

PIN - 13

Evidence Review

Contemporary Work and Employment and the Productivity Puzzle

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About PIN

The Productivity Insights Network was established in January 2018 and is funded by the Economic and Social Research Council. As a multi-disciplinary network of social science researchers engaged with public, private, and third sector partners, our aim is to change the tone of the productivity debate in theory and practice. It is led by the University of Sheffield, with co-investigators at Cambridge Econometrics, Cardiff University, Durham University, University of Sunderland, SQW, University of Cambridge, University of Essex, University of Glasgow, University of Leeds and University of Stirling. The support of the funder is acknowledged. The views expressed in this report are those of the authors and do not necessarily represent those of the funders.

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Abstract

This chapter is concerned with exploring the relationship between contemporary work and employment and productivity. It aims to highlight the centrality of the workplace and employment relations for understanding the productivity puzzle. In doing so it explores four aspects of current workplace dynamics notably; management practice and missing voice; the growth of non-standard work; the performance implications of insecure work and finally job quality and the future of work. It concludes by emphasising the importance of engaging with all stakeholders and interest in organisations to secure greater productivity outcomes.

Keywords

Employee Voice, Job Quality, Non-Standard Work, Management Practice, Artificial Intelligence, Modern Working Practices

Introduction

Productivity, the relationship between the value of inputs and the value of outputs, assumes a central position in the accounts of the contemporary economy. Specifically, there is concern that labour productivity has failed to grow since the 2008-9 financial crisis with significant knock-on effects for living standards in the UK. For economists, labour productivity may be regarded as a technical relationship, but for work and employment specialists it is first and foremost the outcome of a contested social relationship. This chapter highlights the centrality of the workplace and employment relations for understanding the UK productivity puzzle. It considers how the organisation of work, workers' contractual status, and the 'politics of production' (Burawoy 1985) may have a central bearing on the causes of the productivity puzzle. It is widely acknowledged that the productivity problem is pervasive and widely distributed across UK workplaces, yet there remains limited empirical work on workplace social dynamics and their performance consequences in the contemporary economy.

In exploring the relationship between contemporary work and employment and the productivity puzzle this chapter will consider the following research gaps. Firstly, it will explore the current focus on management practice and consider the neglect of employee voice. Secondly it will explore the growth of non-standard work, a current management practice, in greater detail. Thirdly, it will consider the experience of work for workers on non-standard contracts and will raise the possibility that insecure work may be associated with inferior productivity outcomes. Finally, it will investigate the growing interest in job quality and the possibilities presented by automation and artificial intelligence (AI) for increasing productivity outcomes. The chapter concludes with reflections on the importance for employees, employers and policy that job quality and workplace security are central to the future of work.

The Productivity Puzzle, Management Practice and Missing Voice

The proposition that the management of employment relations may be central to productivity outcomes may be unfamiliar to economic theory, but it has longstanding currency within work and employment studies. Recent studies highlight the role of management practices as a potential facilitator (or inhibitor) of productivity improvements, but rarely, as discussed below, is there a corresponding focus on employee voice. The complexities and power dynamics of the employment relationship - the diverse aims and material interests of different stakeholders, for example – remain under-explored in most studies which either give primacy in productivity outcomes to the nature of management practices per se, or focus solely on the impact of employee engagement. It is clear that the importance of ‘better’ management and management practice is gaining traction in understanding the productivity puzzle in the UK. However, despite research evidence that continues to demonstrate that levels of trust and engagement remain relatively low, limited attention is focussed upon the exploring the apparatus of employee voice and resulting opportunities this present for employee-led innovation as a solution to the productivity puzzle. In short, prevailing policy objectives appear to present a ‘unitarist’ understanding of the workplace, neglecting the significance of engaging with all stakeholders in the employment relationship.

