



Work audit

**BRITAIN AT WORK
IN THE REIGN OF
QUEEN ELIZABETH II**

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'Death of the King.' So announced the late London edition of *The Times* newspaper on Thursday, 7 February 1952. The inside pages were dominated by a detailed review of the life of the late King George VI, plus some background on the 25-year-old new Queen, Elizabeth II. The front page, meanwhile, printed a long list of situations vacant, mostly for professional or skilled technical positions and an array of domestic jobs as nannies, cooks and housemaids. The paper also reported news of serious staff shortages affecting rail services. The monarchy had passed to a new generation but working life went on much as before.

In the six decades since, work has continued to be the warp and weft of everyday life. In 2012, even in the wake of the worst economic recession in the Queen's reign, there are millions more people in work in the UK than in 1952. The Queen's subjects may devote more of their available time to leisure but the UK has not become the kind of 'leisure society' predicted by the futurologists of yesteryear. But if work is as much a central part of life as ever, work has changed in ways that could not be imagined when Elizabeth II acceded to the throne.

Working life in Britain in the past 60 years has been shaped by the interaction of all manner of economic and social forces. Macroeconomic ups and downs have determined the overall availability of work at different times, while the underlying pattern of work has evolved in response to a combination of market, technological and social developments, most obviously globalisation, privatisation, digitisation and the increased participation of women in the labour market. New types of jobs have emerged to meet changing market demands. The organisation and management of work has likewise had to adjust, not only to structural change in the demand for staff but also to change in the way people want to supply their labour, notably the increased desire for flexible working hours.

Occasions such as the Queen's Diamond Jubilee therefore provide a useful opportunity to reflect on the past and this Work Audit looks back at how our working lives have changed in the reign of Elizabeth II. Since comparable data stretching from the 1950s to the present are not always available, comparisons covering the entire period are in some instances approximate rather than precise while others look only at shorter periods.

The expanding workforce

The UK population is today a fifth larger than in 1952 – up from 50 million to 62.3 million in 2010 (Table 1). At the same time, the number of people participating in the workforce – either in jobs or actively looking for work – has expanded from 23 million to nearly 32 million.

In 2012, around 77% of people of working age are in the workforce, compared with 60% in the 1950s. But this overall increase masks significant differences between men and women.

The proportion of working-age men active in the workforce has fallen from 88% to 83%. The female activity rate, by contrast, has shot up from 35% to almost 71%. As a result, women now make up 46% of the workforce, an increase of 16 percentage points over 1952.

The gender shift has resulted from an interaction of economic, technological, social and cultural factors that together mean that women are both more willing and better able to enter the labour market. As women gained greater equality of opportunity, the increased efficiency and falling real cost of household domestic appliances raised substantially the productivity of housework. The arrival of washing machines, microwave ovens and convenience foods, etc, has meant that housework can be completed in fewer hours. But, rather than enjoy this higher productivity in the form of greatly increased leisure time, women have preferred to assert their growing equality of status and overall contribution to society by supplying more of their available time to paid work.

The age as well as gender structure of the workforce has also shifted. In 1952, one in three people in the workforce was aged under 25; in 2012, the figure is one in seven. And our island race is far more racially and culturally diverse, including more than 7 million people (12% of the population) born outside the UK. In 1952, by contrast, the country was only just starting to receive the first waves of large-scale commonwealth immigration, which had begun in the late 1940s.

How much work?

Although commentators have for decades proclaimed 'the end of work', even after the recession there are at present some 29 million people in employment, 6 million more than in the late 1950s (Table 2).

However, the number of people in work is not the best measure of how 'work rich' the country is. This is best illustrated by the employment rate, which shows how much paid work there is relative to the size of the population of working age, and the volume of employment as measured by the total number of hours being worked each week.

The UK working age employment rate currently stands at 70.3%. This is below the peak of around 73% achieved prior to the recession of 2008–9. Broadly consistent figures are only available back to 1959, at which time the employment rate was 72%.

As for the volume of work being undertaken, although there are no directly comparable figures available, a reasonable estimate – based on the level and balance of full- and part-time employment in the early 1950s – is that the 920 million hours at present worked each week in the UK is roughly equivalent to the number worked in 1952. However, the value of output of the economy is around four times greater, so the employed workforce has become much more productive, enabling the country to enjoy a much higher level of income for the same amount of work. Britons are working much smarter and less hard than in the 1950s, though at present output per hour worked is 16% lower than in France, 18% lower than in Germany and 23% lower than in the United States.

