



# Work and Wellbeing – Discussion Paper

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## Fulfilling Work

### Research

Discussion Paper:  
Work and Wellbeing **2016**



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# Foreword

Work can transform lives. At its most basic level, access to paid employment is for most of us a prerequisite to being able to purchase the goods and services that we need in order to live our lives.

But if work is fulfilling it can also give us a sense of purpose, social connections and a clear role in society. In this respect, it is no surprise that there is clear evidence that work and our wider wellbeing are closely intertwined. In the first Carnegie UK Trust report on the theme of fulfilling work, we wanted to try and measure how different aspects of fulfilling work might fit together, and understand how these are experienced by workers across the UK. In recent years stagnating wage levels and increased pay inequality, a rise in forms of insecure working, and the hollowing out of the labour market have all threatened the historical correlation between being in work and increased personal wellbeing. The most sobering indicator of how the work-social contract is being undermined is the increase in working poverty: over six million people suffering from poverty in the UK now live in a working household.

We are not the only organisation looking at these issues. This is one of the most important policy considerations of the age. Rightly, but sometimes too reductively, the public debate about fulfilling work is taken up with fundamental issues such as low pay or disruptive and unpredictable working patterns, such as ‘zero hours’ contracts. Clearly these issues are of critical importance. Our research corroborates

the view that when pay is not sufficient to cover basic needs, it is very unlikely someone will be happy in their work, even if they find other aspects of the job fulfilling. But while focusing on these issues is a valuable means of delivering more fulfilling work, other factors are also important. How do you legislate for a sense of personal agency and fulfilment, for a workplace which provides us with opportunities for social connections and friendship? There are no straightforward answers. As our research shows, the interactions between different facets of fulfilling work are complex and often highly subjective. Our overarching aim is to ensure that work improves wellbeing rather than undermines it. The challenge to governments, business and charities is to look at the different aspects of fulfilling work in the round, and to identify the levers for change which might deliver more fulfilling work for many more people.

Over the next five years, we will be exploring fulfilling work in all its guises through our policy and practice work. We look forward to taking this conversation forward with policy organisations, businesses and citizens to find new ways of thinking about, and working to achieve, the conditions needed for more fulfilling work.



**Martyn Evans**  
Chief Executive, Carnegie UK Trust

## Why work matters to wellbeing

Access to fulfilling, paid work has long been a significant determinant of people's wellbeing. Economically, fulfilling work provides a secure income, while in social terms, such work can offer a sense of purpose, social connections and personal agency.

In recent years, however, the link between access to work and improved wellbeing has become increasingly strained. Reductions in wage growth, rising levels of job insecurity and significant challenges to income mobility, earning equality and productivity have begun to undermine the long-established correlation between work and personal wellbeing.

As a result of some of these trends, the question of how to deliver or enable more fulfilling work for many more people in the UK has become an increasingly important public policy consideration.



## A fresh look at work and wellbeing

Our data review reflects concepts of fulfilling work which have been identified, characterised and tracked by organisations such as the Resolution Foundation and the Joseph Rowntree Foundation. Our understanding of the key challenges to fulfilling work has been developed through reviewing existing research by the Smith Institute, the Fabian Society, the Living Wage Foundation, the TUC (Trades Union Congress), IPPR (Institute for Public Policy Research) and many others. In Scotland, we have followed with interest the Oxfam and University of West of Scotland partnership which engaged directly with workers in low-paid sectors to gather their views on what makes for 'decent work'.

The aim of our commissioned research is to provide new evidence on how different aspects of work are impacting on wellbeing for employees from different demographic groups, regions and sectors. Given the critical bearing work has on wellbeing, we hope to play a part in bringing together the key insights of organisations working in this field to create new ways of thinking about, and working to achieve, the conditions needed for fulfilling work.

