

Paved with gold? Views on job quality in the capital

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Better Work Network



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Executive Summary

This paper looks at the priorities for employment in London, exploring Londoner's views on work. It focuses on how the coronavirus pandemic has affected Londoners' work and wellbeing, what good work means, barriers to better work and what Londoners' priorities are for the Mayor of London over the next three years.

Key findings:

- Londoners prioritise adequate salary, a good work/life balance and feeling valued at work in a job.
- Almost half of London workers are currently dissatisfied with their salary and over 40% are dissatisfied with opportunities for progression. Reflecting the impacts of the pandemic on London, more than one in six have become dissatisfied with their pay since the onset of the pandemic and one in ten with opportunities for progression.
- Nearly one in five working in London do not have a secure contract with a minimum set of hours. This rises to two in five (41%) among low-income workers, and part-time workers (44%).
- There was a high prevalence of work-related stress impacting on workers' well-being in the last year. Almost two in five London workers (39%) have felt unwell due to work-related stress during the last 12 months.
- Londoners' outlooks on their future careers appears to be largely driven by age and employment status, with older, low-income and part-time workers less likely to feel positive about future opportunities for progression.
- Views on barriers to better work vary according to ethnicity, gender, age – highlighting inequalities in access to opportunity and individuals' experience of discrimination. Over a quarter of Black, Asian and Minority Ethnic Londoners identified ethnicity as a barrier to better jobs, while 15% of women saw gender as a barrier.
- Low-income and manual workers were more likely to cite lack of access to training opportunities and qualifications as barriers to better work.
- With rates of in-work poverty rising, the cost of living, pay and training were at the top of Londoners' priorities for action on employment by the Mayor of London.

Introduction

This paper looking at the priorities for employment in London and presents the key findings of original polling conducted by YouGov with Londoners on their perceptions and priorities for work. It explores how the coronavirus pandemic has affected Londoners' work and wellbeing, what good work means, barriers to better work and what Londoners' priorities are for the Mayor of London over the next three years.

London's labour market has been hit hard by the coronavirus pandemic. The unemployment rate in the capital is currently the highest in the UK, following a sharp increase (2.7 percentage points) between February 2020 and February 2021.¹ Meanwhile, the decline in the number of payrolled employees in the capital (5.4%) in the year to March 2021 is nearly double the rate of decline for the UK (2.8%).²

The economic impact of the pandemic across the capital has been both sharp and uneven. The sectors which have been worst affected by social distancing and lockdown restrictions – including retail and hospitality – have a higher concentration of low-income earners, who were and remain at a higher risk of redundancies, pay cuts and furloughing. As of February 2021, the highest number of furloughed jobs in London remained concentrated in the accommodation, food services, wholesale and retail sectors.³

Creating and promoting better work in the capital is an urgent necessity, now more than ever. In-work poverty has grown most notably in London over the last two decades. One in five working households in London (22%) now live in poverty, compared to one in seven (15%) in the rest of the Greater South East.⁴

Against the backdrop of economic recovery following the coronavirus pandemic, the Mayor of London and the London Recovery Board aim to help Londoners into good work through skills and employment support and by working closely with employers to promote job creation and improve job quality. The Mayor's 2021 manifesto points to the importance of protecting, preserving and creating jobs as part of London's recovery plan. Throughout this paper, we explore what Londoners think is needed to make that a reality.

¹ Source: ONS, 2021

² Source: ONS, 2021

³ GLA Economics. (2021). [Briefing on the latest HMRC Official Statistics on the furlough support scheme](#).

⁴ IPPR (2021) No longer 'managing': The rise of working poverty and fixing Britain's broken social settlement

Method

This paper draws on original polling of 1000+ Londoners in April 2021. Polling was conducted online and the sample is representative of all adults (aged 18+) in London. Fieldwork was undertaken between 27th - 30th April 2021. The survey was carried out online. The figures have been weighted and are representative of all adults (aged 18+) in London. Where answers have only been completed by those in employment, respondents are referred to as 'London workers'. Respondents are referred to as 'Londoners' where the full sample was asked to answer the question.

Key findings

What do Londoners look for in a job?

