

FROM CRISIS TO CRISIS...

...using the last three
years to prepare for
what's next...

Introduction

Who am I?

- Marek Zemanik
- CIPD Senior Public Policy Adviser (SCO & NI)
- Professional body for HR and people development
- **Championing better work and working lives**

What do I do?

- Research and public policy in the world of work
 - Job quality, labour market, skills policy
- Take findings to stakeholders
 - Crowded space

Why should they listen?

CIPD



HR was at the heart of the response to some of the most significant crises we have seen.

COVID-19

- Navigating regulations, furlough, homeworking

Skills and labour shortages

- Recruitment, retention, skills and career development

Cost-of-living crisis

- Employee voice, pay and benefits, financial wellbeing

Loud and confident voice

- Experience and expertise
-

COVID-19 and JOB QUALITY



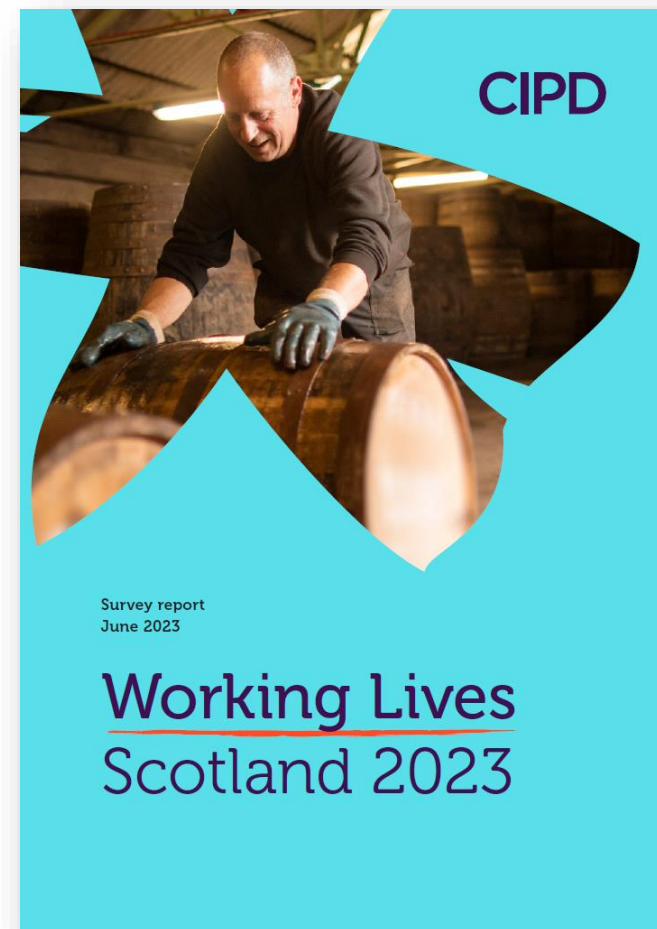
Working Lives Scotland

What is it?

- Scottish offshoot of CIPD's *Good Work Index*
- Five dimensions of fair work
- 4th edition in the series allows tracking

Key themes

- Fair work in 2023
- Key workers
- Flexible working
- Employee voice



Fair Work in 2023

Pandemic changes?

- No real lasting change (bar one)
- Meaningfulness of work, life satisfaction, voice (more on that later)

Job quality is very persistent

- Both good and poor
- Serious gaps remain

Occupation is still key

- Job quality and income link

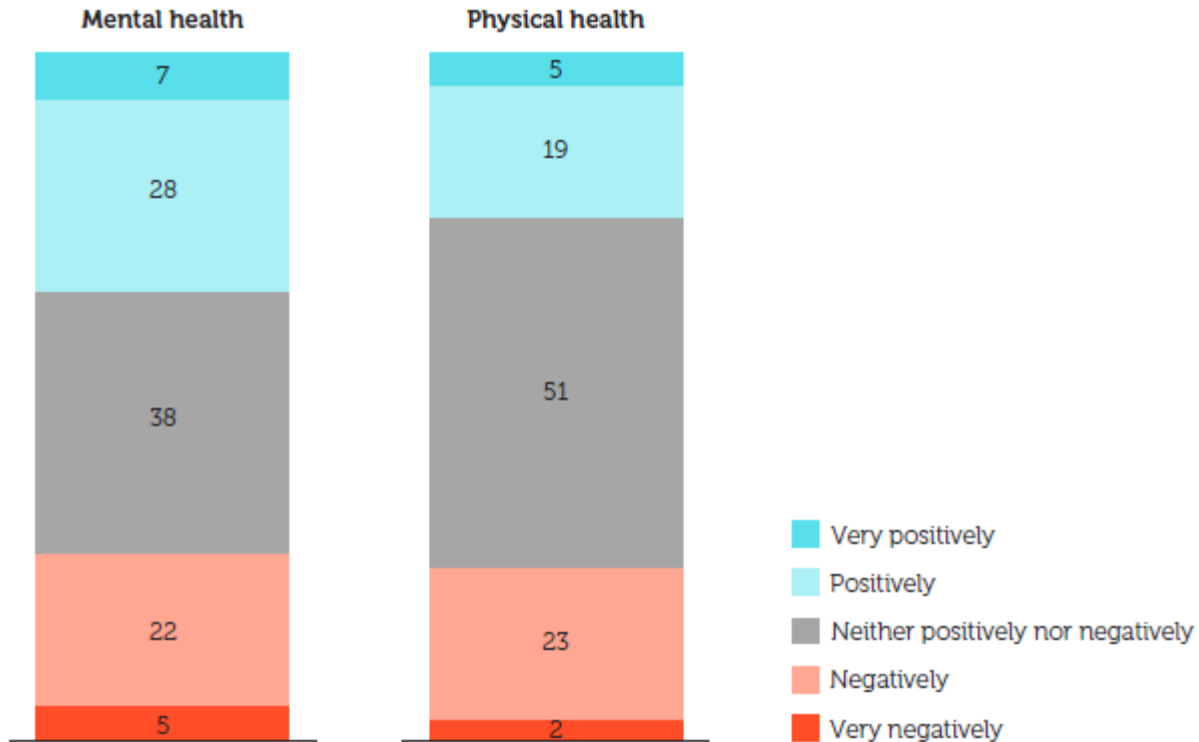
Additional challenges for some groups

- Gender, age, disability or caring responsibilities



Health and wellbeing

Figure 1: Work's impact on mental and physical health (%)



Women tend to report worse mental health, older workers better

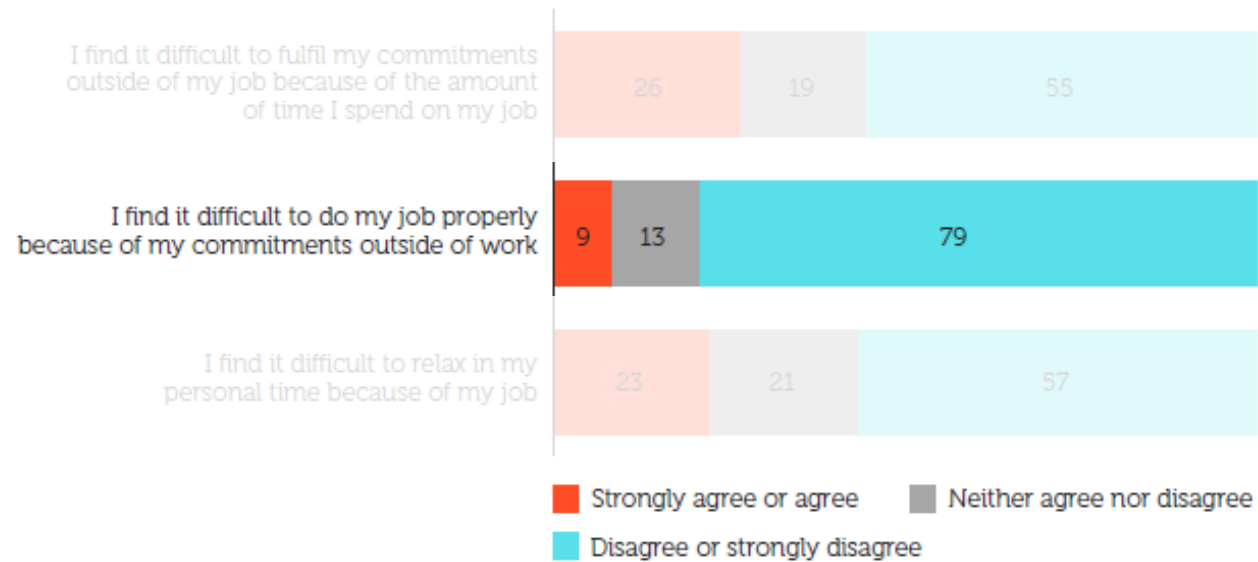
60% of those who had a mental health condition **never discussed** it with their employer

58% went to work despite not feeling well enough to do so (72% disabled)

58% **felt pressure from managers**, 42% from colleagues

Work-life balance

Figure 6: Work-life balance (%)