Similarly, the fact that total hours are the same while the total number of people employed has increased means that the UK has undergone a process of informal 'work-sharing' since the 1950s, with a fall of 10 hours in the length of the average working week.

In the 1950s only 4% of people worked part-time; 60 years later the proportion is one in four (6.5 million employees). In the 1950s, there were relatively few part-time jobs and most full-timers worked a fairly standard week (including overtime) of around 48 hours, if in manual jobs, or 40 hours if non-manual, with the average working week at around 42 hours. Today, with the far greater incidence of part-time workers, the average working week stands at just under 32 hours (37 hours for full-timers). But the distribution of hours is nowadays far less bunched together than in the past. While 8% of employees work 15 or fewer hours a week, 17% work more than 45 hours.

The changing gender balance at work

Changes in the level of employment and the employment rate parallel the changing gender balance in the workforce. While the female working age employment rate has risen from 46% to 66% since the late 1950s (having reached 67% before the recession of 2008–9), the male employment rate has fallen from 96% to 75% (having stood at 79% before the recession). So whereas 60 years ago well over two-thirds of people in paid work were men – and virtually all men of working age had a job – the male share of employment has fallen to 53%.

The changing gender balance at work is sometimes wrongly blamed on 'women taking men's jobs'. What has actually happened is that women have in particular taken a bigger share of the new part-time jobs created in the UK since the 1950s, while men have been relatively hard hit by the shift in employment from manufacturing to services (see next section), which until recently resulted in a tendency for older men to leave the labour market well before reaching state pension age.

De-industrialisation

When Queen Elizabeth began her reign, the economy displayed characteristics that would have been familiar to Queen Victoria in the nineteenth century when the nation was still the 'workshop of the world'.

Britain in the 1950s was a powerful trading nation, with manufacturing accounting for a third of total national output and 40% of total employment. Manual employment in heavy manufacturing and coal mining was the order of the day, with large citadel-like private and public corporations engaged in the mass production of standardised products.

Sixty years on and the picture is very different. Although globalisation has opened up new markets and bestowed considerable economic advantages, traditional heavy industries have lost out to lower-cost overseas competitors. The manufacturing sector as a whole has had to become more cost- and quality-conscious, requiring better application of advanced technology and improved methods of working. In the process the number of manufacturing jobs has fallen from 8.7 million in 1952 to 2.5 million at present, the share of manufacturing jobs in total employment falling from over a third to 8%.

'King Coal', meanwhile, has been dethroned. In 1952 UK mining and quarrying employed 880,000 people (the available statistics don't separate the two categories). By the end of 2001 this had fallen to only 60,000 (and only two-thirds of these are traditional mining jobs).

Agriculture, forestry and fishing, which alone had 725,000 hired employees in 1952, now has just 460,000 workers in total. The one heavy activity to buck the trend is construction, which now employs 2 million people, half a million more than in 1952.

The rise of the service economy

In 2012, therefore, the UK economy is far more a service economy. Net employment growth has been driven by increased demand from consumers, organisations and the Government for a wide variety of professional and/or personalised services provided by the private or not-for-profit sectors. These range from finance and insurance, which employs 1.1 million people (including some of the estimated 900,000 people working in UK-based call centres) to high-touch services, including shops, restaurants and cafes, gyms and beauty salons, theme parks, and so on.

Bars and restaurants now provide 1.2 million jobs throughout the country, with a further 400,000 in sport and recreation – comparable to most individual sub-sectors of manufacturing and dwarfing the relatively small number of jobs left in traditional sectors such as coal mining. There has also been a resurgence of domestic-service employment – cooks, cleaners, etc – similar to that advertised on the front page of *The Times* on the day Princess Elizabeth became Queen but which fell out of fashion in the middle years of her reign.

Demand for personalised services has been stimulated in particular by a rise in dual-earner or multi-earner households as more women have entered the labour market. Unlike the traditional sole-earner households of the 1950s, more of today's households are 'cash-rich, time-poor'. Consequently, they buy in services that reduce time spent on domestic chores, while also wanting services that can be enjoyed in whatever spare time they have available.

