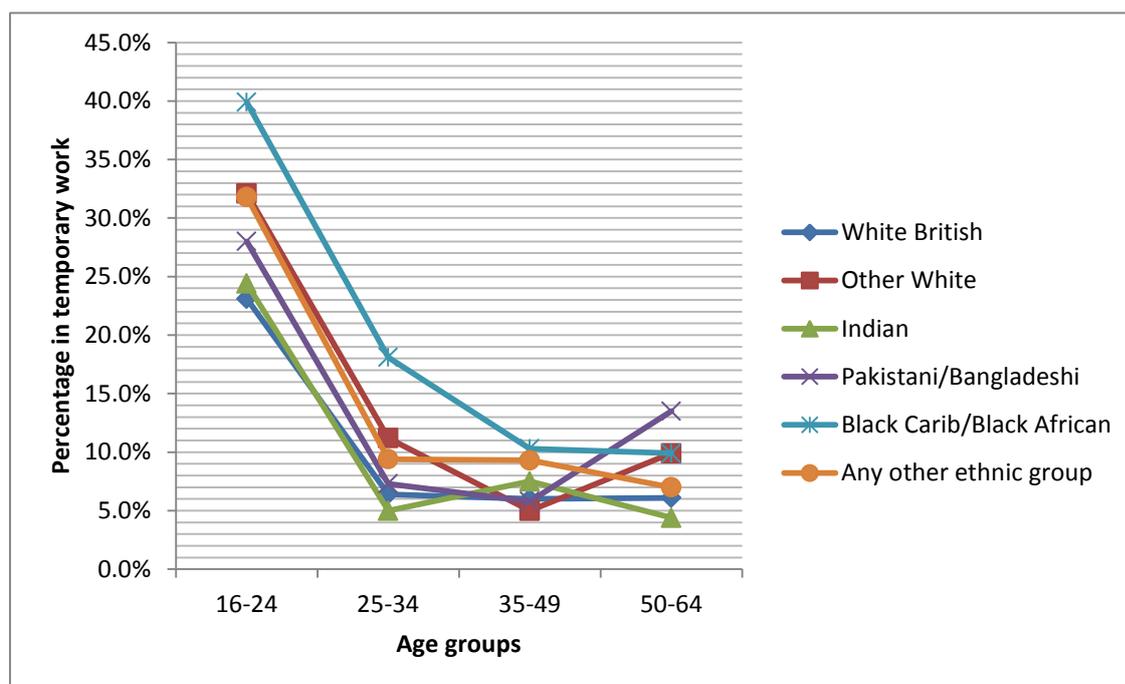
The Understanding Society team are currently reviewing the questionnaire to consider whether different questions are required to better capture aspects of the gig economy and use of technology at work.

Exploring employment and work conditions using Understanding Society

This section provides examples of key data related to employment and work from wave 6 of *Understanding Society*; highlighting how work conditions vary between different subgroups and regions in the UK. All of the results are weighted, and therefore can be treated as representative of the UK population.

Figure 1 shows the prevalence of temporary work¹ among all employed individuals aged 16-64 from different ethnic groups. It is clear that the prevalence of temporary as opposed to permanent employment varies greatly by age and ethnic background. It is highest among the youngest workers (aged 16-24) and the lowest among middle-aged workers (aged 35-49). The age pattern of temporary work is similar across different ethnic groups; however, the share of temporary workers is much higher among some ethnic groups than others. The overall percentage of temporary employment is the lowest among Indian (7.8 per cent) and White British workers (8.4 per cent) and the highest among Black Caribbean and Black African workers (16.1 per cent).

Figure 1: Prevalence of temporary work amongst workers from different ethnic and age groups.