5% for those without any caring responsibilities

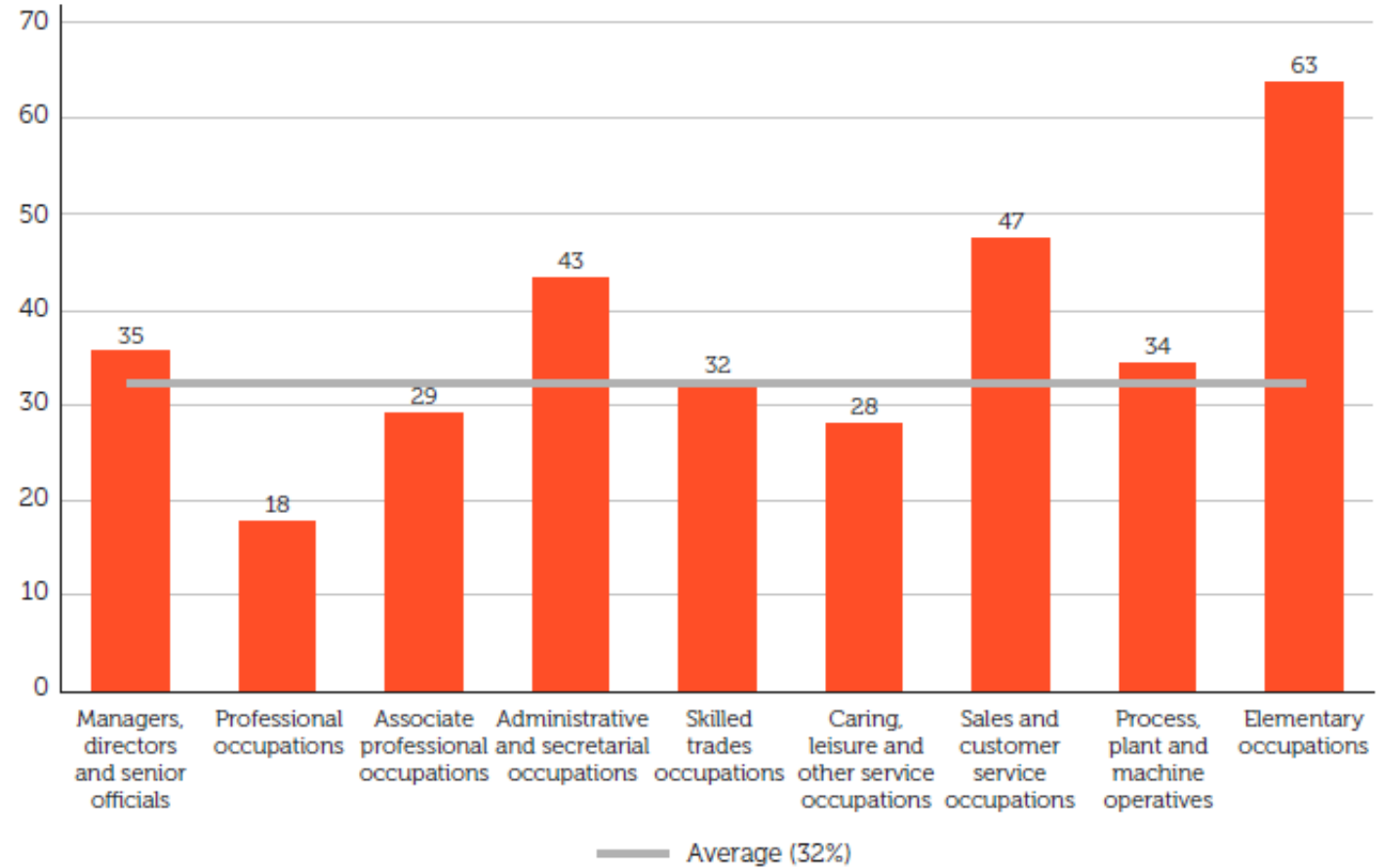
12% for those with adult caring responsibilities

16% for those with child caring responsibilities

Occupational differences



Figure 29: Overqualification, by occupation class across four *Working Lives Scotland* reports (2020–23) (%)



Income and job quality

Figure 7: Life satisfaction, by income (%)

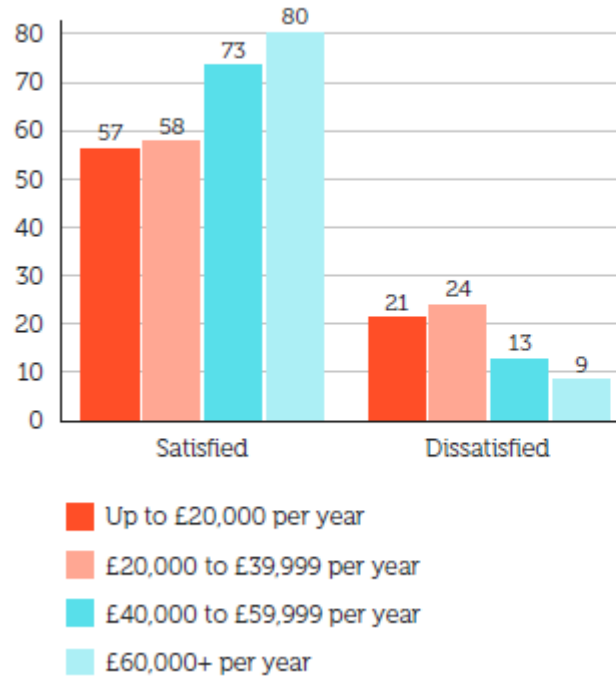


Figure 8: Job satisfaction, by income (%)



Figure 15: Likelihood to lose job, by income (%)

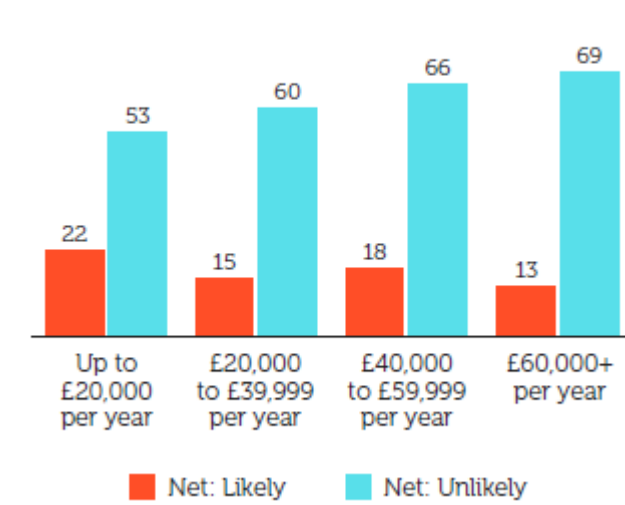
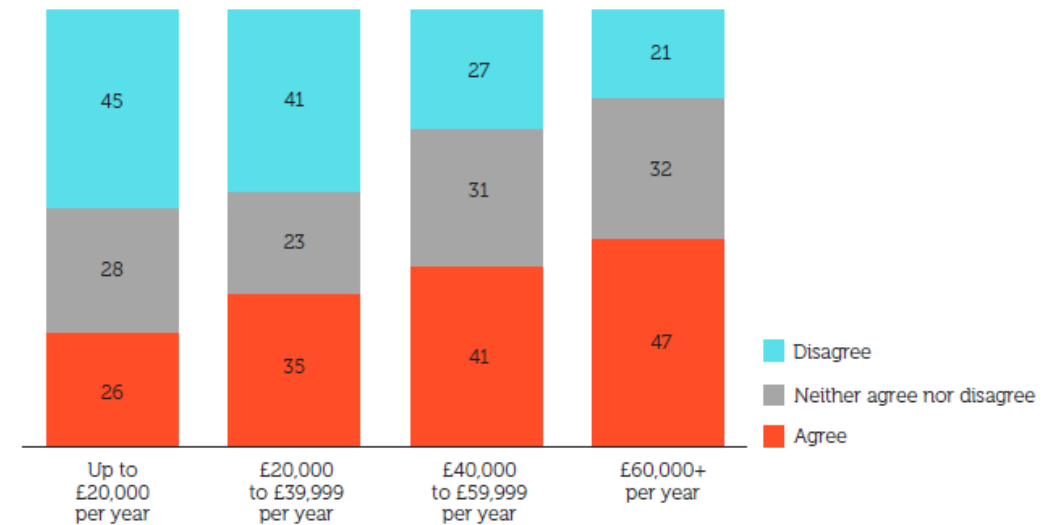
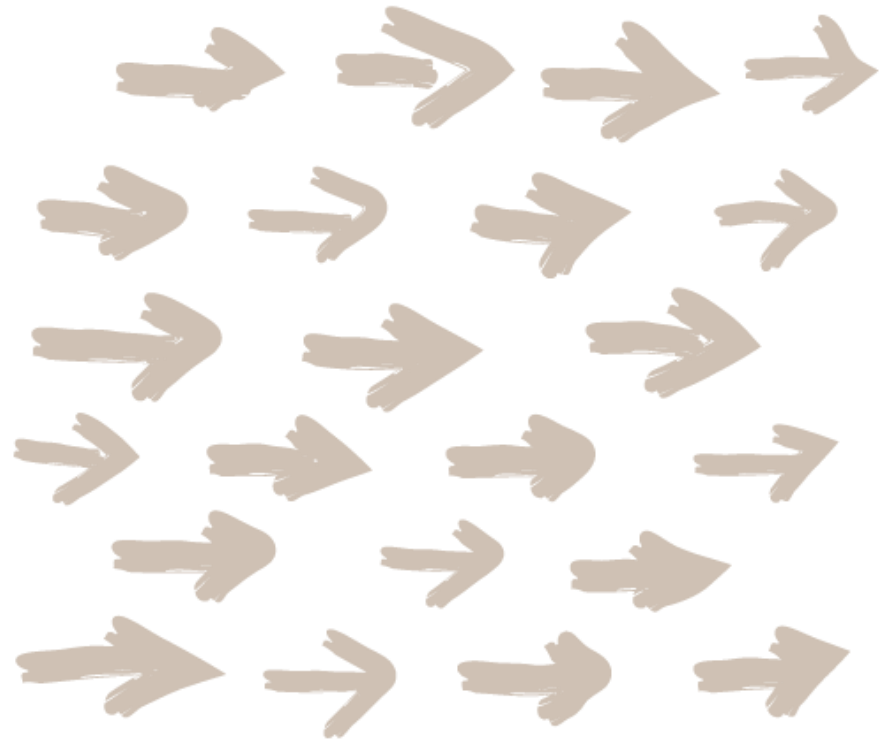