The debate regarding how ‘better’ management can help solve the productivity puzzle is essentially two-fold. The first focus problematizes the supply, quality and proficiency of management in the UK. This debate has traced the poor productivity outcomes in the long-tail of underperforming firms and/or in small firms to management and management practice (Bryson and Forth 2018). ACAS for example has argued that effective line managers skilled at dealing with the ‘people side’ of organisations have a significant impact on productivity. The argument here is that when line managers are effectively equipped with the expertise to manage workplace policies and procedures and the skills to manage workplace performance the impact on productivity outcomes will be substantial. Yet, the record of ‘effective’ line management in the UK suggests significant room for improvement remains. For example, evidence from ACAS highlights that 43 per cent of UK managers rate their own line manager as ineffective (ACAS 2015).

The second focus in regard to management and productivity holds the aforementioned quality of management constant and explores variation in management practice and choice of management techniques at enterprise level. Such studies attempt to unpack the likely set of structured management practice(s) that will foster greater productivity outcomes. Survey evidence highlights the positive association between performance-orientated management practices with productivity outcomes (Bloom and Van Reenen 2007, Bloom et al 2017). This approach essentially attempts to quantify aspects of management practice which are regarded as crucial to securing productivity gains. The suggestion here is that by treating management as a ‘technology’ the possibility to increase productivity emerges (Bloom, Sadun, Van Reenen 2007). Relevant management practices (or technologies) include: how well companies monitor and evaluate the outcomes of management practice and the use of these data for continuous improvement purposes; target-setting in relation to how companies establish targets in relation to performance; and finally incentives mechanisms which explores how companies are effectively promoting and rewarding employees for performance. Such survey-based research also attempts to explore the differences in management practice between countries. In brief, product market competition, firms that are family owned and managed, as well as multinational and export status are seen to be key determinants in explaining productivity difference between firms.

Evidence from the UK regarding the impact of management practice and productivity is emerging through the results of the ONS, Management and Expectations Survey (2016). This survey reports a clear correlation between what it refers to as 'structured management practice' and labour productivity. The evidence suggests the prevalence of more structured management practices in services than production and also indicates that these practices were more evident in larger, foreign-owned, businesses with more highly educated workers than among smaller, family-owned and firms with less-educated workers (ONS 2018). The possibility for further analysis of these data, with a focus more explicitly on locality, is also highlighted as being of value to academics and policy-makers in the future.

It is clear that the survey-based evidence provides valuable insights into the relationship between management practices and productivity in broad terms. The comparative evidence provides an opportunity to reflect, for example, upon the institutional apparatus of the economies with high productivity. However, it is also apparent that the extant literature on management quality and management practice treats labour as a resource to be managed from an entirely unitarist perspective. The contested nature of the employment relationship and management practice, the established pluralist territory of work and employment research, is seemingly overlooked. The evidence is largely abstracted from a wider set of contested social relationships and interests which are characteristic of the workplace. A consideration of the so called 'black box' of workplace dynamics, which uncovers the links between management practice and performance outcomes, and which is well-rehearsed amongst work and employment scholars, is largely ignored. In essence this approach problematizes the link between management practice and performance outcomes and considers more closely the mechanisms and apparatus by which performance outcomes are delivered. This approach necessarily embraces an engagement with all stakeholders in organisations in attempting to understand the relationships between workplace regulation and performance outcomes.

In the past, productivity research in Anglo-Saxon economies focused on the role of employee voice mechanisms in sharing power, improving communications, employee commitment and morale, and thus facilitating productivity outcomes (Freeman and Medoff 1984). Within current policy debates, however, attention to these questions has receded. New evidence is urgently required to shed light on these issues and necessarily change the tone of the productivity debate. Elsewhere in Europe, issues relating to employee representation and voice remain at the centre of public policy debate. Growing evidence highlights that the promotion of effective voice regimes allied to greater employee engagement may increase the opportunities for employee-led innovation and productivity growth (Eurofound 2016). Indeed, evidence from our European counterparts indicates that a resilient role for the social partners, through trade union organisation and strong organisational citizenship, may have favourable productivity outcomes. This evidence suggests a positive relationship between collective bargaining, voice mechanisms and workplace innovation which may present opportunities to redress the productivity puzzle (Vernon and Rogers 2013, Kornelakis et al 2017, Kornelakis et al 2018). It is clear that more systematic analysis of workplace regimes and institutional frameworks that may encourage employers to innovate rather than pursue low cost, low road strategies, would be welcome. This approach would necessarily embrace further consideration of the positive role unions can play in fostering productivity growth which is largely ignored in current debates in the UK (Bryson, Dale-Olsen and Barth 2015). Instead the policy focus is predicated upon the possibilities for greater employee engagement to provide a solution

