



# ***Fear at Work in Britain***

## **First Findings from the Skills and Employment Survey 2012**

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### **HEADLINES**

Fear at work can take several forms – worry about loss of employment, about unfair treatment and about job status loss in the organisation. This report examines what has been happening in British workplaces over the last decade.

- Fear of job loss has increased sharply, especially over the period following the recession of 2008-09. Men are consistently more worried about job loss than women. But the increase in concern about job loss has been particularly great among female employees.
- In 2012 just under one third (31%) of employees were anxious about unfair treatment at work. Just over half of all employees (52%) reported anxiety about loss of job status.
- In the past both fear of job loss and fear of unfair treatment at work were far more common in the private than in the public sector. In 2012 fear of job loss was higher in the public than in the private sector, while fear of unfair treatment had become more similar to the level in the private sector. Fear of status loss was also higher in the public sector.
- Fear of unfair treatment and fear of loss of status were both increased by the experience of technical and organisational change in recent years. An important factor offsetting fear at work was the degree of participation allowed to employees with respect to organisational decisions.

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## 1. The Importance of Fear at Work

A period of recession leads to a steep increase in unemployment, but also accentuates anxieties among those still in work. Many studies have shown that fear at work in terms of job insecurity has strong negative effects for both the psychological well-being and health of employees. Indeed some research suggests that its effects on well-being can sometimes be as strong as those of unemployment itself.

Security is also important for motivation. Research on the psychological contract has suggested that relative security both of employment and of status in the organisation is a fundamental part of the expected rewards for effort and, if it is undermined, there is a disruption of the effort-reward balance. Where employees feel unfairly treated or that the intrinsic quality of their jobs is at risk, they are likely to feel less committed to their organisation and hence may be less likely to put in discretionary effort.

Fear at work may take different forms. In particular, three dimensions are likely to be important. It may, first, involve a concern about losing employment with the organisation – this is the most widely discussed aspect of fear. Second, it may also consist of anxiety about unfair treatment at work – for instance, worry about discrimination or victimisation. Finally, fear at work may take the form of anxiety about loss of job status, that is to say displacement to another job in the organisation that offers less opportunity to make use of skills, less say over how work is done, less intrinsic work interest or less pay.

## 2. Previous Evidence

Empirical studies of fear at work have focused primarily on job insecurity in the restricted sense of worry about the loss of current employment. Such studies have shown that job insecurity is generally well-informed. It is greater at times of recession and in places where unemployment is higher; where people report greater insecurity they are indeed more likely to subsequently lose their job. Yet people can also feel insecure with respect to changes in the nature of their job in their organisation. From the 1990s employers have engaged in more frequent organisational restructuring, as part of their concern to enhance flexibility in work organisation, potentially raising anxieties linked to position within the organisation.

It could therefore be safely predicted that the 2008-09 recession would have substantially increased fear of loss of employment. It is less sure how it will have affected other dimensions of fear at work. A period of sharply rising unemployment could be expected to shift the balance of power in the workplace in favour of employers, which could lead to a reassertion of managerial prerogative and a rising worry about unfair

treatment. But conditions of economic difficulty, where pay increases were constrained, might also give management an incentive to seek to raise levels of commitment in the workforce by emphasising the organisation's quality as a good employer. It could be expected that recession would be associated with a greater frequency of workforce reductions, which were likely to trigger the type of restructuring that could raise anxieties about job status loss. But, at the same time, uncertainties about product demand might lead employers to put a break on investment in new technologies, which are likely to have been a key driver of workplace reorganisation in the past.

## 3. The Skills and Employment Survey 2012: A New Source of Evidence

The Skills and Employment Survey 2012 (SES2012) allows us to examine empirically how workers' concerns have evolved. It collected data from working adults aged 20-65 years old in England, Scotland and Wales who were interviewed in their own homes in 2012. The sample was drawn using random probability principles subject to stratification based on a number of socio-economic indicators. Only one eligible respondent per address was randomly selected for interview, and 49% of those selected completed the survey. Data collection was directed by ourselves and conducted by GfK NOP.

SES2012 is the sixth in a series of nationally representative sample surveys of individuals in employment aged 20-60 years old (although the 2006 and 2012 surveys additionally sampled those aged 61-65). We also draw from the Working in Britain Survey which was carried out in 2000 and contains 2,466 respondents. The numbers of respondents were: 4,047 in the 1986 survey; 3,855 in 1992; 2,467 in 1997; 4,470 in 2001; 7,787 in 2006; and 3,200 in 2012. For each survey, weights were computed to take into account the differential probabilities of sample selection, the over-sampling of certain areas and some small response rate variations between groups (defined by sex, age and occupation). All of the analyses that follow use these weights.