The significance of the issue as a priority area is arguably heightened by the UK vote to leave the European Union, the impact of which may have significant medium and long-term implications for the UK labour market and may also bring a renewed focus on a wide range of employment legislation and regulation.

## A legacy of work and wellbeing

Finding the mechanisms that can support people to access fulfilling work opportunities that will improve their wellbeing has been of interest to the Carnegie UK Trust throughout our 100 year history. The Trust's legacy in this field includes historical initiatives to support the Workers' Education Association and the emergent land settlement movement, and more recent projects to further the cause of youth enterprise, including the TestTown initiative – a pioneering programme that provided unique opportunities for young entrepreneurs in towns and cities across the UK and Ireland.

In our 2011-2015 Strategic Plan, the Trust did not have an explicit focus on work, but a number of our projects supported different aspects of a fulfilling work agenda. Through our work on TestTown, Neighbourhood News, Growing Livelihoods and Library Lab we have helped a range of groups to repurpose their skills to find new ways of earning a sustainable living. Through our Enabling State, Measuring Wellbeing, Citizens Rising and Fairer Fife projects we have sought to advance progressive attitudes and arguments in relation to work and the economy. Through our Affordable Credit, Interaction, USP, Enterprising Minds and #notwithoutme initiatives we have built data, evidence and support structures to help facilitate fulfilling work.

## Key themes of interest

The Trust's new Strategic Plan for 2016-2020 includes a specific focus on Fulfilling Work as one of our three Thematic Priorities.

An initial scoping exercise identified a range of themes of interest which can have a significant impact on the relationship between work and wellbeing. We grouped these themes as follows:

### 1. Availability of Work

how easily and fairly can people find the type and level of work they would like?

### 2. Quality of Work

do the terms, conditions and opportunities at work meet people's expectations?

### 3. Work and Wellbeing

do wider factors around engagement, connection and agency at work support personal development and fulfilment?

Specific aspects of work likely to impact on wellbeing were identified for each of these themes and are set out in Table 1.

Table 1 – Themes of Interest

Availability of work	Quality of work	Work and Wellbeing
Job-seeking behaviour	Income and pay	Personal agency and employee engagement
Benefits sanctions	Terms and conditions	Work-life balance
Discrimination	Job security	Management support
Over or underemployment	Opportunities for progression and training/ skills development	Social connections through work
		Work with 'meaning'
		Job satisfaction

## Crunching the data

To build our evidence base on fulfilling work, the Trust commissioned Ipsos MORI to undertake analysis of quantitative data sets relating to each of the three themes (availability of work; quality of work; work and wellbeing) and the specific aspects within each of these. The analysis focuses on the most comprehensive, robust data sets available – primarily national statistics such as the Labour Force Survey and 'buried' data in other official statistics data sets that have not previously been explored for relationships between work and wellbeing.

Ipsos MORI were asked to:

Review what data analysis has previously been undertaken in relation to the identified key themes of fulfilling work;

Begin to address any identified gaps in this analysis by completing new secondary data analysis on these themes; and

Drawing upon this analysis, provide some initial, quantitative findings on how different aspects of fulfilling work contribute to personal wellbeing, including variations by region, sector and demography.

Below we summarise some of the emerging trends and issues for fulfilling work this research has highlighted.

## The emergence of the ‘hourglass’ economy

A number of research studies in recent years, by a range of organisations, have highlighted trends that suggest there has been a ‘hollowing out’ of the UK labour market, with a loss of mid-tier jobs and a rise in low-paid, insecure jobs where employment rights may be more limited.

The research undertaken by Ipsos MORI provides some further data to support this analysis.

## Job security

The analysis highlights data which suggests heightened levels of insecurity in work. Job security is an important indicator of job satisfaction and is closely linked to the capacity of employment to enable wellbeing. Nearly 1.7 million workers in the UK are employed on temporary contracts, with a third of those taking on that role because a permanent position was not available. The number of people entering into a temporary contract as a necessity rather than through personal preference is at 45%, which is higher than before the financial crisis (although it should be noted that the overall level of use of such contracts is broadly similar). Meanwhile, 17% of UK workers – regardless of contract type – do not believe their job is secure.