Figure 17: Prospects for career advancement, by income (%)



Key workers?



Collective action

- Not just public sector
- Not just about pay

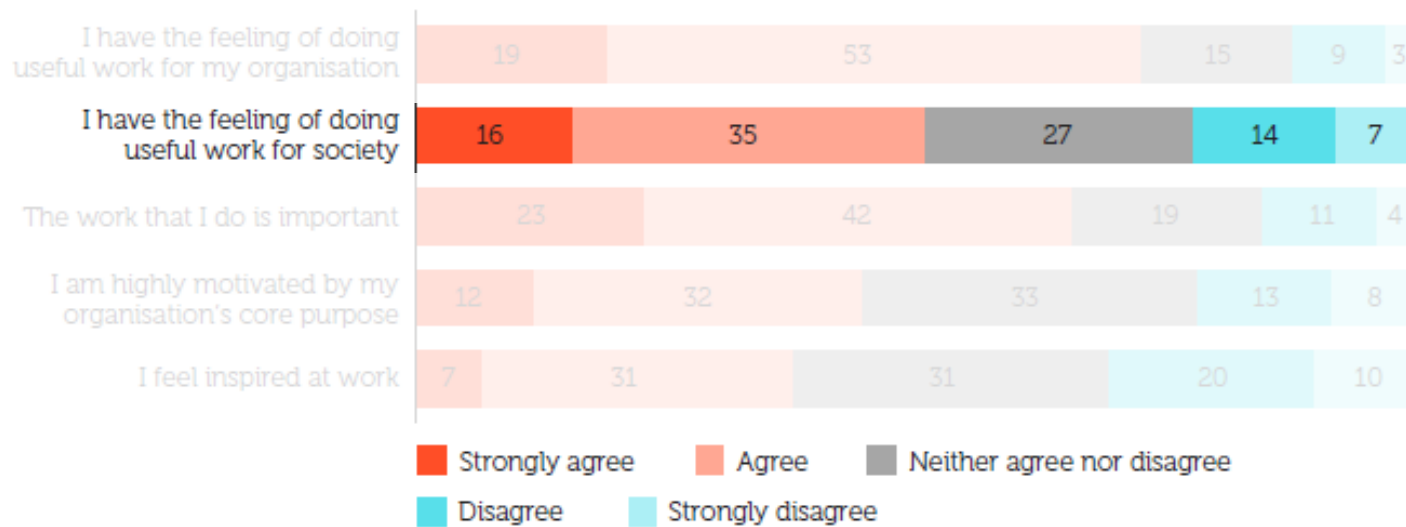
Job quality?

- Lower objective pay
- Lower subjective pay
- Poorer flexibility (formal and informal)
- Higher workloads
- Less job autonomy
- Poorer job complexity

Is there anything positive?!

Meaningful work

Figure 25: Feelings on meaningfulness of work (%)



Correlation between meaningfulness of work and job/life satisfaction

Better contextual performance too (going above and beyond)

65% of key workers feel their work is useful for society (vs 41% of non-KW)

Home/hybrid working

Homeworking embedding even further

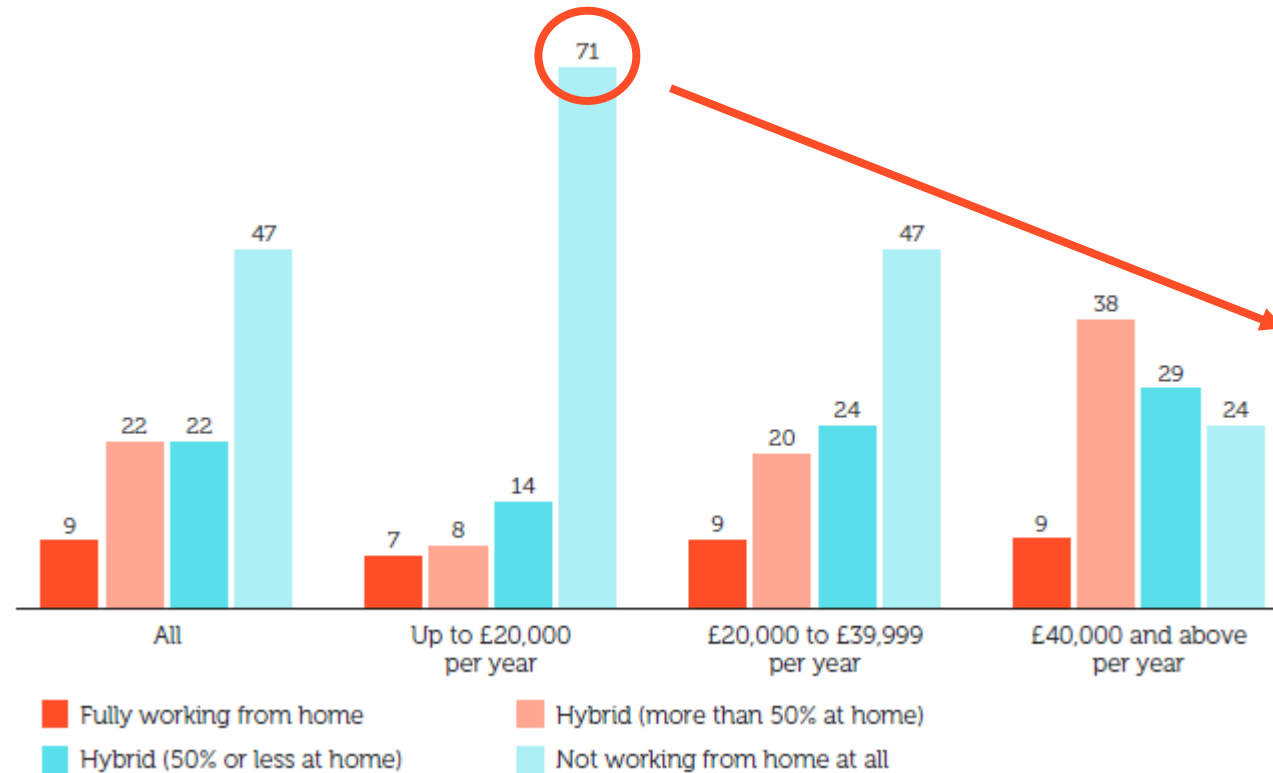
- 9% fully work from home
- 44% work hybrid
- Huge income differences (linked to occ)



Current home/hybrid working



Figure 19: Home and hybrid working, by personal income level (%)