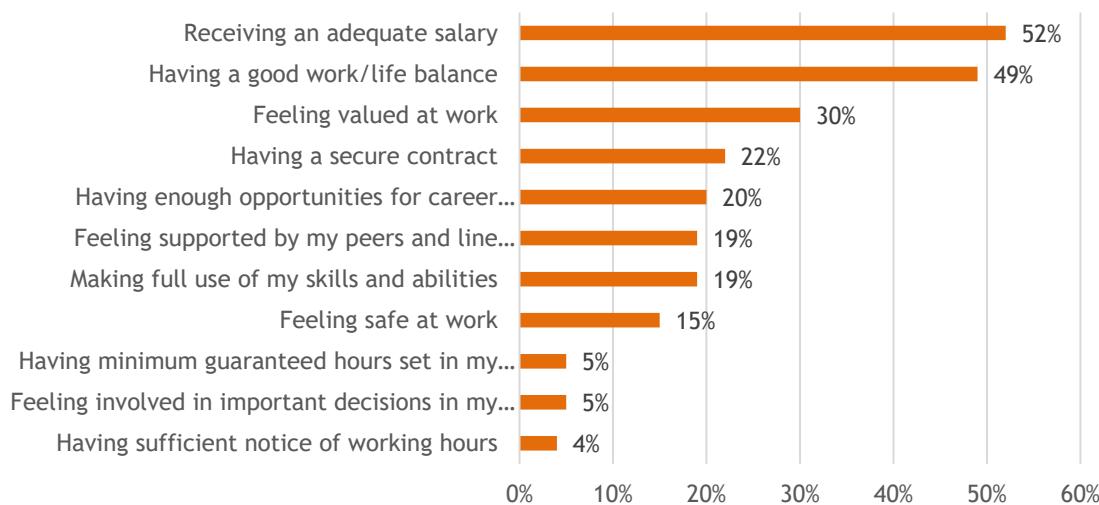
The Carnegie UK Trust-RSA Working Group on Measuring Job Quality brought together senior cross-sector representatives to explore the concept of good work and how it should be measured.⁵ We have drawn on the framework developed to ask Londoners which elements are most important to them.

- Having an **adequate salary** is the most frequently cited priority for Londoners, with over half of respondents (52%) stating it is one of the top three most important factors in a job.
- Almost as many Londoners (49% of respondents) state a **good work/life balance** one of the most aspects in a job.
- **Feeling valued at work** was highlighted by nearly a third of Londoners (30%).
- Other elements which are important to Londoners include having a secure contract (22%) and having enough opportunities for career progression (20%).

⁵ See <https://www.carnegieuktrust.org.uk/project/measuring-job-quality/> for further information

Figure 1: Londoners prioritise adequate pay, work/life balance and feeling valued at work as the most important elements to them in a job

Most important elements in a job to respondents (choice of up to three)



Source: L&W analysis of YouGov polling of Londoners. Chart excludes 'None of these' (3%) and Not applicable (10%).

How has the pandemic impacted on job quality in London?

We asked workers in London how the coronavirus pandemic has affected their salary, opportunities for progression and job security. The impacts vary between different groups of Londoners (as discussed below) but the headlines show that:

- **Almost half of London workers (47%) are dissatisfied with their salary.** This includes one third of London workers (30%) who were dissatisfied with their salary before the pandemic and one in six (17%) who have become dissatisfied with their salary since the onset of the pandemic. Among the 49% who are satisfied with their salaries, 42% were satisfied prior to the pandemic and still are, while a relatively small proportion (7%) have become satisfied with their salary since the start of the pandemic.
- **Two in five London workers (41%) are dissatisfied with their opportunities for progression.** This includes more than one in ten (11%) who have become dissatisfied since the onset of the pandemic. Similar to the findings on pay, 43% were satisfied with opportunities for progression prior to the pandemic and still are, while 7% state they were not satisfied prior to the onset of the pandemic.
- **Nearly one in five London workers (18%) do not have a secure contract with a minimum set of hours.** This includes 6% of workers who previously had a secure contract but no longer do. More than three quarters (78%) have a secure contract and for a small proportion (6%) this is a change from not having one previously.