## 4. Indicators of Fear at Work

SES2012 provides data on each of the three dimensions of fear at work: fear of employment loss, of unfair treatment and of job status loss.

Fear of employment loss is assessed through a question: 'Do you think there is any chance at all of you losing your job and becoming unemployed in the next twelve months?' Those who thought they might lose their job and become unemployed were then asked about the likelihood of this happening, with response options of: very likely, quite likely, evens, quite unlikely and very unlikely.

The indicators of fear of unfair treatment are a set of three items introduced with the wording 'How anxious are you about these situations affecting you at work', each having four response options ranging from 'very anxious' to 'not anxious at all'. The items were:

- Being dismissed without good reason
- Being unfairly treated through discrimination
- Victimisation by management

There were four items designed to capture concerns about job status loss, using the same introductory wording and response options as for the previous set. They were :

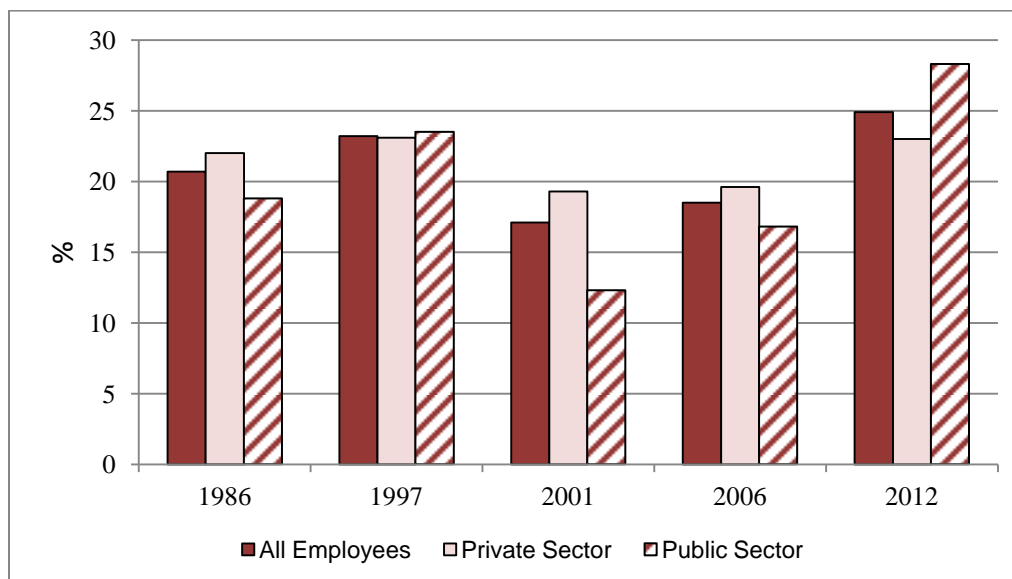
- Future changes to my job that may give me less say over how it is done
- Future changes to my job that may make it more difficult to use my skills and abilities
- Future changes that may reduce my pay
- Being transferred to a less interesting job in the organisation.

## 5. Findings

### *Fear of Employment Loss*

Figure 1 shows the proportion of employees who were afraid of losing their job and becoming unemployed. It can be seen that fear of employment loss in 2012 was higher than in any previous period captured by our surveys, including 1986 when unemployment rates were very much higher. There was rising employment insecurity across the decade, but the increase was particularly sharp between 2006 and 2012. The pattern is very similar for the proportion who were very insecure – believing that their chances of losing their job were evens or worse. This was the case for 11% of all employees in 2012, compared to 7% in 2006. The trends were very similar for men and women. Despite the fact that men were consistently more worried about losing their current employment than women, the increase in insecurity between 2006 and 2012 was greater among women.

**Figure 1: Percentage Afraid of Losing their Job and Becoming Unemployed, 1986-2012**



There was a notable difference in the pattern over time for employees in the private and public sectors. In most of the previous years for which we have data, employees in the private sector were more insecure about their employment than those in the public sector. In 1997, they had a very similar level of insecurity, although a slightly higher proportion of private sector employees were highly insecure (believing the chances were evens or worse). The major change that occurred between 2006 and 2012 was that for the first time public sector employees were quite clearly more

concerned about losing their employment than those in the private sector (and they were also more likely to be very insecure).