Home/hybrid working

Homeworking embedding even further

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- 44% work hybrid
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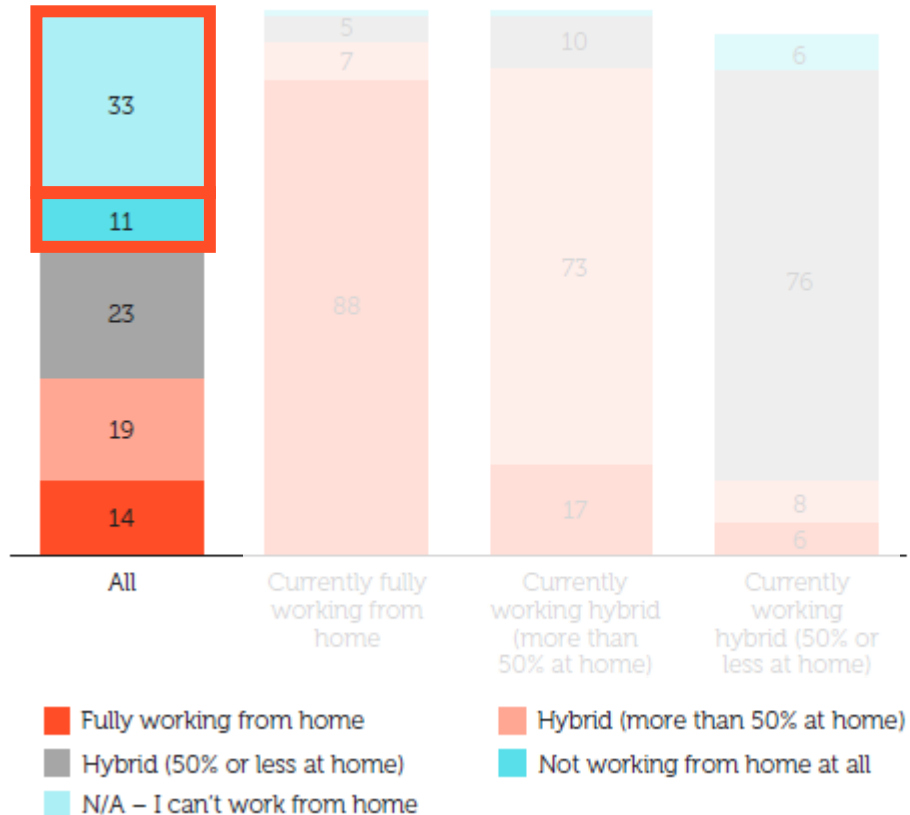
Future preferences?

- Strongly matched to current patterns
- Perhaps some reluctant office return (14% want to fully WFH)



Future home/hybrid working

Figure 20: Future home and hybrid working preferences, by current ways of working (%)



BUT...

33% are in jobs that can't be done from home

11% do not want to work from home at all

Flexibility needs to go beyond homeworking for nearly half of all working Scots

Types of flexible working

WHERE

Homeworking

Hybrid working

Mobile/remote working



WHEN

Flexi-time

Annualised hours

Compressed hours



HOW MUCH

Part-time working

Job sharing

Zero hours contracts

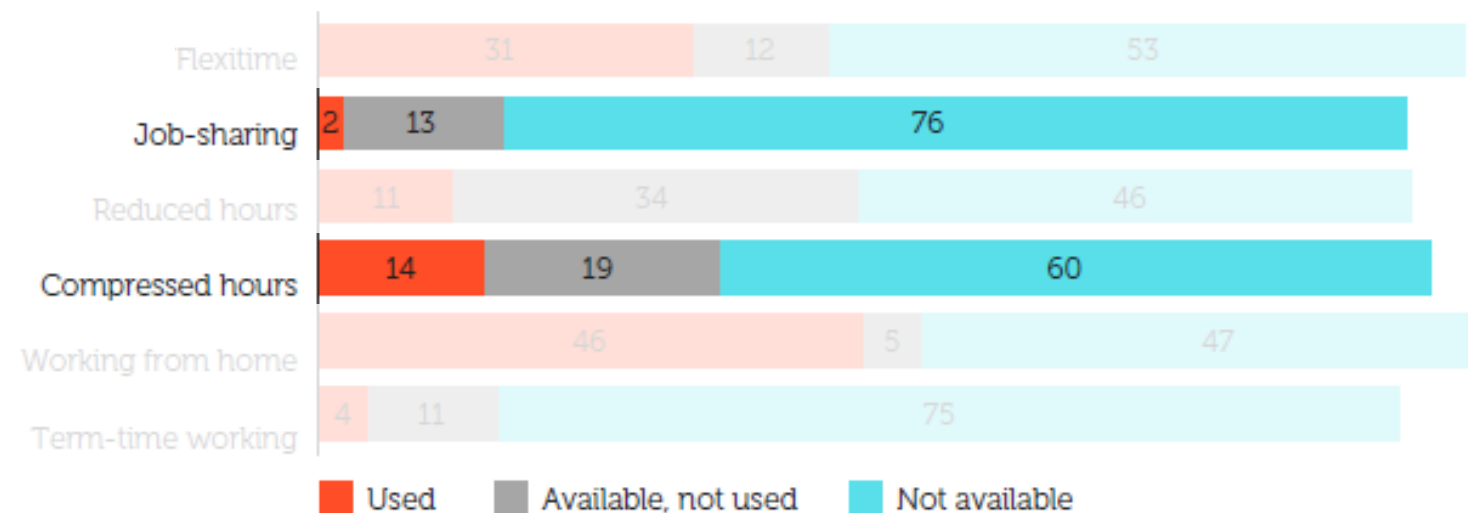
Term-time working



Availability of flexible working arrangements



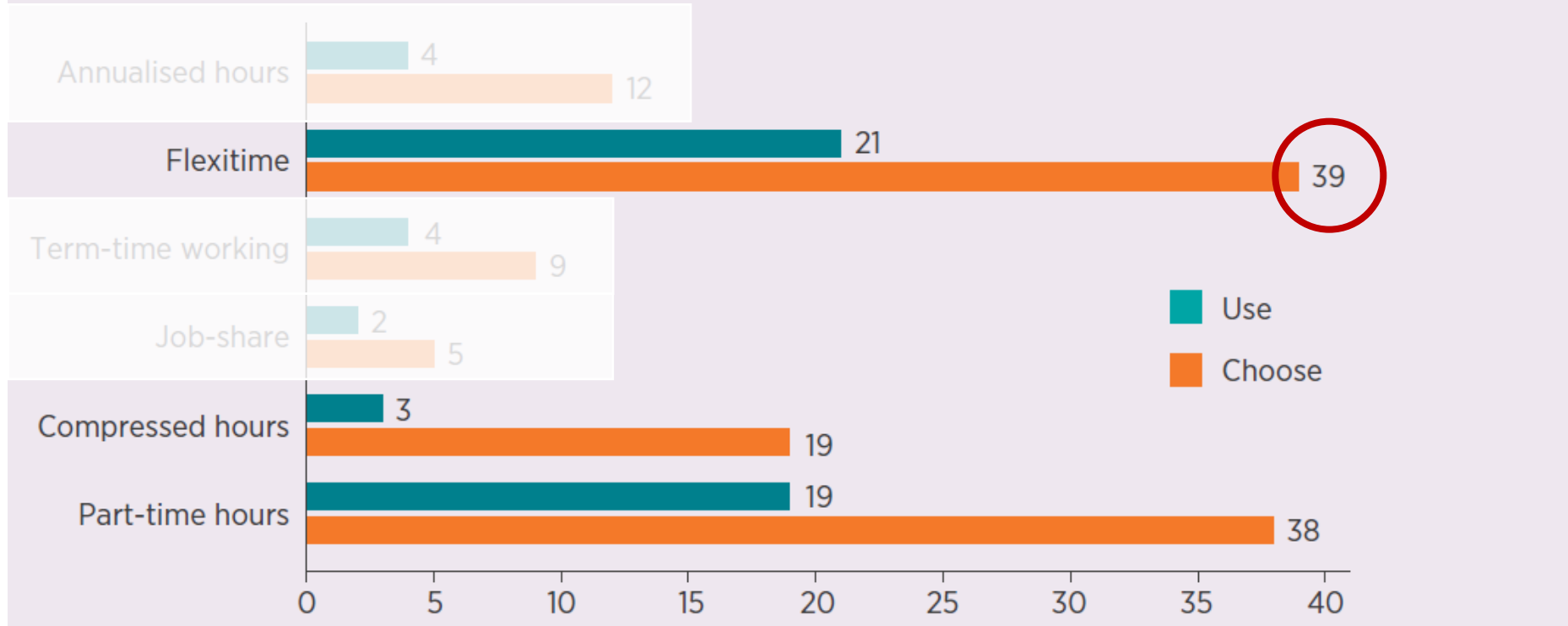
Figure 18: Availability and use of flexible working arrangements (%)



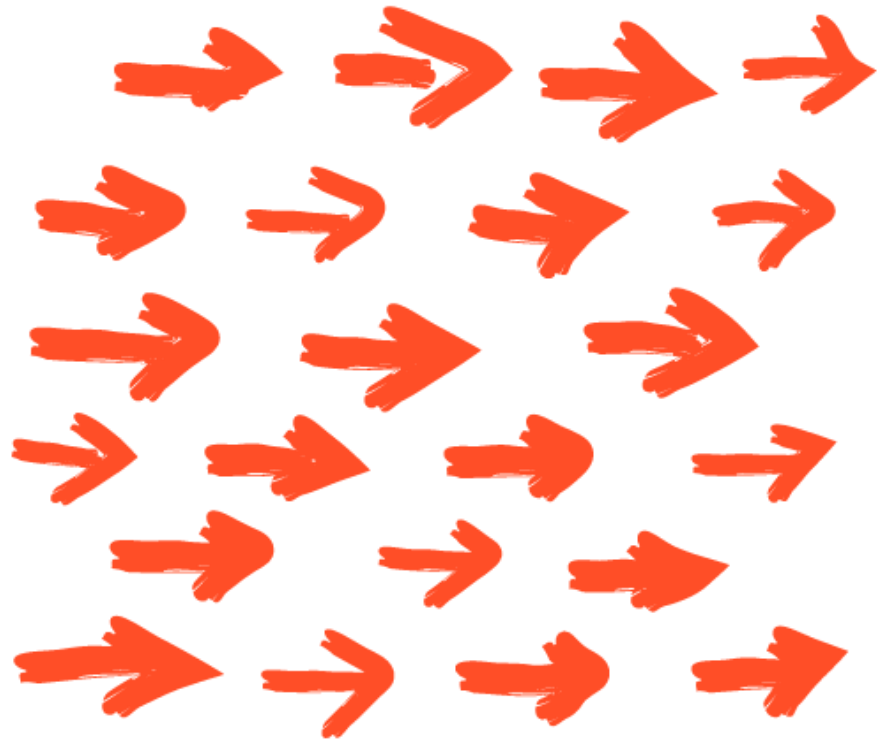
Note: Does not add up to 100% because of 'don't know' answers.