to the productivity puzzle. The suggestion here is productivity improvements are more likely to occur that in organisations where employees are able to ‘engage’ (MacLeod and Clarke 2011). The wider literature suggests that there are a host of individual and organisational factors that contribute to levels of employee engagement, allied to a plethora of measures and indicators of engagement ranging from autonomy, voice, well-being and turnover. Despite ambiguity over the term, wider evidence highlights that the opportunities for employees to engage in the UK remain limited (Felstead et al 2108). Engagement, it appears operates predominantly around task-based concerns rather than through the promotion of joint decision making, democratic workplace structures and/or power sharing. Indeed, despite positive associations between collective voice, collective bargaining and productivity growth, limited research remains that ‘explores productivity from the perspective of those who play the most obvious role in generating productivity – the workforce’ (The Smith Institute 2016). There are therefore growing calls for a new approach to workplace productivity which embraces effective employee voice mechanisms and harnesses the views of employees in solving the productivity puzzle.

The next section extends our understanding of the relationship between work and employment and productivity outcomes further by exploring the growth of non-standard work in the contemporary economy.

Exploring the dimensions of non-standard and insecure work

The ‘standard’ model of employment is defined as continuous and full-time with a direct relationship between employer and employee (ILO, 2017). Widely regarded as the hallmark of the post-1945 consensus and social contract, the standard model of employment has shaped the terms under which labour power was supplied to and utilized within firms (Fudge 2017). Arguably premised upon the notion of ‘reciprocity’ within the employment relationship, the standard model of employment afforded many workers a measure of employment security allied to terms and conditions of employment such as sick pay, holiday and pension entitlement. For Rubery et al (2018) the essence of the standard model of employment is found not in the habitual form of permanent full-time employment per se, but in the substantive rights and protections afforded by both employers and the state (in distinction to a purely market relationship). By contrast more precarious forms of employment deny workers access to the possibility of mutual investment in skills, training, and career trajectories facilitated by internal labour markets which may promote productivity gain (Rubery et al 2018). Whilst evidence highlights that this standard employment model continues to predominate in the UK, it has been partially subverted by a growing array of non-standard employment models. Non-standard forms of employment refer to varying contractual and non-contractual relationships commonly characterised by variable and irregular hours (Moore et al 2017). More specifically non-standard forms of employment can include temporary work, part-time work, minimum or zero hours’ contracts as well as self-employment. The upsurge of these types of ‘non-standard’ (increasingly referred to as insecure or precarious) forms of employment has gained significant momentum following the economic crisis of 2008. The rise of the so-called digital/gig economy closely allied with platform working has also fuelled the emergence of non-standard work with technology-enabling employers to break up work into smaller tasks and to contract out work on a piece-rate and often self-employed basis (TUC 2017). To date, there is limited research evidence which explores the impact of work in the gig economy on productivity (Coyle 2017).

The debate regarding the pros and cons for employers and workers of these emerging forms of employment and related business models has been subject to much deliberation. Flexible labour markets on the one hand are seen to reflect employee preferences as well as facilitating employment growth and competitiveness. On the other hand, questions have been raised regarding the ‘one-sided’ nature of flexibility and the adoption of business models predicated upon low pay, and exploitative business practices predicated upon growing levels of workplace insecurity (Low Pay Commission 2018). The recent Taylor Review of Modern Working Practices (Taylor et al 2017) was commissioned by the UK government to consider the efficacy of these employment practices in the light of these new modern business models. The review applauds the UK’s capacity to ‘create’ jobs and proposes limited measures to address issues over employment status in the gig economy. It also highlights several weaknesses in the UK labour market, notably sluggish productivity and real wage growth. Less clearly articulated is the possibility of a relationship between the growth of non-standard work (the applauded ‘British way’) and productivity outcomes. The possibility of a relationship between growing levels of non-standard work and the flat-lining of productivity remains under explored (Nolan et al 2019). This oversight raises two interrelated questions: firstly, what is the extent and the dimensions of the growth of non-standard work in the UK (which will be explored in this section)? and secondly what are the implications of growing workplace insecurity on the experience of work and productivity (which will be explored in the next section)? In short the next two sections consider the possibility that the growth of non-standard work (as part of an array of ‘low road’ strategies adopted by employers) may be inimical to labour productivity growth.