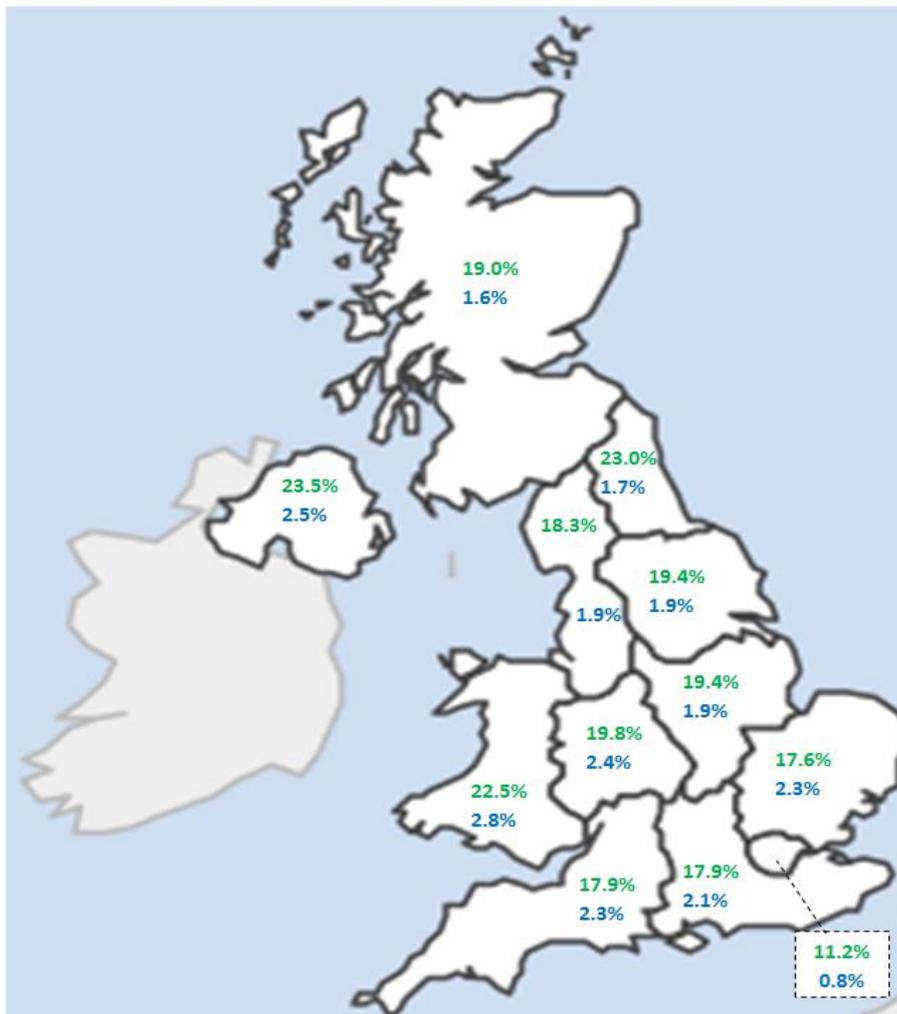
Notes: Data are weighted and use *Understanding Society* wave 6.

A key feature of *Understanding Society* is that it interviews respondents within the household context, and thus allows researchers to explore how low paid work affects not only individuals but also their families. Due to its unique design and large sample of households (the initial sample contains about 40,000 households), *Understanding Society* can be used to provide representative estimates on both national and regional level. Figure 2 shows the variation of low-paid work among working households (that is those, in which at least one person

¹ Temporary work is defined here as any type of work that is not permanent in some respect, including: seasonal work, fixed time or fixed task contracts, casual and agency temping work.

is in paid employment) between the twelve UK regions. We can see that the percentage of working households with at least one household member who works in a low-paid job is the smallest in London (amongst all working households in London, 11.2 per cent have one low paid household member and 0.8 per cent have more than one low-paid household member) and is the largest in Northern Ireland (23.5 per cent of all working households in Northern Ireland have one low-paid household member and 2.5 per cent have more than one low paid household member).

Figure 2: Proportion of working households with ‘one’ (green) and ‘more than one’ (blue) household member in a low paid job by region.



Notes: Only households with at least one person in employment were included in the sample. Data are weighted and use *Understanding Society* wave 6.

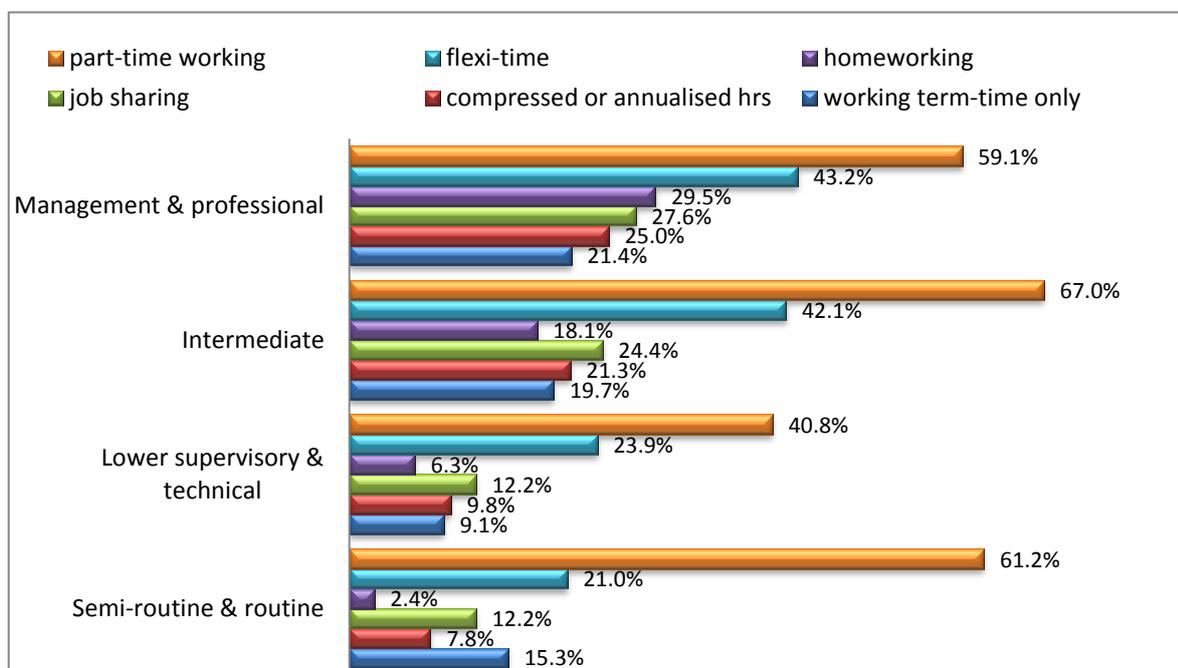
‘Low pay’ is calculated based on the standard OECD definition as the gross hourly wage below two-thirds of the respective annual median hourly wage. The hourly wage is computed based on usual gross monthly earnings (including overtime) divided by the usual hours worked per week and usual overtime hours.