The increase in workers' dissatisfaction with pay and opportunities for progression is likely to reflect the impact of the pandemic on London's economy.

Alongside the sharp rise in unemployment and fall in payrolled jobs, London had the highest take up of the furlough scheme – the total take-up rate in February 2021 was 18% compared to the national average of 16%.⁶ There has also been a fall in average hours worked by those in employment. Furloughed workers' pay will have been affected if employers did not top up the government payment which only covers 80% of workers' salaries, while reductions in hours will have had obvious impacts on pay. Our survey finds that one in five London workers (21%) would prefer to work longer hours than present for more pay. Opportunities for progression are likely to have been limited by the sharp fall in job vacancies.

Varying levels of satisfaction between different groups of Londoners reflect high levels of inequality in the capital and the uneven impacts of the pandemic.

Over half (58%) of low-income workers⁷ are dissatisfied with their salary and almost one third (32%) would prefer to work longer hours for more pay. Over two in five (41%) low-income workers do not have a secure contract with a minimum set of hours, demonstrating the impact of job security, including the lack of minimum hours, on pay. Low-income workers are also less likely (36%) to be satisfied with their opportunities for progression, before the pandemic and now, compared to higher-income workers (46%) – suggesting they may feel they are stuck in low paid jobs (Figure 3).

This aligns with our previous survey of low paid workers in London that found they were more likely to face reductions in their incomes: 33% of low paid Londoners said their incomes had reduced, compared to 19% of other workers.⁸ As a result, almost two fifths (39%) of low paid Londoners said they were worried about their finances, while 13% had accessed support through Universal Credit and 4% said they had accessed food banks or other charitable support.

London workers from a Black, Asian or minority ethnic (BAME) background were more likely to be dissatisfied (55%) with their salaries than their white counterparts (40%) (Figure 2). BAME workers were also more likely to have become dissatisfied with their salary since the onset of the pandemic (19%) compared to white workers (16%) – which is likely to reflect the disproportionate impact the pandemic has had on BAME communities.⁹ BAME workers are also less likely to be satisfied with opportunities for progression (42%) compared to white workers (56%) (Figure 3). And while BAME workers are slightly more

⁶ Greater London Authority. (2021). [COVID-19 and London's economy](#).

⁷ The definition of low income used in this paper is based on hourly pay below the London Living Wage (£10.85 in 2021) or less than £20,000 per annum.

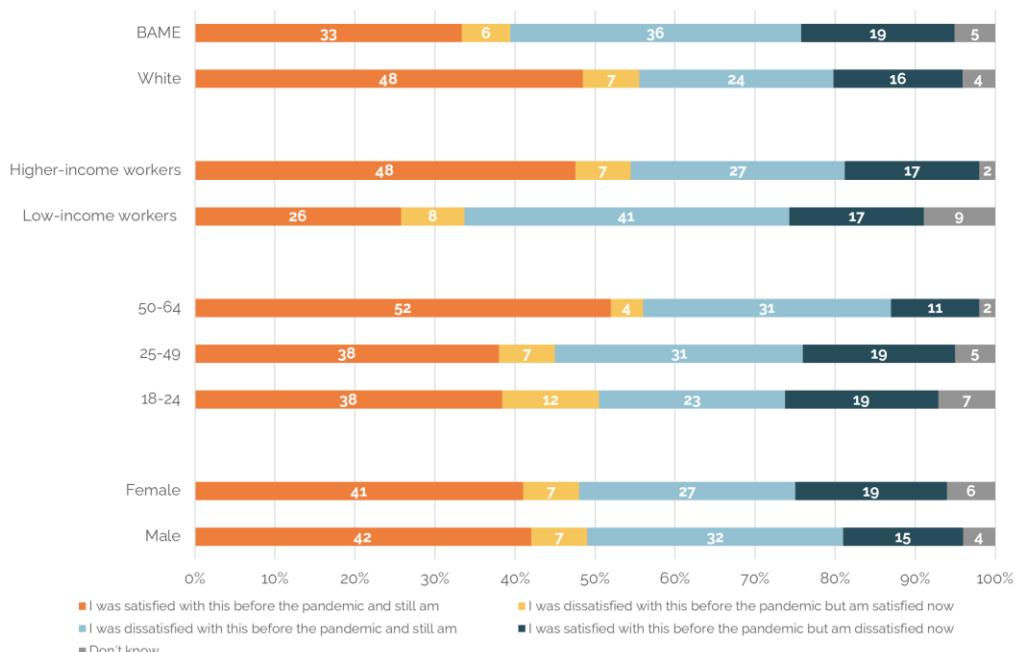
⁸ Learning and Work. (2020). [Crisis in the capital: How to protect low paid workers and deliver better work in London](#).