The TUC (2018: 12) has estimated that 3.8 million workers in the UK work in insecure jobs. This workplace insecurity has manifest itself in several ways. Firstly, self-employment has increased significantly in the period since the crisis and accounts for almost one-third of the additional employment. According to ONS data the numbers of self-employed increased from 3.3 million people (12.0% of the labour force) in 2010 to 4.8 million (15.1% of the labour force) in 2017. Notwithstanding that category of ‘self-employed’ is heterogeneous and may represent a preference for some workers, there is growing evidence that highlights that many workers with self-employed status would prefer to have an employment contract (Tomlinson and Corlett 2017). Indeed, further evidence highlights that for many workers’ self-employment translates into low and unpredictable levels of pay with 1.7 million self-employed workers securing income less than the government’s National Living Wage (TUC 2017: 12, Moore et al 2017, Harvey et al 2017). ONS data also indicates that compared to their full time counterparts earning £400 per week, self-employed workers in the modal income category earn just £240. As Beatson (2018) highlights self-employment may be a contributing factor to the productivity puzzle given the apparent low-earning of self-employed workers. How does this growth in self-employment impact upon productivity, particularly given the growing evidence that self-employed status may mask low pay and unpredictability?

Concurrently, levels of unpredictability of working hours have also increased in UK with the emergence of zero-hour contracts (ZHCs). In essence ZHCs means workers agreeing to be available to work but without any guarantee of given hours and/or working time. The extent of the use of ZHCs remains ambiguous, but the latest figures from ONS (2019) indicate there are a total of 840,000 ZHC workers, down slightly from 902,000 in the previous year. These latest figures also indicate that ZHCs are more evident amongst young workers between 16-24 and amongst women workers. In the UK the North-East has the highest rates of ZHCs as a percentage of the working population, with hospitality

and health and social care the occupational groups most likely to be employed on ZHCs. The Skills and Employment Survey 2017 (Felstead et al 2018) also provides important insights into the pernicious nature of irregular and unpredictable hours. The survey indicates that 7% of workers, equating to 1.7 million workers, are very anxious that their working hours could change unexpectedly. Further analysis highlights the greater prevalence of women workers in this group of insecure workers. In addition, workers experiencing insecurity in relation to working hours are also more likely to suffer an array of insecurities within the workplace. These include a greater likelihood of job loss, worries about unfair treatment, greater levels of effort, lower levels of pay and summary dismissal for poor performance. Workers experiencing insecurity of hours also extends further into the growing evidence highlighting significant levels of underemployment in the UK. The latest figures from the ONS (2019) indicate that in the period Jan-March 2019 just over 3.2 million workers overall in the UK want more hours of work, with 1.9 million wanting more hours in their current job role. Further research has called for a multi-dimensional understanding of under-employment which embraces not only constrained working hours but also the under-utilisation of skill and ability as well as unsatisfactory work-load. This evidence highlights that post-crisis underemployment has grown and is having a negative impact on workplace well-being (Heyes et al 2017). The implications for productivity of growing levels of underemployment in the UK economy remain under-explored.