### *Fear of Unfair Treatment*

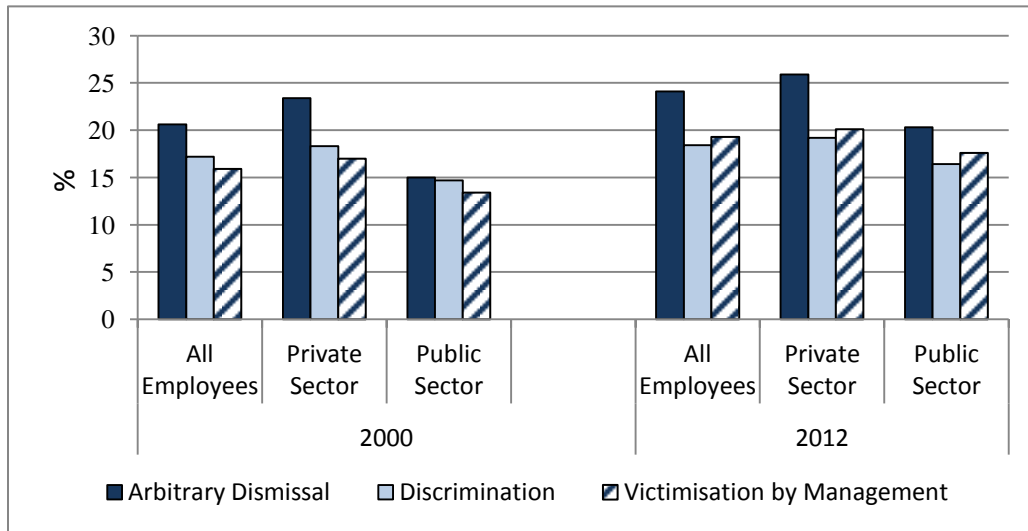
A second aspect of fear of work is anxiety about unfair treatment. Figure 2 compares the proportion of employees in 2000 and 2012 who were either very or quite anxious about unfair treatment with respect to arbitrary dismissal, discrimination and victimisation by management. In both years, anxiety was highest with

respect to arbitrary dismissal. But whereas in 2000 discrimination was the second most commonly cited source of anxiety, by 2012 it had been overtaken by concern about victimisation. It is notable that a third of all employees were concerned about at least one risk of unfair treatment.

It can be seen that, for employees as a whole, there was a rise in anxiety between 2000 and 2012 with respect to each of the three types of unfair treatment. This was particularly the case with respect to the risk of

arbitrary dismissal, but it was also evident for anxiety about victimisation. Anxiety about unfair treatment was considerably greater in the private than in the public sector in 2000. While it increased in both the private and public sectors between 2000 and 2012, the rise was greater in the public sector, leading to some convergence in the experience of employees in the two sectors.

**Figure 2: Percentage Anxious about Unfair Treatment, 2000 and 2012**

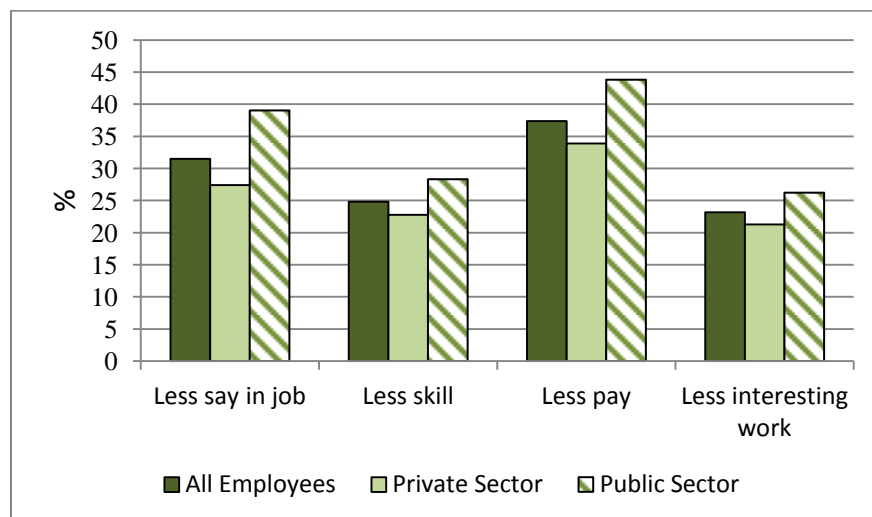


**Fear of Job Status Loss**

Evidence with respect to job status loss is only available for 2012. It can be seen in Figure 3 that anxiety in this respect was highest about pay reductions, followed by loss of say over the job. In all

cases anxiety about job status loss was greater in the public sector than in the private sector. But the differences between the sectors were particularly strong with regard to anxiety about pay reductions and reductions in say. Overall, 51% of employees were concerned about at least one risk of job status loss.