⁹ Learning and Work. (2021). [One year on: The labour market impacts of coronavirus and priorities for the years ahead](#).

likely to report have a secure employment contract (Figure 4), more than a quarter would prefer to work longer hours for more pay (Figure 5).

Young people aged 18 to 24 (40%) are the least likely to say they are satisfied with opportunities for progression (Figure 3), while 25-49 year olds are least likely to be satisfied with their salaries (Figure 2). Workers under 50 years old are more likely to have become dissatisfied with their salaries since the onset of the pandemic and opportunities for progression, compared to those aged 50 to 64. Nearly a third of 18-24 year olds (31%) would prefer to work more hours for more pay (Figure 5).

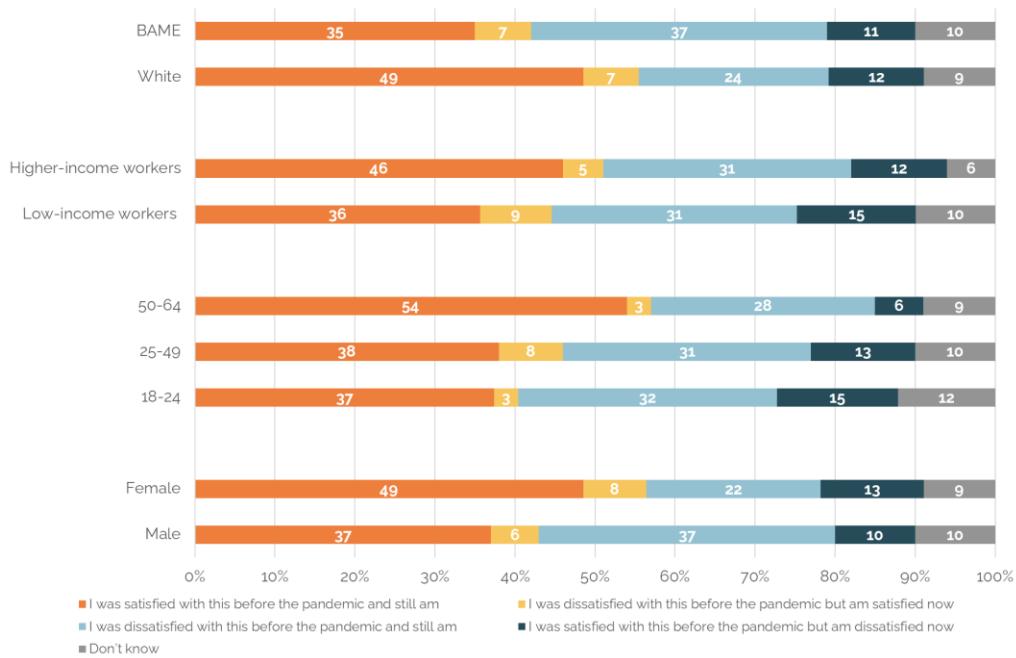
Figure 2: Low-income workers are the least likely to be satisfied with their salary
Satisfaction with salary before and after the pandemic by gender, age, ethnicity and income



Source: L&W analysis of YouGov polling of Londoners (N=650)

Figure 3: Young people are the least likely to be satisfied with opportunities for progression