Flexible work preferences (UK)

Figure 3: The proportion of working people who use different flexible hours arrangements currently and the arrangements that respondents would use if they could choose (%)



What's in it for employees?



Pros...

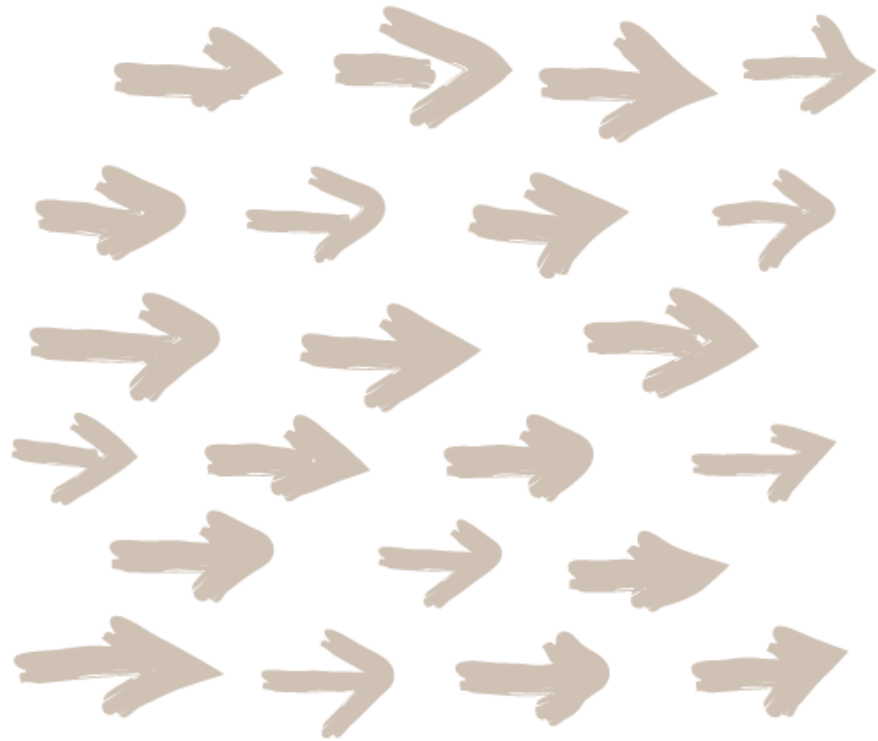
- Higher job satisfaction
- Better work-life balance
- Flex around caring responsibilities
- Much better job autonomy
- More positive relationships with managers
 - Key enabler of flex!
- Better employee voice scores

...and cons

- Poorer relationships with colleagues (for fully WFH)
- Increased inclusion risks
 - 24% home workers concerned about being treated less favourably (e.g. promotion)
- Work-life balance challenges (for hybrid workers)

What's in it for employers?

CIPD



Talent recruitment...

- 45% would only apply if job advert mentioned flex (Flexibility Works)
- Yet only 27% of all adverts do (Timewise)
- Flex a key response to skills and labour shortages (CIPD LMO)
- Expanding labour pools through inclusion

...and retention

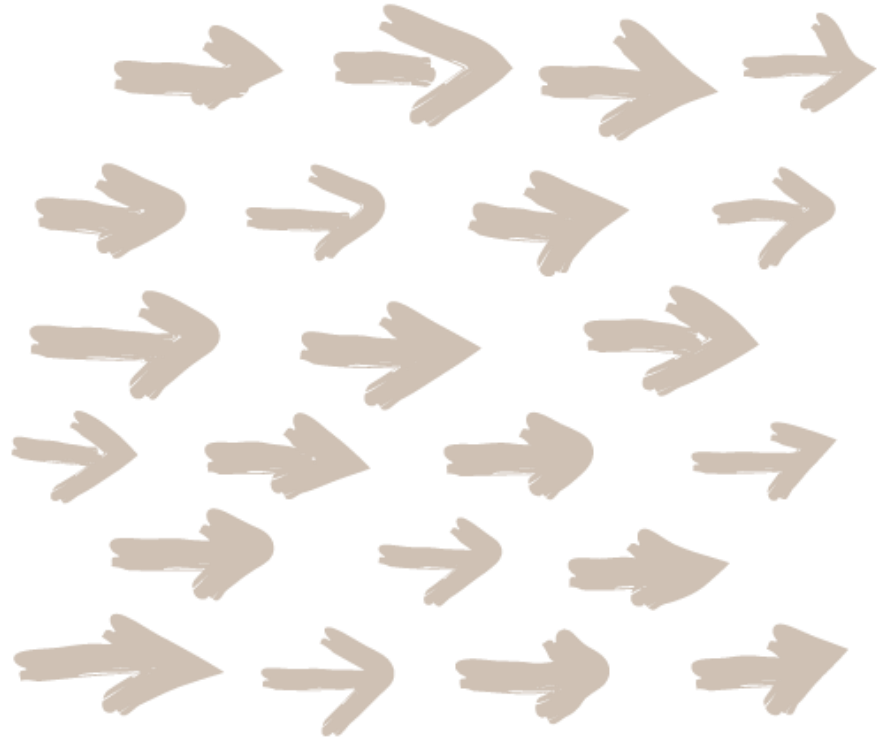
- 10% have quit due to lack of flexibility (CIPD)
- 19% considering quitting due to lack of flexibility (Flexibility Works)

Job satisfaction and loyalty

- Clear relationship with flexible working

What's in it for employers?

CIPD



Productivity

- Employer and employee (reported)
- Clear shift over the course of the pandemic

Absenteeism

- Evidence of lower rates

BUT

- Inclusion concerns
- Collaboration challenges
- Complex industry/role differences
- Investment (time, equipment, upskilling)

Effective employee voice

Two aspects of voice

- Availability and effectiveness of channels
- Manager and representative ratings

Voice channels

- Barely any change over 4 surveys

CIPD



Voice channel availability



Figure 30: Voice channels available to workers (%)



30% of SME (2-249) employees say they have no channels vs 10% of those in 250+

24% of private sector say they have no voice channels vs 4% public sector

Effective employee voice

Two aspects of voice

- Availability and effectiveness of channels
- Manager and representative ratings

Voice channels

- Barely any change over 4 surveys

Preferences of those with no channels?

- 46% said none (!!)
- One-to-ones with manager (28%), surveys (20%) and team meetings (17%)

Perceived effectiveness of voice channels

- How good or poor were the channels you used for expressing views to senior management?

CIPD



Perceived effectiveness of voice channels



Figure 31: Perceived effectiveness of voice channels used (%)



Note: Does not add up to 100% because of 'don't know' answers.

Effective employee voice

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Perceived effectiveness of voice channels

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Improvements in voice quantity/quality

- Were these sustained?