Prior to the current downsizing, the public sector employed almost exactly the same number of people (6 million) as it did in 1952. What has changed is that most public employees are now either front-line public

service providers in schools, hospitals and local authorities or staff responsible for managing or administering those services, whereas in the 1950s half were employed by nationalised industries and public corporations.

Blue-collar to white-collar

Accompanying this sectoral shift in the UK's employment profile has been a major shift in the occupational structure. Changing definitions of different occupations make it difficult to compare 1952 with 2012. Even so, a fairly fundamental reshaping of the occupational structure is noticeable from the early 1980s onwards, during which time three key occupational trends can be clearly identified.

First, there has been a marked decline in the number of skilled and unskilled manual jobs, the occupational dimension of the fall in manufacturing employment. The share of skilled manuals in total employment has fallen from 18% to 10% in the past two decades (there are currently 3.1 million). Secondly, there has been a rise in skilled employment of people performing managerial, professional and technical jobs – so-called knowledge workers. The share of people in these occupations has risen from a quarter to 44% (there are currently 12.7 million). And thirdly there has been a rise in mixed but essentially low-skilled employment performed by a group classified as 'personal services' and 'sales and customer services' workers, of which there are 4.7 million. Their share of employment has risen from around 6% to around 16%.

These trends reflect a shift in demand for labour towards relatively well-paid knowledge jobs – in all sectors of the economy – and less-skilled lower-paid service-sector jobs, but away from the kinds of mid-range mid-pay jobs that were once plentiful in manufacturing. The UK is therefore now far more a white-collar economy than blue-collar society.

The shift has been paralleled in the workplace by a decline in trade union membership and a rise in what is now called human resource management. In 1952 there were 9.5 million members of UK trade unions (40% of employees). By 2011 that number had fallen to 6.5 million (26% of employees). It is estimated that when the Queen came to the throne there were only around 20,000 people employed in personnel roles in UK organisations. Today the figure is around 400,000 – a twentyfold increase.

More prosperous, more unequal

This ‘hollowing out’ of the labour market has contributed to a widening pay gap in the UK.

Queen Elizabeth grew up and began her reign during a period of stability in the overall distribution of pay. In 1975, for example, just two years before her Silver Jubilee, the distribution of weekly earnings of full-time male manual workers was almost identical to that prevailing under Queen Victoria in 1886, the year of the UK’s first official earnings census. In both years the bottom 10% of male manuals earned 30% less than men in the middle of the distribution, with the top 10% earning 44% more.

Since then wage inequality has increased considerably. Available comparative figures for all full-time male employees show that weekly wage dispersion – measured by the ratio of the top 10% of earners to the bottom 10% – has increased from 2.5 in 1975 to 3.75 in 2011. By the end of the first decade of the twenty-first century, the share of wages in UK GDP was lower (53%) than in 1952 (58%), with profit-earners rather than wage-earners taking a bigger slice of national income.

However, rising inequality has been masked by a general improvement in prosperity fuelled by increased productivity and higher average incomes. Fifty years ago even the most commonplace of today’s consumer goods was far from being available to all. In 1952, the UK was just emerging from wartime rationing and austerity and a third of consumer spending went on food and non-alcoholic drink. Only 29% of households owned their own homes or were mortgage payers; 52% lived in private rented accommodation and 19% rented in the social housing sector. The corresponding proportions are now 69%, 13% and 18%. Far fewer than one in five households had a car; today the figure is four in five, with two-car households increasingly common.

At the beginning of the Queen’s reign, only one in five households had a washing machine, one in ten a telephone, one in twenty a fridge. Almost nobody had central heating. Fewer than half of all households had a television – most people crowded round a shared set to watch the Queen’s coronation in 1953.

In the pre-rock-and-roll era of the early 1950s, the typical family still spent their evenings much as they had during

wartime: at home, huddled around a valve-powered radio-gramophone which cost a large chunk of annual household income to buy and took up half the living room. Today, by contrast, a fifth of consumer spending goes on non-essential goods and services, 73% of households are linked via a personal computer to the Internet, and even in the lowest income groups two-thirds of households have a mobile phone. Although in the first decade of the Queen’s reign the then Prime Minister Harold MacMillan declared that Britain ‘had never had it so good’, Her Majesty’s subjects in the 1950s had a far lower material standard of living than most people enjoy in the ‘austerity Britain’ of 2012.