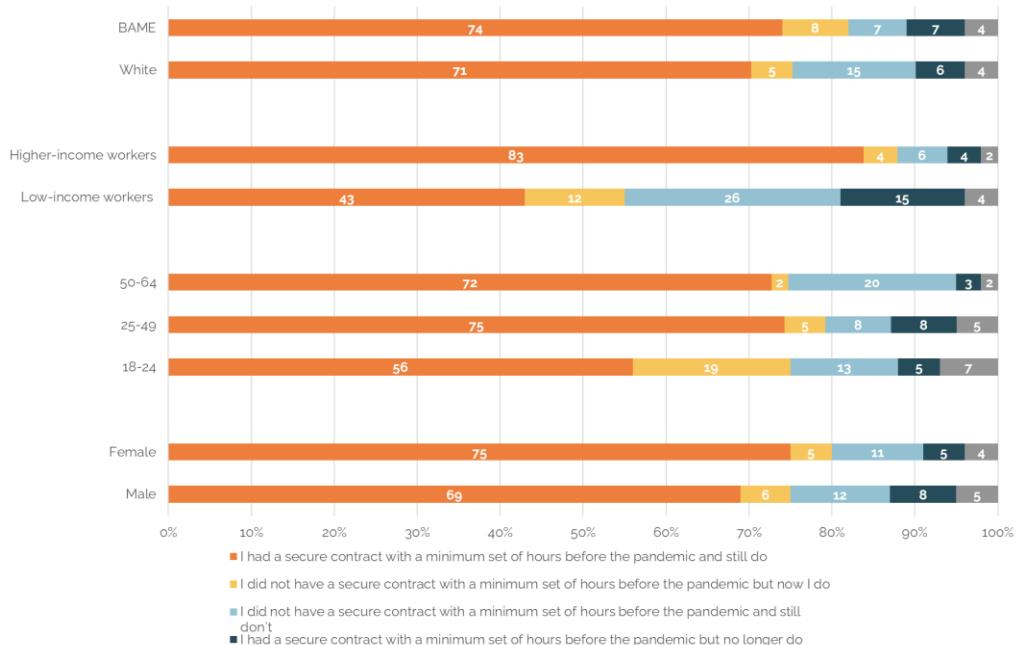
Satisfaction with opportunities for progression before and after the pandemic by gender, age, ethnicity and income



Source: L&W analysis of YouGov polling of Londoners (N=650)

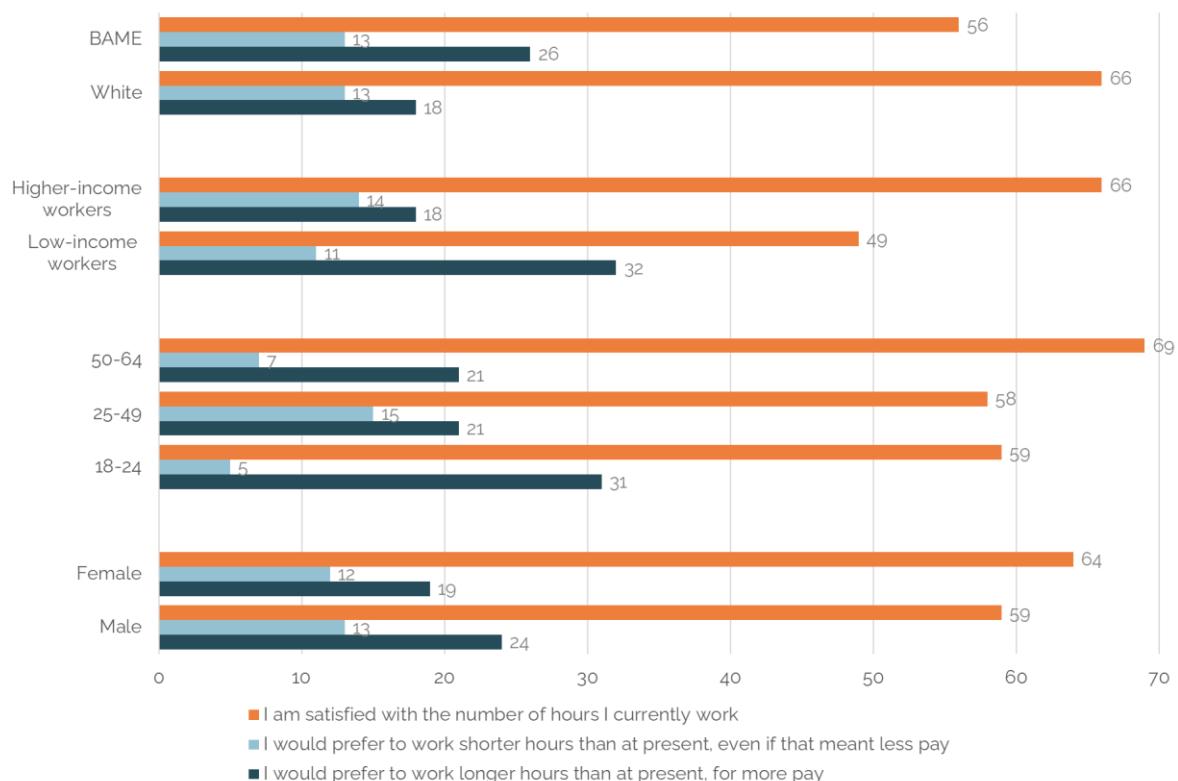
Figure 4: Low-income workers are far less likely to have job security