## Low-skilled work

There has been a clear decline in mid-skilled jobs from 1993 to 2014. This process has been attributed in a number of studies to the growth in use of technology and the automation of many of these mid-tier roles. The number of low-skilled jobs declined in the late 1990s and early 2000s, before flattening out until the 2008 financial crisis and subsequent recession, since when there appears to have been an increase in this type of work. High-skilled work increased from 1993 to 2014, supporting the notion of a ‘hollowing out’ at the middle with increasing concentration of roles at the lower and higher skill ends of the labour market. This raises important challenges for pay and career progression, as well as mobility for workers between different tiers of the labour market.

## Underemployment and unpredictable hours

In their research for the Trust Ipsos MORI developed a model to examine underemployment in the UK economy. Using a combination of questions from the Labour Force Survey they identified workers as being underemployed if they were either: looking for a new job because they wanted to work more hours; were working part-time because they were unable to get a full-time job; or if they would like to work more hours in their current job, given the opportunity. Based on this model, 13% of the UK labour force – almost 4 million people – can be classified as underemployed.

Further analysis by Ipsos MORI of the latest Labour Force Survey data shows that 9% of employees in the UK experience some form of unpredictable hours – either zero hours contracts, on call working or annualised hours. While unpredictable hours do not necessarily mean work is unfulfilling, the potential impact that such contract terms might have for individuals on important wellbeing issues – such as financial security, workplace progression and work-life balance – mean that their level of use is worth analysing.

## Long hours and new technology

At the other end of the scale in terms of working hours, the research highlights data that shows a 15% increase from 2010 to 2015 in the number of people working ‘long hours’ (more than 48 hours a week). There is much debate about the impact of technology on working hours and it has been suggested that new technologies support excessive working hours. Ipsos MORI identified a lack of robust quantitative research on this issue, but their analysis did highlight some small scale studies which suggest that this issue may be particularly prescient for homeworkers, who were found to be more likely to work longer hours and more likely to find that work interfered with other aspects of their life. New research would be required to examine these issues further.

## Self-employment

Finally, the research highlights the rise in self-employment to 15% of the UK workforce since the 2008 financial crisis, and identifies a range of potentially significant challenges to fulfilling work experienced by those workers who are self-employed. In 2005 a significant proportion of those who were self-employed reported that they were ‘over-employed’, meaning that they were working too many hours and wanted these to reduce. By 2013 however, this situation had reversed, with high levels of underemployment being reported by the self-employed. At the same time, earnings amongst the self-employed were 20% lower by 2013 compared to 2006, in contrast with a 6% drop in earnings experienced by employed workers during the same period. Levels of pay amongst the self-employed are now lower on average than amongst employees, while analysis of the Labour Force Survey shows a greater rise in low-skilled jobs amongst the self-employed compared to employed roles between 2002 and 2014.

Resolution Foundation data shows that more than a quarter of those who are newly self-employed became so at least in part due to a lack of better work alternatives. For those who have been self-employed for five years or more the figure falls to 10%.<sup>1</sup> There is a clear tension between the freedom associated with an active decision to

1 D’Arcy, C and Gardiner, L, *Just the job – or a working compromise? The changing nature of self-employment in the UK*, London: Resolution Foundation 2014



become self-employed and the lack of agency and financial security that appear to characterise a growing cohort of the ‘new self-employed’.

These trends are not homogenous across the UK. Since the financial crisis, northern England and Scotland have experienced a rise in levels of self-employment in parallel with reductions in employee numbers – suggesting that for some workers, self-employment is a status they have been required to adopt due to a lack of employee roles. In London and the South East of England, in contrast, the numbers of employed and self-employed workers have risen simultaneously.