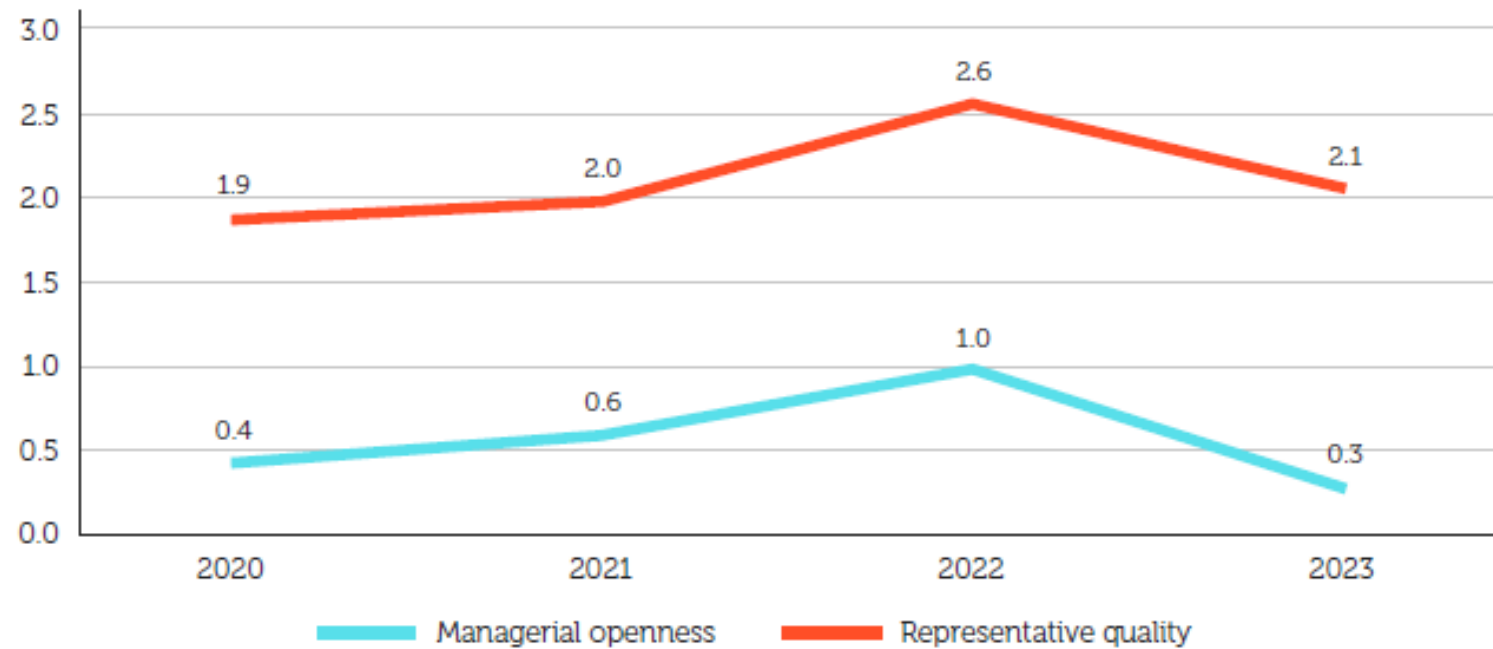
CIPD



Time series 2020-2023



Figure 34: Employee voice scores for managerial openness and representative effectiveness across four years of *Working Lives Scotland* surveys



SKILLS AND LABOUR SHORTAGES

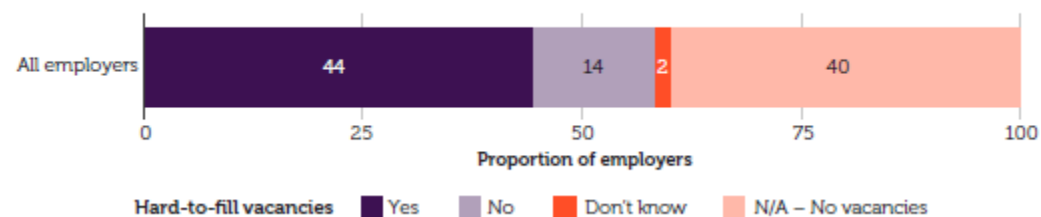


Quarterly Labour Market Outlook (LMO)

Persistent skills and labour shortages



Figure 6: Employers with hard-to-fill vacancies (%)



Employer response?

- Upskill existing staff (49%)
- Raise wages (44%)
- Increase duties of existing staff (35%)
- Improve job quality (31%)
- Hire more apprentices (28%)
- Make greater effort to hire older workers (17%)

Employers and skills

Why?

- Labour and skills shortages high on agenda
- Insight into employer approaches
- Little independent evidence on Scottish policy

What?

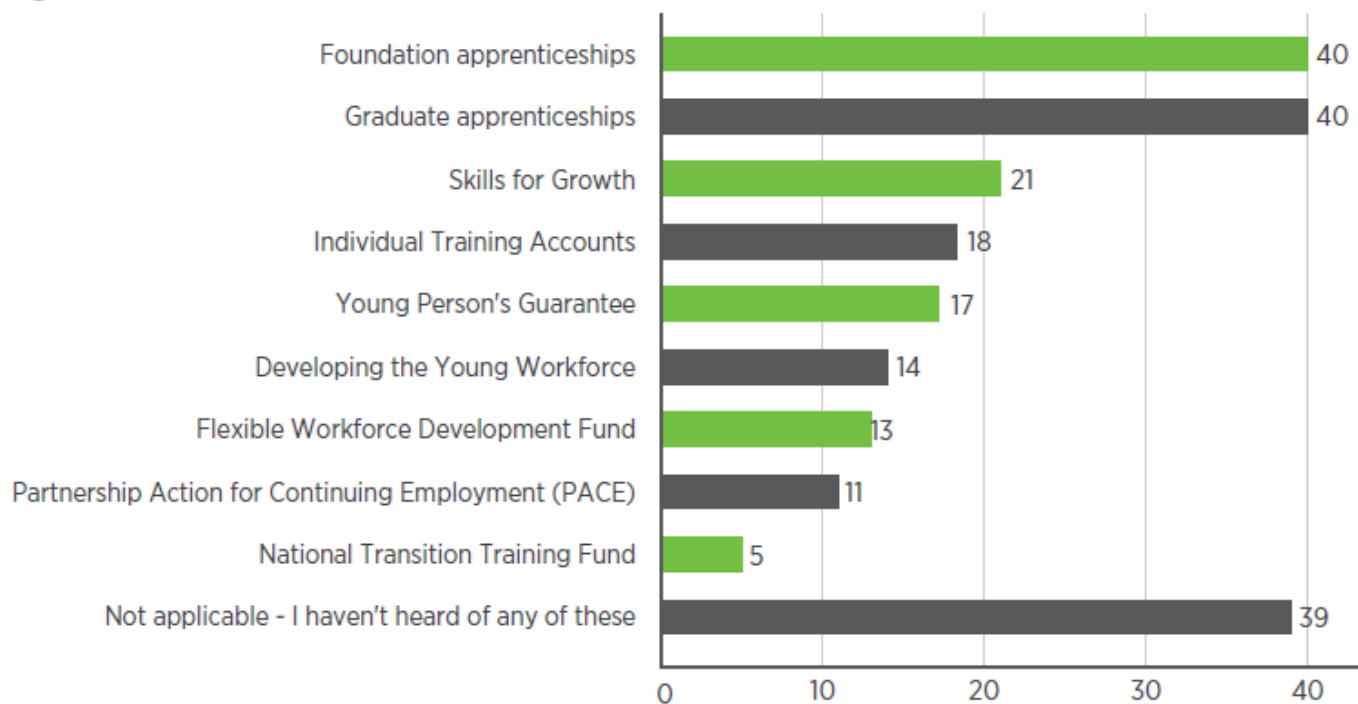
- Boosted sample of a UK-wide YouGov survey
- Six areas
 - labour and skills shortages
 - employer approaches to training
 - relationships with training providers
 - young people and work
 - apprenticeships
 - Scottish skills initiatives

Key findings



Key findings

Figure 19: Awareness of Scottish skills-related initiatives (%)



1. Lack of awareness of policy initiatives is staggering.
2. Labour and skills shortages considerable - leading to upward pressure on job quality (including skills).
3. Vocational/technical skills most in demand.
4. Importance of strategic approach (budgets, plans etc).
5. Relationships with skills providers matter.

Graduate overqualification

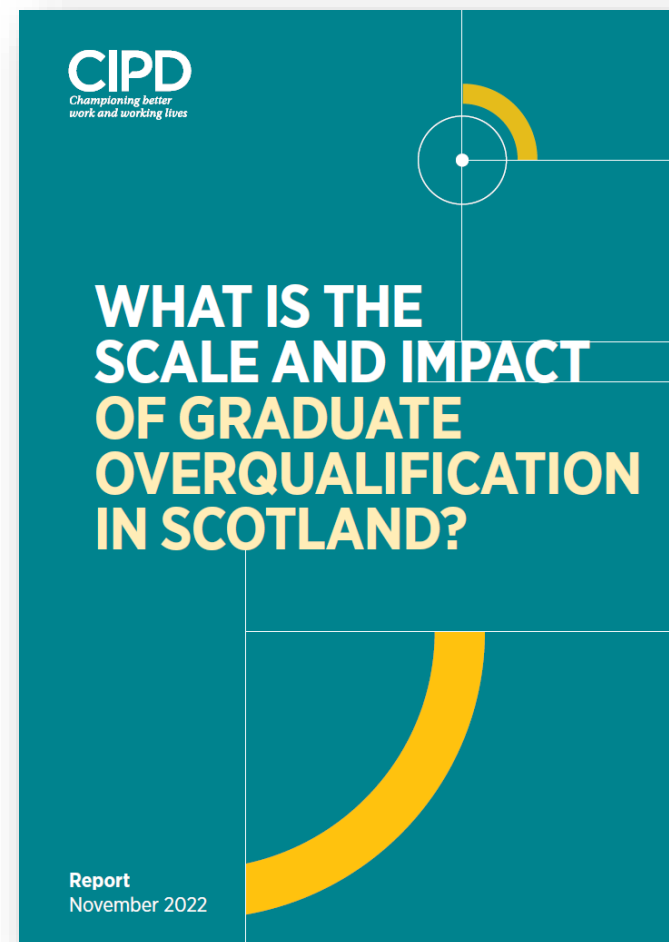
Why?