Finally, the numbers of UK workers in temporary jobs increased slightly in the period 2010-15 following the crisis but has recently plateaued (Resolution Foundation 2019). In January-March 2019, approximately 1.5 million employees were in temporary jobs. Of these workers, 25.3 percent reported that they had taken a temporary job because they were unable to find a permanent position (ONS 2019). Existing research has made the connection between the use of temporary workers and lower productivity outcomes. Drawing on European Company Survey data, Wang and Heyes (2017) revealed that establishments that do not use fixed term contracts enjoy productivity benefits over those that do. In addition, establishments that support functional flexibility (i.e. through multi-skilling and investment in training) report higher productivity outcomes. Similar findings from Zhou et al. (2011) found that organisations with a high proportion of temporary workers perform significantly worse in sales of 'innovative products', notably high-end products that can be regarded as being first to market. Echoing previous research, they make the same case that functional flexibility which includes investment in training and organisational learning, thereby strengthens the historical memory of firms and facilitates the possibility of higher productivity outcomes (Zhou et al., 2011p 960). The Understanding Society survey data in the UK enables comparisons between the experiences of workers in casual, permanent and fixed term jobs. 'Casual' work here includes agency work, seasonal work and other types of non-permanent work, excluding fixed-term employment (Newsome et al. 2018, Heyes et al 2018). The survey findings show that workers in casual employment are more likely than those in permanent or fixed-term jobs to be young, non-white and employed in an elementary occupation. In addition, Newsome et al (2018) highlight a number of factors that have a detrimental impact on the job satisfaction of workers engaged in casual work. The likelihood of experiencing job satisfaction is lower for those with no regular hours of work. In addition, workers with low employment security experience higher levels of anxiety and depression. The next section explores the implications of these quantitative findings for a wider understanding of workers' experiences of non-standard jobs and considers what the implications for productivity?

The experience and performance implications of non-standard work

The Industrial Strategy (BEIS 2017) was recently published by the UK government with 'aim of the boosting productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK with investment in skills, industries and infrastructure'. The strategy highlights the importance of 'decent work' to productivity outcomes, forwarding the suggestion that, 'highly productive employers not only pay their workforce well, but also invest in their staff through training and development, good terms and conditions and opportunities to participate in the way the business is run.' (BEIS, 2017). Despite this rhetoric increasing research evidence highlights that the experience of work for workers on non-standard contracts may be far from the mutual gain and reciprocal employment relations forwarded within the Industrial Strategy. Rejecting the notion of worker preference and focussing more closely on the power dimensions at play in the 'insecure' workplace, there has been growing concern in policy circles towards 'one-sided flexibility' (Low Pay Commission 2018). One-sided flexibility highlights the power imbalance at the heart of the employment relationship and indicates that flexibility tends to work favourably for employers (premised on cost reduction) than for employees. In essence 'one-sided flexibility' is symptomatic of the capacity for employers to reduce the employment relationship to a disposal transaction predicated upon cost minimisation rather than an on-going reciprocal relationship of mutual gain (which may be more conducive to higher productivity). More specifically, one-sided flexibility can manifest itself in a number of ways including; the requirement to work at very short notice without the guarantee of any specified hours; income insecurity, coupled with an inability to assert any employment rights or be covered by social protection.

The growing qualitative evidence exploring the experience of insecure workers in key sectors such as retail, care and hospitality (low productivity sectors) reveals growing levels of unpredictability, hardship and vulnerability as a common feature of working-life. This evidence highlights that retail workers suffer from high levels of unpredictability in relation to the availability of work and the length of work to be undertaken. Care workers, often on ZHCs, similarly reported high levels of unpaid labour in an average working day, with travel time between clients often being without payment. Workers in all studies indicated they would have preferred greater predictability and assurances over their hours and scheduling of work. These levels of unpredictability over hours for workers on ZHCs inevitably extended to high levels of unpredictability over pay. This research evidence also highlights growing levels of work pressures and vulnerability over the allocation of hours and expectations of performance. Access to training, skills development and/or any possibility of internal labour markets to facilitate promotion and/or career progression, were also in very short supply. This research evidence also highlights acute financial hardship for workers on non-standard contracts, often resulting in feelings of despair and dismay (Moore et al 2018, Moore et al 2018, Newsome et al 2018). The parcel-delivery sector (a fast growing area of employment in the contemporary economy) provides insightful evidence of the dynamics and contradictions of bogus 'self-employment' and the possible implications for productivity. Exploring the impact of self-employment in the gig economy, Field and Forsey (2016) refer to the 'Hermesisation' of parcel-delivery services and detail the panoply of bad practices that characterise workers' contractual status and experience of work. Further evidence in this sector reveals the contradiction between the status of 'self-employment' and the high level of unpredictability and dependency that increasingly dominates the experience of self-employed parcel delivery workers (Moore and Newsome 2018, Newsome, Moore and Ross 2018). Furthermore, a regional dimension of the