The shrinking workplace

Also in contrast to the 1950s, far more of the value of goods and services in 2012 resides in the higher quality that richer and more sophisticated consumers demand of them, notably in the form of design and brand. Fewer products are standardised and produced by all-embracing mega corporations. More are mass-customised (produced at scale but targeted at specific market niches) within increasingly intricate supply chains involving smaller specialist organisations, which has had major implications for the pattern of work.

The number of private sector businesses in the UK has ballooned from just 160,000 to 4.5 million since the mid-1950s. But of these businesses, only a quarter (1.1 million) employ people. Although large employers remain dominant in the labour market – for example, the 6,000 businesses that employ 250 or more people account for 40% of private sector jobs – the size of the average workplace has been falling since the 1960s. At present 3.7 million people work in businesses with 1–9 employees and a further 3.3 million work in businesses with 10–49 employees.

Whereas 60 years ago most employers organised large groups of workers, today only 28% of private sector enterprises with employees employ more than 50 people and only 5% employ more than 250. One key driving force has been an increasing tendency for large organisations to focus on a core of essential functions and outsource everything else to contractors, often smaller organisations or self-employed. Public sector organisations on the whole still operate larger workforces, although these too have become more likely to contract out certain activities.

The growth in outsourcing partly explains why there are now far more self-employed people than in 1952. The share of self-employment in total employment barely changed from 7% in the post-war period up until the late 1970s, but then rose sharply to around 12% (3 million people) in the 1980s. Despite predictions in the 1980s that there would be an almost inexorable rise in the number of self-employed ‘portfolio workers’, the self-employment rate subsequently stabilised but has increased to 14% (4.1 million) since the recession of 2008–9.

Flexible work

For businesses and organisations of all sizes, a key change since the 1950s has been greater emphasis on the need for employment flexibility, this being seen as a prerequisite for success in the emerging ultra-competitive and ever more global economy.

Flexibility has become the means to several ends: increased productivity, cost efficiency and performance. Organisations have sought to be numerically flexible so that working time adjusts to meet changing patterns of demand; and functionally flexible by improving skills levels and developing working practices that utilise skills to the full so as to enhance product and service quality and customer care. The drive to improve numerical flexibility has resulted in greater use of flexible working. At present one in five full-time workers and one in four part-timers have some form of flexible work pattern. The closest comparison with the 1950s is the 12% of employees who at that time worked a shift system of some kind. The use of agency temps has also increased over time, though temporary employees still only comprise 6% (1.5 million) of all employees.

Job satisfaction and work-related stress

Lack of comparative data makes it difficult to judge whether increased prosperity and changing patterns of work mean workers today are happier than workers in 1952. However, there is little sign of any obvious improvement. Although available evidence currently shows a high overall level of job satisfaction in British workplaces, only a small minority of employees say they would ‘go the extra mile’ for their employer, while reported rates of work-related stress have increased in recent decades.

Particular difficulties can arise from the introduction of new technologies, which may not just involve new working practices but impose entirely new (and often unforeseen)

pressures on staff. This is especially true of the rapid advance of information technology in the workplace during the past two decades of the Queen’s reign, which has potentially created opportunities for greater employee autonomy, including scope to do more work from home, but also resulted in information overload, created pressure for instant response, enabled more sophisticated monitoring and surveillance of employees, and blurred the boundaries between work and non-work time. More than half of UK employees – 52% – are now subject to computer surveillance at work, which has led to a sharp increase in stress among those being monitored – particularly white-collar administrative staff.

Job stability and insecurity

Workplace stress is also often linked with job instability and job insecurity, on the assumption that greater employment flexibility gives rise to a ‘hire and fire’ work culture in which people are frequently changing jobs. Add in the associated connotations with downsizing and offshoring of jobs and it’s easy to understand why this can create a sense of unease within many workplaces.

However, the average length of time people stay in a job with a given employer – ‘job tenure’ – is much the same today as it was a generation ago (an average of five years).

Nonetheless, the perception of greater insecurity can be real for some people. The overall stability in average job tenure since the mid-1970s is the product of falling tenure for men and rising tenure for women, the latter benefiting from improved maternity leave provision enabling them to retain their jobs after childbirth. For men the fall in job tenure has been particularly marked for those aged 50 and over – whose average stay in a job has dropped by around two years (or 14%) since the mid-1970s because there are fewer very long-lasting jobs in the economy.