- Skills mismatches continue to be a real problem
- Vocational/academic parity a big topic

What?

- ONS data over 30 years (1992 vs 2022)
- Merged Working Lives Scotland datasets
- Occupational changes in graduate shares
- Job quality of overqualified vs matched graduates

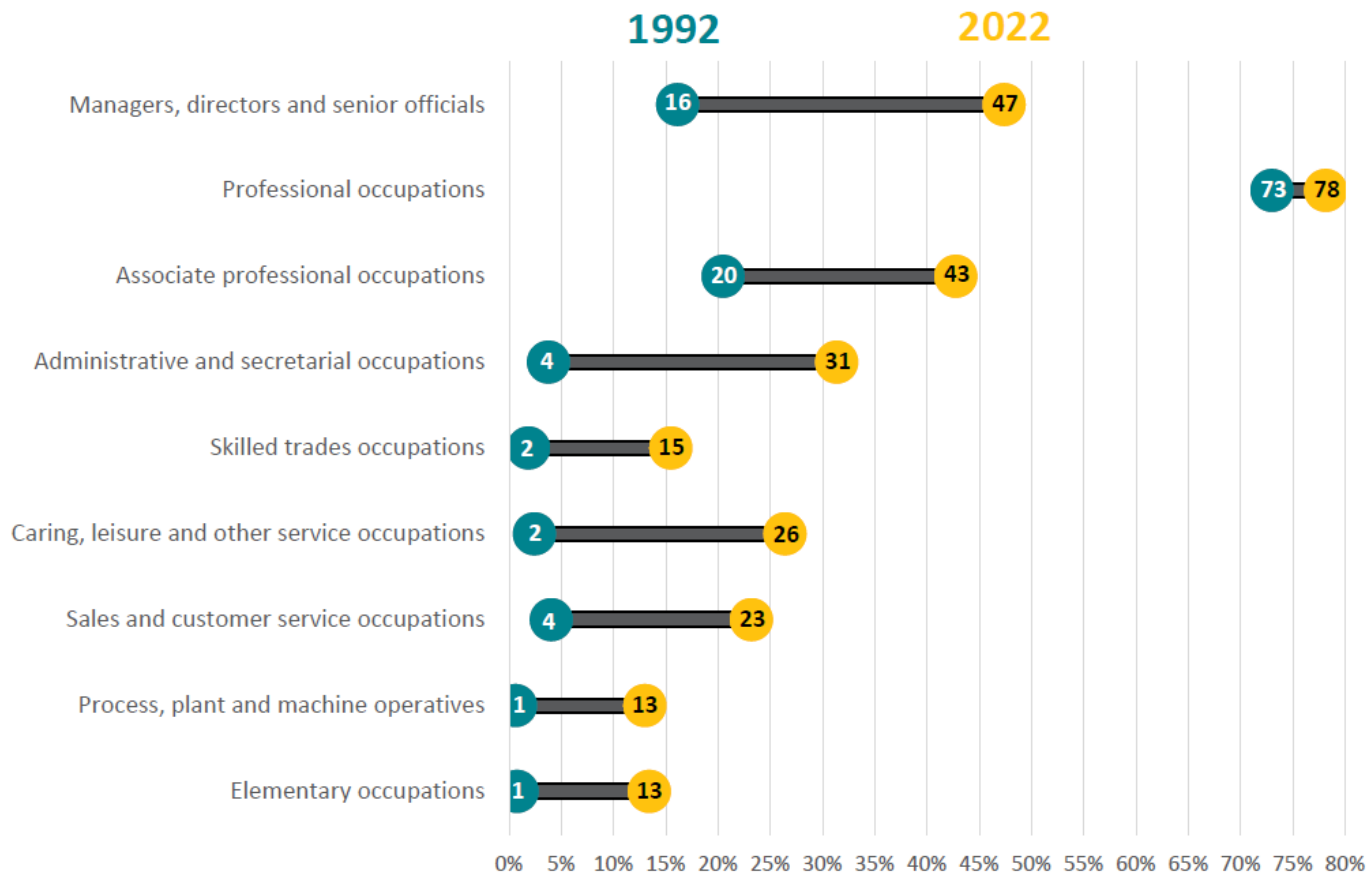
Key findings



Key findings

Figure 3: Rise in the share of Scottish employees with degrees across all occupational classes over the last 30 years

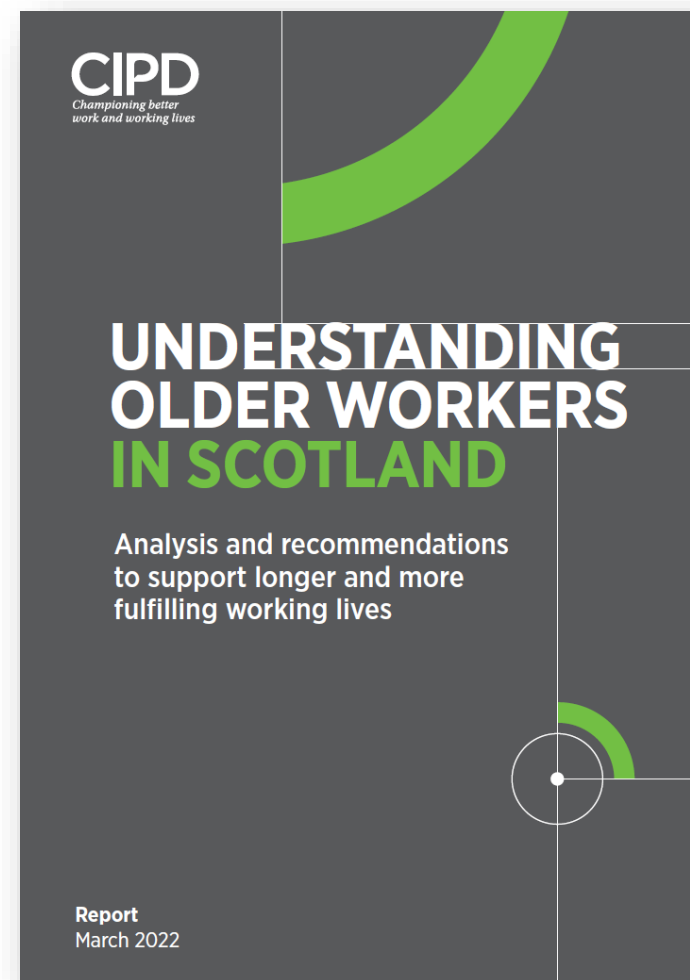
(change in the proportion of employees with degrees within nine main occupational classes between 1992 and 2022)



1. Clear signs of **occupational filtering down**. Many more graduates are ending up in mismatched jobs.
2. Overqualified graduates report considerably **poorer job quality** – linked to performance and likelihood to quit. Individual AND labour market impacts.
3. Careers services crucial, but vocational routes too.
4. Employers also have a **key role** to play (recruitment, job design).

Understanding older workers

1. Older workers are even more likely to value **flexibility**. 14% of over 50s would like fewer hours even if it means less pay.
2. Focus on **health and wellbeing** (across the workforce).
3. Do not make assumptions about **skills development and career progression**.