Contract security before and after the pandemic by gender, age, ethnicity and income



Source: L&W analysis of YouGov polling of Londoners (N=650)

Figure 5: Nearly a third of young people would prefer to work longer hours for more pay

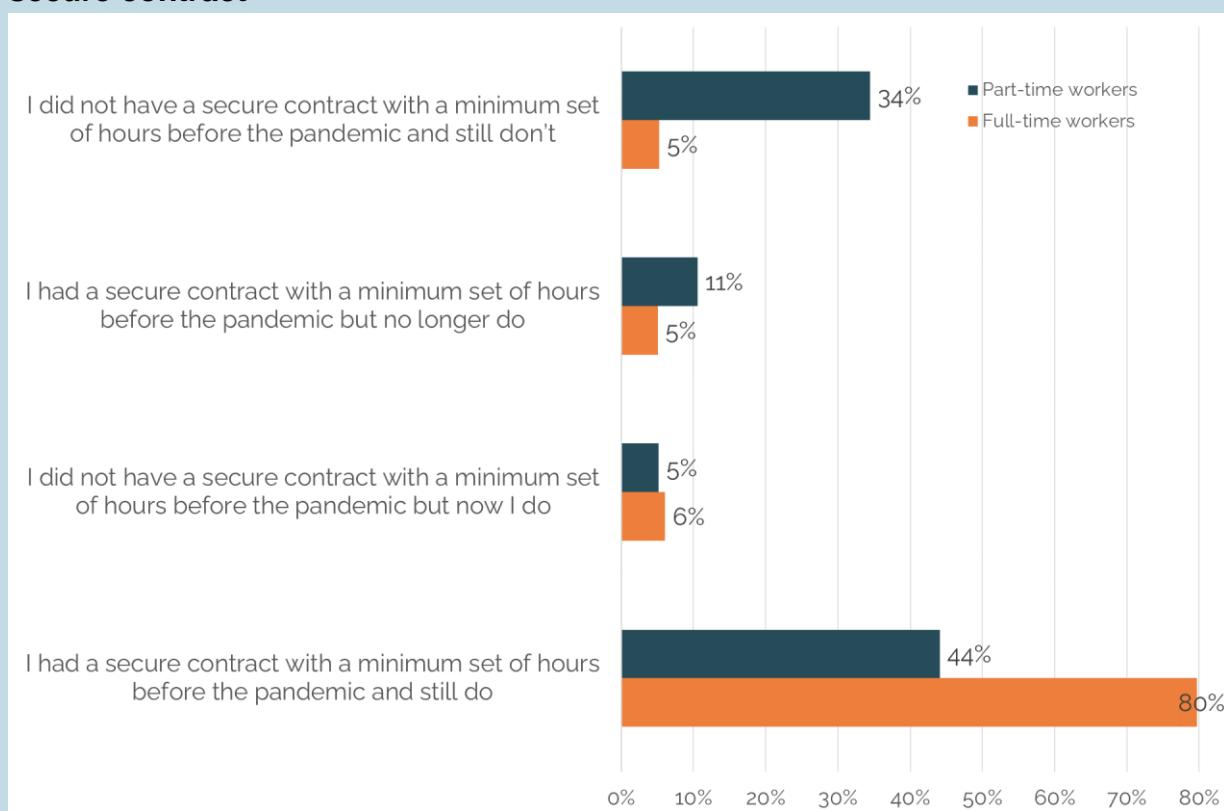


Source: L&W analysis of YouGov polling of Londoners (N=650). Chart excludes 'Don't know'.