## The social workplace

Given some of the changes in working patterns described above, the Trust asked Ipsos MORI to examine data in relation to social connections at work. Our hypothesis was that if work for some people is becoming less secure, with fewer hours available and an increasing number of people working for themselves, then this may have some negative implications for building social connections through work. This type of social interaction can be an important contributor to the relationship between work and overall personal wellbeing.

The researchers found very limited data looking explicitly at the social function of employment. This type of question is not included in most workforce surveys, while other studies which look at social

connectedness tend to focus exclusively on how connected people feel to their local neighbourhood. Some smaller studies have identified the potential for homeworking to contribute to a sense of isolation from colleagues, but also highlight the potential for new technology to help mitigate these risks.

This field of analysis appears to be relatively under-developed in comparison to some other areas of the fulfilling work agenda.

## Young people in the labour market

It is widely recognised that young people in the UK today face significant challenges in the labour market. The data presented by Ipsos MORI illustrates this issue starkly.

Youth unemployment is consistently higher than the wider unemployment rate (14% compared to 5% according to the latest ONS data). Meanwhile, underemployment was identified in the Ipsos MORI research as being a particularly significant issue for young workers. According to the model developed by the researchers more than a fifth (22.5%) of young workers in the UK are currently underemployed, compared to an average of 13% across all employees.

Young workers are also more likely than their older colleagues to be low paid; to work unpredictable hours (including

zero hour contracts); to be seeking additional or alternative employment; and to be dissatisfied with the sense of achievement they get from their work.

Pressures around the type and quality of entry-level jobs have a particular effect on young people. In addition to the long decline of non-graduate level entry positions, CIPD (Chartered Institute of Personnel and Development) research suggests that significant numbers of graduates are currently in roles deemed to be non-graduate jobs.<sup>2</sup> This has negative connotations not only for non-graduates who are locked out of previously attainable jobs, but also for graduates experiencing underemployment and lower levels of pay and job satisfaction.

## Challenges facing ethnic minority and disabled people

Young workers are not the only demographic group to experience particular challenges in the labour market. The data shows that disabled workers and some ethnic minority groups are also more likely than others to find certain aspects of fulfilling work more difficult to attain.

For example, disabled workers are more likely to be low paid than similarly qualified employees without a disability. Disabled workers are also more likely to be underemployed than other workers and are more likely to be seeking a new job, but less likely to progress to better paid jobs.

These issues extend beyond pay to wider aspects of work and wellbeing. Disabled workers are less likely to feel engaged with their workplace, according to a series of measures linked to the engagement of managers; employee representation; a sense of feeling connected to the organisation's strategic narrative; and belief in the integrity of an organisation. Meanwhile, employees with a limiting health problem or disability are more likely to find difficulty achieving work-life balance than their colleagues and are more likely to be dissatisfied with their sense of achievement from work.

Amongst ethnic minority groups, Black and Caribbean workers appear to experience the most significant challenges to fulfilling work. Employees from these ethnic groups are more likely to be underemployed, to be seeking a new job and to work unpredictable hours (either zero hours contracts, on call or annualised hours) than other groups. Similarly, Bangladeshi workers are more likely than others to be underemployed and to be seeking a new job, and alongside Pakistani employees, are the least likely to have been offered or taken part in training during the previous three months.

2 Holmes, Craig and Mayhew, Ken, *Over-qualification and Skills Mismatch in the Graduate Labour Market*, London: CIPD 2015

## Sectoral differences

The data analysis by Ipsos MORI revealed some profound differences in how workers in different sectors experience employment.

The challenges to fulfilling work, in terms of fundamental issues around terms and conditions, appear to be most acute in the distribution, hotels and hospitality sectors. In these sectors there is a much higher propensity for underemployment and unpredictable hours – particularly zero hour contracts – and a significantly higher proportion of workers seeking alternative employment.