relationship between non-standard work and low productivity is also evident with data from the OECD, indicating that regions with a higher share of temporary jobs exhibit lower labour productivity and have the tendency to be less inclusive. This evidence highlights that non-standard work and productivity is probably linked by the industrial structure of the regional economy. In short, larger tradable sectors offer the possibility of reducing the share of temporary contracts and increases labour productivity (OECD 2018).

In summary, the contradictory pressures of an employment or business model predicated upon the proliferation of low paying, low-skilled, disposable jobs and low productivity growth is seemingly under growing scrutiny. The RSA (2019) for example has highlighted that economic insecurity is increasingly sustaining Britain's low road economy and can be seen as being detrimental not only for wages and living standards but also for productivity. Highlighting the hidden cost of flexible, non-standard labour markets, Rubery et al (2016) similarly highlight the fact that flexible labour markets assisted by benign regulatory environments, and which are often seen to facilitate greater competition and efficiency, have resulted in low pay, and exploitative, precarious employment conditions. Furthermore, the contradictions between competitiveness (based on cost-cutting business models) and productivity were not anticipated, nor have they been resolved in recent policy agendas (Rubery et al 2016). The argument here is clear, in that the advantages afforded by the standard model of employment are over-looked in favour of a disposal low cost labour model. The opportunities offered by functional flexibility (as oppose to numerical or temporal flexibility) allied to investment in skills-utilisation and attempts to secure democratic participatory work structures for productivity growth, are seemingly overlooked. As Felstead et al (2018) in the recent skills and employment survey highlights,

“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.” (Felstead et al 2018)

To close this section, it is clear that our understanding of the complex connections between work organisation, product and process innovation, and the growth of non-standard employment arrangements remains underexplored. The growth of insecure work and low productivity may be joint products of the same underlying process which reproduce low skill, low paid and low value-added outcomes (Nolan 1989). In short, are productivity improvements more likely to occur where standard employment relationships and continuity of employment are in place (Rubery et al 2016; Wang and Heyes 2017)? If this is the case, then what institutional and regulatory mechanisms need to be in place in order to secure necessary productivity growth? Does the current interest in job quality offer the possibility of a policy agenda which can embrace the possibility of greater productivity outcomes?

Productivity, Job Quality and Work in the Future

Promoting job quality in the UK is seen by many as a route to higher productivity and enhanced performance. It is clear that attempting to resolve the productivity puzzle through a greater emphasis on job quality is gaining traction. Growing numbers of policy documents make reference to ‘decent’ or ‘good’ work. The Industrial Strategy is a prime example highlighting evidence showing that countries with high quality jobs also have

better productivity outcomes. The recent Taylor Review (2017) similarly places considerable emphasis on the quality of jobs, suggesting that ‘good work’ must be regarded as fundamental to securing productivity increases. In attempting to implement Taylor’s recommendations, BEIS has proposed the ‘Good Work Plan’ and is currently supporting efforts to construct measures of job quality for UK workplaces (see the measuring job quality working group 2018).