**Figure 3 Percentage Anxious about Job Status Loss: All Employees and by Ownership Sector, 2012**



*Workplace Change, Employee Participation and Fear at Work*

The timing of the rise in both employment insecurity and anxiety about unfair treatment strongly suggests that recession and its aftermath were important factors increasing levels of fear at work. This can be examined more closely by looking at its association with experiences of workplace change over the last three to five years.

It can be seen from Table 1 that two types of change had a strong impact on fear at work – previous reductions in the numbers employed and changes in work organisation. Employees who had experienced such changes were more fearful on all items, but the effects were particularly strong with respect to employment loss and job status loss.

There is an extensive literature on the potential benefits of employee participation in managing processes of organisational restructuring. There is a measure in the survey of the influence that employees consider they have over changes that affect their work. Comparing those who think they have either a great deal or quite a lot of influence with those who report that they have little or no influence, it is evident that organisational participation plays a major role in reducing the anxieties generated by organisational change. Those who had higher levels of involvement at work were less worried that they might lose their employment with the organisation, they were less anxious about unfair treatment and they were less concerned about a risk of job status loss.

**Table 1: Percentage with Fear at Work by Workforce Reductions, Workplace Change and Employee Participation, 2012**

	<u>Workforce Reductions</u>		<u>Changes in Work Organisation</u>		<u>Great deal/quite a lot of influence over changes at work</u>	
	Yes	No	Yes	No	Yes	No
<i>Fear of:</i>						
Employment Loss	31.7	16.2	24.8	21.0	19.8	26.6
Arbitrary Dismissal	25.9	20.1	23.6	20.8	14.1	27.3
Discrimination	19.2	16.3	18.6	16.1	10.8	20.7
Victimisation	19.7	17.4	19.2	16.8	9.7	22.5
Less say in job	41.0	28.3	38.1	26.8	19.6	35.5
Less skilled job	28.6	23.5	28.6	20.9	16.1	27.4
Lower paid job	45.5	34.6	41.0	36.8	26.2	41.1
Less interesting job	31.4	19.4	26.5	21.4	17.2	25.0

**6. Policy Implications**

The evidence from the 2012 Skills and Employment Survey shows that not only was there a sharp rise in fear of employment loss over the period between 2006 and 2012, but also a large increase between 2000 and 2012 in anxiety about unfair treatment at work. Existing concern about the implications of job insecurity for employee well-being need to be extended to the wider issue of fear at work. The growth of fears both of employment loss and of unfair treatment were particularly strong in the public sector. Further there was widespread concern in the workforce about risks of

loss of job status, even if employment within the organisation continued. Indeed, the proportion of the workforce that was anxious about potential loss of job status was considerably greater than the proportion concerned about the loss of employment. This again was an especially important problem in the public sector. It suggests that particular attention needs to be paid to the deteriorating climate of employee relations in the public sector.

The growth of fear at work was related to the recession and its aftermath. Workplace reductions and changes in work organisation both led to increased anxieties

with respect to all three aspects of fear at work. But our evidence suggests that where employers adopted policies that gave employees a degree of involvement in decision making at work, such fears were much less prevalent. This points to the need to develop policies to enhance employee involvement at times of

organisational change. The slowness with which employers in Britain are enhancing employee participation, which is highlighted in another of our reports (No. 3), is becoming an issue of considerable concern.

### Selected Recent Studies

Burchell, B (2011) 'A temporal comparison of the effects of unemployment and job insecurity on wellbeing', *Sociological Research Online*, 16(9): 1-20, [www.socresonline.org.uk/16/1/9.html](http://www.socresonline.org.uk/16/1/9.html)

Dickerson, A and Green, F (2009) 'Fears and realisations of employment insecurity', *Labour Economics*, 19(2): 198-210.

Ferrie, J E, Shipley, M J, Stansfeld, S A and Marmot, M G (2002) 'Effects of chronic job insecurity and change in job security on self-reported health, minor psychiatric morbidity, physiological measures, and health related behaviours in British civil servants: the Whitehall II study', *Journal of Epidemiological and Community Health*, 56: 450-454.

Sverke, M, Hellgren, J, and Naswall, K (2006) 'Job insecurity: a literature review', *Journal of Occupational Health Psychology*, 7(3): 242-264.

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