Contract types and job security

London workers' employment status emerged as the key determinant of job security. As illustrated in Figure 6, **full-time workers are much more likely to have had and still have a secure contract with a minimum set of hours (80%) than part-time workers (44%).**¹⁰ In addition to this, approximately a third (34%) of all respondents in part-time work did not have a secure contract before the pandemic and remain without one. These findings point towards the continued prevalence of insecure work conditions associated with part-time employment, which women are more likely to be in.¹¹

Figure 6: Part-time workers workers are increasingly more likely not to have a secure contract



Source: L&W analysis of YouGov polling of Londoners

¹⁰ Full-time work is defined as 30 or more hours of work per week. The sub-set of part-time workers considered here are those working 8 to 29 hours per week.

¹¹ Office for National Statistics. (2021). [EMP01 SA: Full-time, part-time and temporary workers](#).

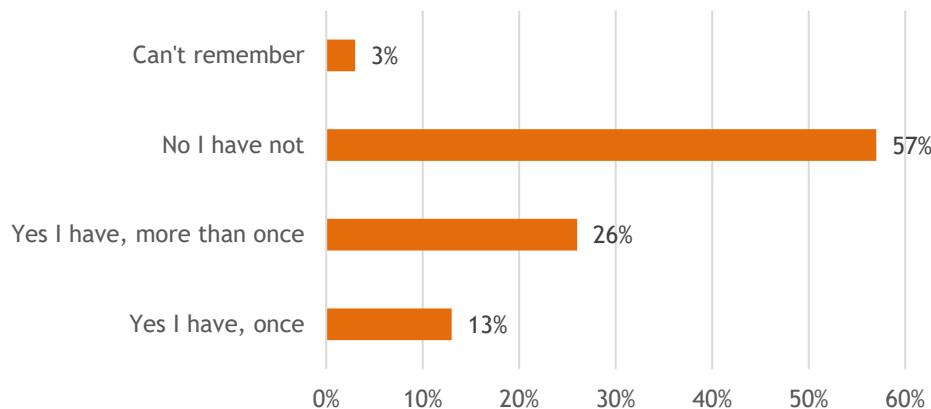
How has Londoners' wellbeing been affected by work over the last year?

Work-related stress has affected the wellbeing of many workers in London over the past year. Prolonged work-related stress can have physical and psychological impacts, including depression and anxiety.¹²

- **Almost two in five London workers (39%) have felt unwell due to work-related stress** during the last 12 months. Over one quarter (26%) have felt unwell more than once and 13% of London workers have felt unwell once in the last year.
- **Women were more likely to have felt unwell due to work-related stress over the last year**, with 46% having felt unwell once or more than once, compared to 34% of male workers.

Figure 7: Two in five Londoners have felt unwell due to work-related stress during the last 12 months

Prevalence and frequency of work-related stress during last 12 months



Source: L&W analysis of YouGov polling of Londoners

How do Londoners feel about their job prospects?

London workers feel generally less positive about opportunities to progress in their careers compared to job security and health and safety at work. Two in five (40%) feel 'fairly negative' (12%) or 'very negative' (5%) about opportunities to progress in the next 12 months.

Age and employment status are key determinants of respondents' perceptions of future opportunities for career progression.