Therefore, talk of ‘the end of the job for life’ is clearly an exaggeration if used to suggest that overall employment stability has worsened. But it does contain an element of truth for men who in past generations might have expected to spend their entire career with the same employer.

Unemployment and worklessness

The degree of job insecurity people feel is also of course strongly influenced by the state of the economy at any particular time and how easy it is for people who lose a job to find a new one.

1952 saw the first dip in UK economic growth, and the first noticeable rise in unemployment, after the defeat of Nazi Germany. Inflation – measured by the Retail Prices Index introduced five years earlier in 1947 – was running at just over 3% per annum, the rate having been raised by the effects of the Korean War in the early 1950s. But the slowdown was very short-lived and, despite being afflicted by stop-go macroeconomic policy, the first two decades of the Queen's reign sit within the golden age of post-war full employment (which lasted from 1945–73).

Sadly, the following two decades were far from golden, characterised by numerous periods of stagflation with sluggish growth and double-digit price inflation, two deep recessions, in the early 1980s and early 1990s, and often a double-digit unemployment rate. The stop-go of the initial post-war decades had given way to 'boom and bust'.

The Queen's fifth decade, however, came to be known as the 'nice decade'. Inflation was generally very low while the economy expanded almost continually between 1992 and 2008 despite the Asian economic crisis of the late 1990s, the bursting of the IT investment bubble in 2000, and the destruction by terrorists of New York's World Trade Center on 11 September 2001. Unemployment eventually fell back toward golden age rates. But in 2008 the great expansion came to a crashing halt, with the global financial crisis and credit crunch triggering the UK's longest and deepest recession of Queen Elizabeth's reign. Unemployment rocketed once more, although so far remaining below the double-digit rates suffered in the early 1980s and early 1990s.

The level of registered unemployment in 1952 (350,000) was only a third of today's corresponding measure (the count of people receiving Jobseeker's Allowance). The registered unemployment rate was 2.2%, compared with 5% at present (Table 3).

In 1952 there were relatively few long-term unemployed. At that time only one in ten of the registered unemployed had been unemployed for more than a year; today the figure is one in six people on Jobseeker's Allowance. Similarly, whereas in 1952 there were three job vacancies for every person registered as unemployed, today there are three people on Jobseeker's Allowance for every vacancy.

Moreover, this comparison flatters the current situation. In the 1950s the registered unemployment count was thought to offer a reasonably accurate indication of the number of jobless people. But today's claimant unemployment rate is lower than the rate of 8.3% (2.64 million, one in three of whom have been unemployed for more than a year) shown by the Government's preferred International Labour Office (ILO) unemployment measure – obtained from the Labour Force Survey – while the latter itself excludes some 2.3 million people not active in the labour market who state that they want to work. Similarly, in the 1950s, the 350,000 people registered as unemployed was a good measure of the number of jobless people of working age receiving benefit payments from the state. In 2012, the equivalent figure is 4 million.

Recent decades have also witnessed a divide between 'work-rich households' – that is, with more than one person in a job – and 'workless households'. In the 1950s, the high male employment rate meant that there were very few households without at least one breadwinner. But figures from the late 1960s onwards show a leap in the workless household rate from 4% in 1968 to 18.8% today.

Key sources

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Table 1: The changing UK workforce

		1952 (unless otherwise stated)	'Today' (latest data)
Population		50 million	62.3 million
Total workforce		23 million	32 million
% population active in workforce (people of working age)	(men) (women) (all)	88% 35% 60%	83% 71% 77%

Table 2: The change in UK employment

		1952 (unless otherwise stated)	'Today' (latest data)
Total employment (1959)		23 million	29 million
Employment rate (working age %, 1959)	(men) (women)	96% 46%	75% 66%
Male share of employment (%)		66%	53%
% part-time employment		4%	26%
Average weekly hours (all workers)		42	32
Manufacturing jobs		8.7 million	2.5 million
% jobs in manufacturing		40%	8%
Mining/quarrying jobs		880,000	60,000
Public sector employment		6 million	6 million
% skilled manuals		18% (1981)	10%
% managerial, professional technical		25% (1981)	44%
Personal services/sales		6% (1981)	16%
% workforce self-employed		7%	14%

Table 3: Worklessness

		1952 (unless otherwise stated)	'Today' (latest data)
Claimant unemployment rate (%)		2.2%	5%
Workless household rate (%)		4% (1968)	18.8%



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