Meanwhile, low pay is a particular issue in the hospitality, retail and care sectors, affecting more than two-thirds of employees. This compares to only 2% of workers in some other sectors such as public administration. The hospitality, retail and care industries appear repeatedly in existing research into inequalities in the job market. These three industries employ disproportionately large numbers of people who are at risk of labour market disadvantage, such as young people, immigrants, part-time workers and female staff. They also employ large numbers of agency and temporary workers.

Other sectors experience different challenges related to work and wellbeing. Employees in transport and storage, public administration and defence are the most likely to be dissatisfied with their work and are the least likely to feel positively engaged with their employer, based on a model constructed by Ipsos MORI encompassing employees' sense of loyalty to, pride in and shared values with their job.

## Regional differences

Breaking down the data by region demonstrated a number of variations across parts of the UK.

Although the differences between regions are not stark, a number of core challenges to fulfilling work appear more likely to be experienced by employees in Yorkshire and Humber, East and West Midlands, the North West and Wales. These challenges include a higher propensity of low pay, more likelihood of unpredictable hours (particularly annualised hours), a lower likelihood of having been offered or taken part in recent training, and significant increases in longer working hours during the past five years. The highest levels of underemployment in the UK are in Wales, while workers in Yorkshire and Humber are most likely to be dissatisfied with their job.

Conversely, data for Northern Ireland shows that employees there are the least likely to be seeking a new job, are the least likely to work overtime, and experience the lowest levels of underemployment.

Meanwhile, workers in the North East are the most likely to feel engaged with their employer, based on a sense of shared values and feelings of loyalty to and pride in their work.

Finally, as is well understood, the data highlights that the labour market in London and the South East of England is markedly differently from other parts of the UK, with far fewer employees experiencing low pay, but with more workers struggling to achieve a satisfactory work-life balance and working overtime or longer hours.

## Public Versus Private Sector

Some interesting differences emerge from the data about the varied experiences of public and private sector employees.

Positive feelings of engagement with an employer are significantly higher for private sector employees than for public sector workers. This is despite the fact that private sector workers are more likely to be low paid, are less likely to have accessed training recently and are more likely to be underemployed, compared with employees in the public sector.

## Constructing a Fulfilling Work Index

Alongside the research to assess each potential component of fulfilling work and its prevalence across different employment sectors, regions and demographic groups, the Trust asked Ipsos MORI to consider how an overarching measure or index for fulfilling work might be created.

This presented some methodological challenges:

- There is no single data source containing all measures related to our themes of interest.
- There are questions about whether certain aspects of fulfilling work should be weighted more strongly than others.
- In particular, there is debate about whether it is useful or effective to aggregate 'hygiene' factors such as pay and security alongside 'motivation' factors such as agency, responsibility and engagement.
- Some measurements of fulfilling work are binary (e.g. permanent contract or not) while others are measured on a scale (e.g. sense of achievement at work).
- Some measures are objective (e.g. access to training) and some are subjective (e.g. satisfaction with training).
- There are often contradictions between objective measurement and subjective experience. For example, there is a surprisingly low correlation between actual pay levels and pay satisfaction.
- The interactions between different facets of fulfilling work are complex and not always clear.

Despite these difficulties, the researchers were able to use the 2011 Workplace Employment Relations Study (WERS) to create a simple scale, adding together respondents' scores across a range of issues to give an overall mean score, which can be broken down by region and sector. The data was also compared to the 2004 WERS data to identify any trend changes over time.

The fact that the data is from the 2011 WERS is itself a methodological challenge, as the economy and labour force was still undergoing significant change at that point in time following the financial crisis and recession. The full impact of these changes upon different aspects of fulfilling work may not be fully reflected in this data. The next WERS is unlikely to be until 2017/18, so there remains a data gap until that time.

The results from the Ipsos MORI analysis in creating a fulfilling work matrix are useful, however, for further understanding variations in fulfilling work between different sectors and regions and in understanding the relationship between different aspects of fulfilling work.