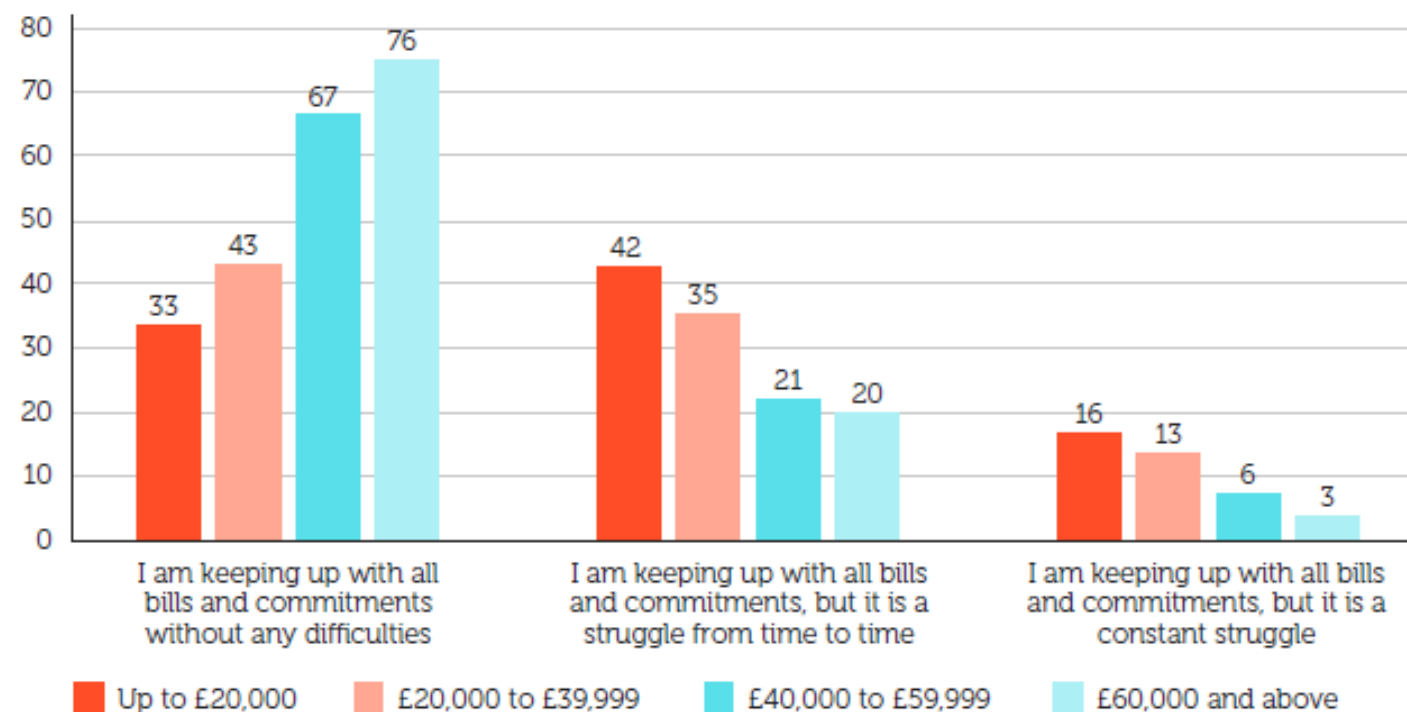
COST-OF-LIVING CRISIS



Cost-of-living crisis



Figure 10: Keeping up with bills and credit commitments, by income (%)



Cost-of-living crisis impact

Differences by income

- Only those on the highest incomes statistically less likely to say CoL has had an adverse impact
- 13% of those on £60k+ vs 29% overall

What impact?

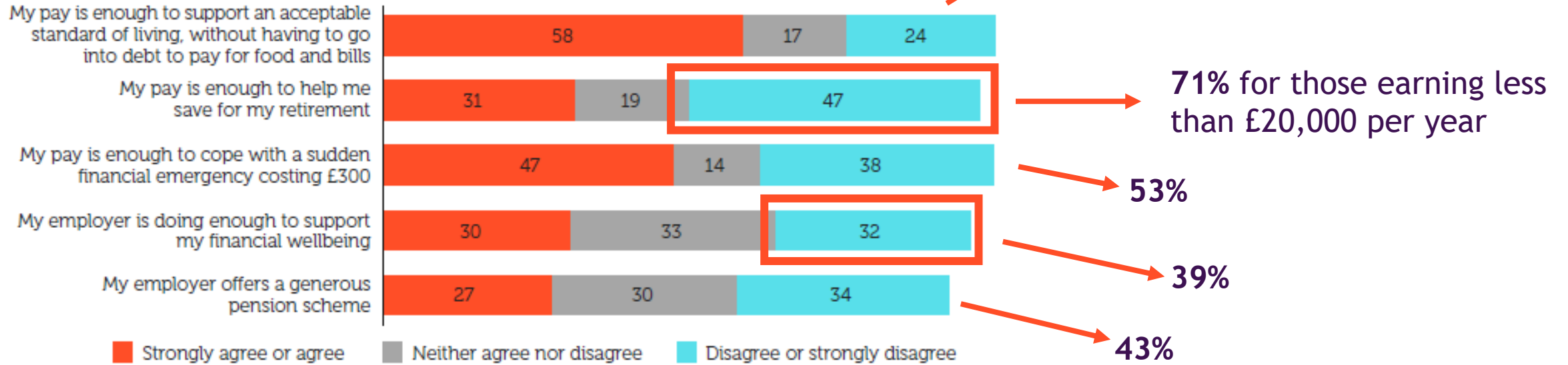
- 20% lost sleep due to money worries
- 13% had health problems
- 11% found it hard to concentrate

Employer response sufficient?

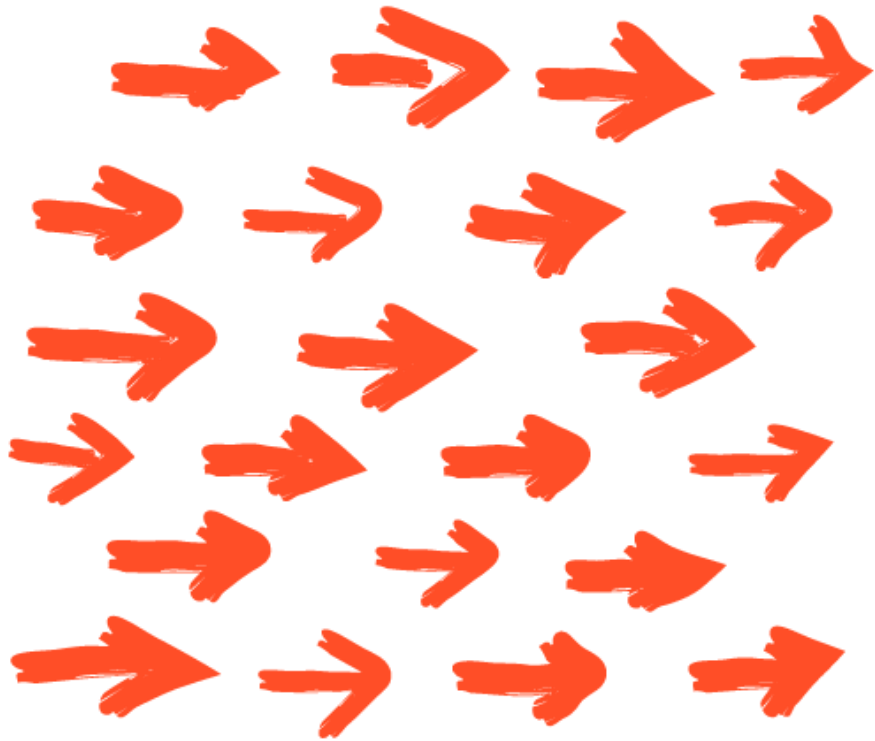


Employer response sufficiency

Figure 11: Pay sufficiency and employer responses to the cost-of-living crisis (%)



To conclude...



Job quality

- Persistent gaps and inequalities
- Homeworking is here to stay (BUT!)
- Flexibility works for employees & employers
 - Recruitment, retention, productivity

Skills and labour shortages

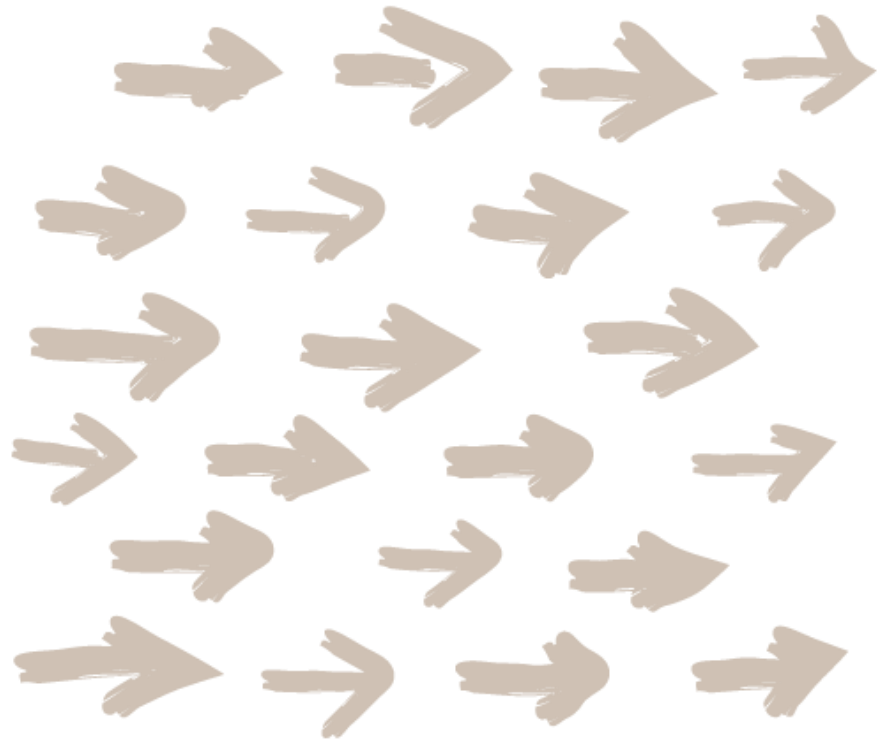
- Persistent mis-match between skills supply and market demand
- Employers who strategically focus on skills cope better
- Plenty programmes to tap into out there

Cost-of-living crisis

- Clear impact on wellbeing AND performance
- Not just about salaries

What does it mean for HR?

CIPD



Job quality

- Culture that supports wellbeing and open conversations
- Management quality (time and training)
- Job design (complexity, autonomy, meaningfulness)
- Flexible working (legislative changes)
 - Two-tier workforce risks

Skills and labour shortages

- Invest in skills development
- Broaden labour pools & remove barriers
- Develop links with schools/colleges
- Strong public policy dimension

Cost-of-living crisis

- Reward package and financial wellbeing
- Career progression focus
- Employees remember

Effective employee voice underpins it all!



Q & A