On a regional level, devolved parliaments within the UK are also engaging more explicitly with the challenge of raising job quality within their regional territories. In Scotland the Fair Work Convention is challenged with providing Scottish workers a, ‘world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and for society’ (Fair Work Convention 2016). The dimensions of fair work revolve around effective voice, opportunity, security, fulfilment and respect. The Welsh parliament similarly has recently published, ‘Fair Work Wales’, which outlines the dimension of fair work as the following; ‘Fair work is where workers are fairly rewarded, heard and represented, secure and able to progress in a healthy, inclusive environment where rights are respected’. This definition is supported by the following characteristics of fair work, notably: fair reward; employee voice and collective representation; security and flexibility; opportunity for access, growth and progression; safe, healthy and inclusive working environment, legal rights respected and given substantive effect (Fair Work, Wales 2019) In England, the RSA has recently created an expert group concerned with exploring the relationship between job quality and the productivity puzzle. The expert group will inter alia examine the impact issues such as pay, perceptions of pay, job security, progression opportunities, use of skills, supportive colleagues, the quality of line management and employee engagement on productivity at firm level. In addition, it will consider when productivity and job quality are experienced by employees as mutually reinforcing and when these goals in tension? (RSA 2019).

What can we understand from the term job quality? Within the social science literature, the notion of job quality has been subject to much interrogation and empirical enquiry. Thus, a recent review of the prevailing literature by the Chartered Institute for Personnel Development (CIPD) suggests that the term is best understood as a family of concepts, which can overlap and are interchangeable. In other words, the term is highly elastic, in which terms such as ‘good work’ and/or job quality can be seen to encompass a number of key dimensions of work and employment, such as: job security; autonomy and discretion, effort and fair reward; training and skill utilisation; trust relations as well as the right to employee voice mechanisms (Gallie 2007, Munoz de Bustillo 2009, 2011; Holman, 2013, Findlay et al 2017, Warhurst et al 2018). Job quality may therefore be regarded as a multi-dimensional concept, influenced by a plurality of contextual factors which include differing institutional and regulatory regimes (Gallie 2007). As such, attempts to ‘measure’ job quality can understandably be regarded as problematic. It is important to recognise the dynamic and fluid nature of the concept and to locate it an outcome of the power dynamics within the employment relationships. Key studies emphasise how the mobilisation of interests within the employment relationship fundamentally shape the possibilities and opportunities for increasing job quality. In short the academic debate embeds an understanding of job quality within a wider context which embraces management choice, employer strategy and the wider political economy which shapes the organisation of work. These debates also raise the important issue as to what extent can the needs of business and employees be regarded as compatible in relation to securing greater job quality and improving productivity (Dix and Wakeling 2019).

Notwithstanding the intricacies of the debates on job quality there does appear to be some level of agreement as to what can be considered the ‘dimensions of job quality’. The recent Skills and Employment Survey 2018 provides some valuable insights of the record to date of job quality in the UK across a number of these dimensions. The evidence of employee participation (a key component of workplace autonomy) for example highlights a decline in task discretion in the period 2012-17. This decline in task discretion appears despite the association of high levels of discretion with greater employee well-being and commitment. The demand for skills has also slowed down and in some instances reversed. The survey highlights that the use of literacy and numeracy skills has also declined in importance. The requirement for workplace learning and training (arguably a key component of high productive workplaces) has continued in a downward trajectory. With regard to work pressures the survey highlights that whilst the majority of workers indicate that they feel fairly treated within the workplace only a quarter suggested that they were strongly of this view, with 2 out of 10 workers indicating that they felt their workplace was unfair. Finally evidence from the survey also highlights that workers felt that their work had intensified during the period 2012-17, with 31% reporting that they felt they were required to work at high speed. Work-overload is also reported by the CIPD UK Working Lives Survey (2018) which similarly reports that 3 in 10 workers believe that their workload is unmanageable, with the prevalence of workload most acute in the public and voluntary sector. This raises the important question regarding if UK workers are reporting that more effort is required of them and they are experiencing higher levels of work intensification, why is this additional effort not reflected in productivity outcomes (for a discussion of this paradox see Nolan et al 2019)?