## What's the score?

The lowest scoring sectors overall were transport and storage, manufacturing, public administration and defence. None of these sectors experience particularly low levels of pay or high proportions of temporary contracts, but employees in each of these sectors identified different aspects of work that might be classed

as unfulfilling. Workers in transport and storage for example, were less likely to have access to training or flexible working arrangements and were more likely to be dissatisfied with their work-life balance. Public administration and defence employees were more likely to be dissatisfied with their pay.

This illustrates the broad range of issues that might contribute to a sense of the fulfilling work and the extent to which different aspects of fulfilling work may vary across sectors.

## Direction of Travel

In overall terms, there was a slight upward trend in experience of fulfilling work from 2004 to 2011. However, there are important underlying explanations for this change. Firstly, the increase was driven almost entirely by the private sector, with very little change in overall fulfilment score in the public sector during this period. Overall however, the public sector still scores marginally higher in an overall assessment of fulfilling work. Secondly, those on highest incomes, who already had a higher overall score, also enjoyed the greatest increase in overall work fulfilment between 2004 and 2011, while the position for those on the lowest incomes was unchanged. Finally, the type of change experienced between 2004 and 2011 varied across employment sectors – with employees in hospitality and hotels, transport and communication, public administration, health and community service sectors all experiencing a decline in overall sense of fulfilling work during this period.

## Next steps for work and wellbeing

The work undertaken by Ipsos MORI, summarised here, presents a number of opportunities and possibilities for potential policy and practice activities around fulfilling work.

The review has identified clear gaps in the evidence base around social connectedness and work that may warrant further attention, given the strong link between social interaction and wellbeing. In particular, the relationship between work and social connectedness for temporary workers, the self-employed and homeworkers may be a priority issue for consideration.

The composite fulfilling work measure created by Ipsos MORI identified important variations between what fulfilling work means for different sectors and highlighted the varied experiences of different groups of employees in progressing towards more fulfilling work. However, the survey data which underpins that combined measure is somewhat out of date. Addressing this current evidence gap through omnibus polling, while not providing a direct comparator to previous datasets, would test out these issues in today's labour market and may be a useful contribution to wider policy debates. Developing this stream of work further would require careful thought to take account of some of the methodological challenges involved in developing a fulfilling work index to ensure that such a measure was meaningful and impactful.

The analysis identified a range of different issues and barriers to fulfilment experienced by particular demographic groups, employment sectors and regions. Cross-sectoral discussions between key stakeholders may provide an opportunity to test these issues further and identify potential joint working policy and practice initiatives to help deliver positive change for one or more of these sectors, regions or groups.

Finally, the trends described in the analysis around an 'hourglass economy' raise important questions about how in certain increasingly fragile and atomised segments of the labour market, employees' rights might be protected; the social capital of work can be supported; and training and skills development can be facilitated to enable workers to prosper in a much more fluid employment market. The needs of rising number of self-employed workers and the ongoing challenges experienced by young employees appear to be particularly pressing concerns.

## Work in progress

The Trust will continue to explore each of these issues as we develop our fulfilling work agenda. As a first step, we will commission new survey data to uncover how trends in work and wellbeing have developed since the last WERS was undertaken in 2011. We welcome contributions and insight from all those interested in this field of

activity, from across the public, private, charitable and funding sectors.

To let us know your thoughts on the issues identified in this report please contact Gail Irvine, Policy Officer, at [gail@carnegieuk.org](mailto:gail@carnegieuk.org)

The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work. The Carnegie UK Trust was established by Scots-American philanthropist Andrew Carnegie in 1913.

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This report was written by Douglas White

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low pay  
development  
employee engagement  
flexibility  
sense of agency  
sense of meaning  
self-employed  
predictable hours  
job security  
training  
zero hours contracts  
work-life balance  
quality work  
job satisfaction  
wellbeing



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