An example of potential factors that can contribute to increased quality of working life and enable individuals to combine household responsibilities with paid employment are flexible work arrangements (FWA). Flexible work arrangements can take various forms, usually related to time of working (e.g.: flexi-time, compressed or annualised hours), reduction of working time (e.g.: part-time or term-time work, job-share), and location of work (e.g.: homeworking).

Understanding Society contains a number of questions about availability and use of flexible work arrangements (FWA) that all employees are asked every other year. The longitudinal nature of the study enables researchers to explore the impact of availability and use of FWA on a wide range of outcomes, for example: job and life satisfaction, the gendered nature of FWA, transitions in and out of employment following childbirth, and the impact on leisure and family relationships.

Figure 3 shows that the availability of FWA is not evenly spread across occupations and that some FWA are more common than others. People in managerial, professional and mid-skilled jobs report higher availability of most types of FWA compared to people in lower-skilled occupations. The most common type of flexible work arrangement across all occupations is part-time working (between 40 and 60 per cent of employees report availability of part-time working, depending on occupation). Some FWA arrangements such as homeworking or working compressed or annualised hours are quite commonly available among managerial and professional employees (25-30 per cent of employees from managerial and professional occupations report that these FWA are available in their workplace) but are relatively uncommon among lower-skilled employees (about 2 per cent of routine and semi routine employees report availability of homeworking, and about 8 per cent report availability of working compressed or annualised hours).

Figure 3: Availability of flexible work arrangements amongst employees from different occupational groups.



Notes: Data are weighted and use Understanding Society wave 6.

Selected publications

Cecchi, D., García-Peñalosa, C. and Vivian, L. (2016). Are changes in the dispersion of hours worked a cause of increased earnings inequality? *IZA Journal of European Labor Studies*, 5(15)

D’Arcy, C. and Hurrell, A. (2014). Escape plan: Understanding who progresses from low pay and who gets stuck. *Resolution Foundation Report*.

Henley, A. (2017). The post-crisis growth in the self-employed: volunteers or reluctant recruits? *Regional Studies*, 51(9), 1312-1323.

Khoudja, Y. and Platt, L. (2016). Labour market entries and exits of women from different origin countries in the UK. *CReAM Discussion Paper Series, No. CPD 03/16*. London: University College London: Centre for Research and Analysis of Migration.

Plum, A. and Knies, G. (2015). Does neighbourhood unemployment affect the springboard effect of low pay? *ISER Working Paper Series, No. 2015-20*. Colchester: ISER.

Wheatley, D. (2016). Employee satisfaction and use of flexible working arrangements. *Work, Employment and Society*, 31(4), 567 – 585.

Data access

Scientific leadership of the study is carried out in the Institute for Social and Economic Research (ISER) based at the University of the Essex. The data are released through the UK Data Service (UKDS) in SPSS, Stata and tab-delimited formats. The standard files are easily accessible to everyone after [registering with the UKDS](#). Different versions of the data are released; the standard 'End User Licence' data is suitable for most types of analysis. However, special licence or secure versions of the data that contain sensitive information, e.g. small area geographical identifiers (LSOA codes) require additional information before access is granted.

User Support

Understanding Society has a wide range of information [online](#).

The website provides a highly comprehensive online source of information about questionnaires, individual variables, methodology, survey design and implementation. It is also an up to date source of training courses, resources, publications and other relevant news regarding longitudinal research.

Help and support for using Understanding Society can be found in the [Online User Forum](#). After a short registration users can read past issues, FAQs or report any issues or queries of their own.

Understanding Society also provides in person and [online training courses](#) which offer many practical examples of how to prepare and analyse Understanding Society data. Currently, the courses are available in Stata, SAS and SPSS (online only).

If you use data from the Study please ensure you cite it appropriately as set out on the UKDA [website](#). This enables other researchers to effectively review your approach, funders to track use of the Study and the Study team to help promote your research to academic and policy audiences.

Stay in touch

[Sign up](#) to receive our quarterly newsletter:

www.understandingsociety.ac.uk/email/signup

Follow us on Twitter @usociety

Email our *Understanding Society* team at: info@understandingsociety.ac.uk