Despite the rhetoric from policy circles it is clear that further investigation is required to explore not only the possibilities for greater job quality in the UK but also the relationships between job quality and productivity outcomes. This necessarily also raises wider issues regarding the role of the parties to the employment relationship in promoting, supporting and indeed bargaining over greater job quality. Evidence to date would suggest that UK managers’ record has been at best partial in promoting job quality. But what would constitute good management practise in relation to job quality (Findlay et al 2017)? What regulatory mechanisms and interventions would need to be enacted to support job quality and ultimately productivity outcomes? As Dix and Wakeling (2019) ask, “Can more productive workplaces be built upon better quality jobs? And, if so, is this viable amongst those business models which rely most heavily on atypical contractual arrangements for their workforce”.

The notion that innovation threatens employment is not new. There is much interest and concern (and potentially also hype) around the transformative potential of artificial intelligence (AI) and automation, although in many sectors these technologies are not widely adopted and are comparatively still in their infancy. As such the impact and implications of AI and automation on employees has not played out, although there are likely to be polarising effects as a result of productivity enhancing technologies. A short-term consequence of labour savings, otherwise known as technological unemployment, is that we are likely to see workers displaced, many of whom are likely to be undertaking more routine tasks and have low levels of productivity (Lewis and Bell 2019). It is likely that this will also be more marked in industries characterised by more labour-intensive tasks involving little if any judgement. Over the medium term the impacts of AI and automation mean that we are also likely to see increased demand for workers undertaking non-routine tasks or tasks requiring judgement. However, the timeframe over which this will occur is uncertain, as the demand for workers within and across sectors changes.

Existing evidence suggests that it is therefore lower skilled occupations that are most at risk from AI and automation, although it is the individual ability of workers to use and adopt technology at work that will determine who wins and who loses. There is considerable scope for AI and automation to change and potentially improve the quality of work, especially through improving health and safety, or where there is greater value attributed to tasks involving creativity and judgement. However, while such technologies may both improve the quality of work and productivity, if they are employed to manage and monitor workers, this may detract from job quality. On this point, the OECD (2015) refer to job quality as a driver of productivity and aggregate economic performance, as well as the well-being of workers – and here the role of technology is therefore a fine balance. The impact of AI and automation is complex, and will continue to vary between roles and occupation. For the majority of workers, the threat is not of one AI and automation displacing jobs, but changing the nature of work. As technology becomes more widely adopted tasks will change, and the challenge will to ensure technology enhances work without undermining job quality.

Closing Comments

The nature of decent work is high on the political agenda, as is the importance of AI and automation. However, arguably these two debates need to be more closely considered with respect to defining the future of work as opposed to culminating in a new crisis of work as the UK strives for productivity growth. With little consensus around the future of work, and even less concerning impact of AI and automation on jobs and labour markets, an open approach is required that recognises the notion of interests within the employment relationship and engages with all key stakeholders (Sisson 2014).

First, as Felstead et al (2018) suggest, there has been lack of employee input into the productivity agenda, with the workers' perspective being largely absent from the debate. Ensuring the voice of workers is evident in what is likely to be imminent change is critical. Second, employers need to engage more closely with workers, especially in relation to developments around job security and declining real wages, as these practises run counter to the decent work agenda (Findlay and Thompson, 2017). Understanding the implications of technology in relation to both the employer and worker perspective is also critical to ensure better work in the future. Third, there is a need to ensure that key stakeholders, including policymakers and unions, engage with employers in shaping the future of work, and ensuring better outcomes for workers. Moreover, and with the dawn of greater AI and automation, there is a need to ensure well-designed policies promote digital skills and up-skilling so that workers are prepared for the introduction of digital technologies as well as the regulation of AI.

Finally, the focus of this chapter has drawn out the challenges that the future of work presents in terms of the productivity puzzle. Existing research highlights the importance of employee voice and its positive impact on productivity, and with it has shown that quality jobs maybe a key driver of productivity and economic performance. Achieving this in an era increasingly defined by AI and automation demands new approaches across spheres of policy to deliver outcomes that improve job quality through the adoption of technology and ultimately drive productivity growth. This is not a zero-sum game, but demands a different approach from employees, employers, policy makers and other stakeholders with a joint commitment to actively shaping the future of work.

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