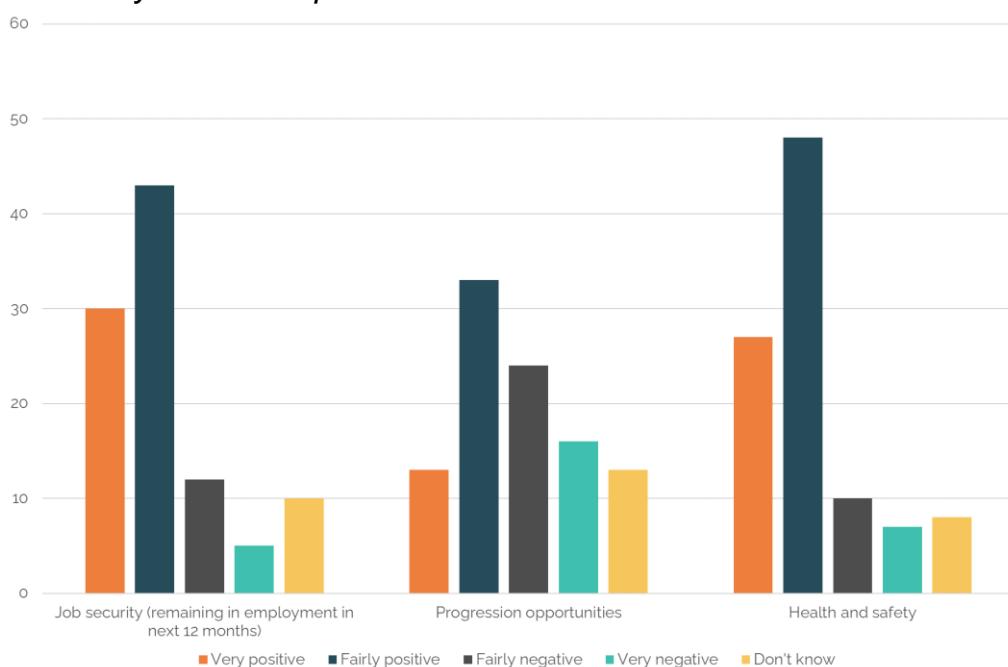
¹² Health and Safety Executive (2021) Mental health conditions, work and the workplace

Older workers (50–64 year olds) were less likely to feel positive about future career progression compared to younger workers. A third of older workers (32%) felt positive, compared to over half of 25-49 year olds (51%) and 18-24 year olds (53%). Older workers were also more likely to be uncertain about career progression, with a quarter stating that they 'don't know'. This relates to findings, discussed below, that older workers are more likely to cite age as a barrier to accessing better jobs.

London workers in part-time employment were also less likely to feel positive about opportunities for progression (36%) than full-time workers (51%). Research by Timewise suggests that lack of access to training and professional development opportunities among part-time workers may contribute.¹³ Low-income workers are less likely to feel positive about future career progression (38%) than other workers (50%). This finding emerges as a possible consequence of the multiple barriers to progression faced by low-income workers.¹⁴

Figure 8: Two in five London workers feel 'fairly negative' or 'very negative' about opportunities to progress in their careers

London workers' perception of job security, opportunities to progress in careers and health and safety in the workplace in the next 12 months



Source: L&W analysis of YouGov polling of Londoners

¹³ Timewise (2018) Part-time work: The exclusion zone?

¹⁴ Learning and Work. (2020). [Learning Ladders – the role of adult training in supporting progression from low pay.](#)

Age, and lack of experience and qualifications were seen as the main barriers to accessing better jobs.

- Respondents thought that age was one of the key barriers to accessing better jobs in the future, with 31% of respondents stating it as one of their top three.
- Over one quarter (26%) of Londoners saw lack of relevant experience as another central barrier to accessing better jobs.
- Lack of qualifications was also highlighted by respondents, with 18% of Londoners seeing it as a barrier to better future work.

Londoners' views on barriers to better work vary according to ethnicity, gender, age – highlighting inequalities in access to opportunity and individuals' experience of discrimination.

Over a quarter of BAME Londoners (27%) identified ethnicity as a barrier to better jobs, compared to 4% of white Londoners, while 15% of women saw gender as a barrier, compared to 3% of men. Discriminatory practices in the workplace and an uneven access to good employment opportunities are likely to influence this finding. In 2019, the ethnicity pay gap between white and BAME employees in London was more than 25%,¹⁵ with the gender pay gap sitting at 18% in median hourly pay.¹⁶

Respondents' age impacts on their perceptions of barriers to better work in different ways. Older Londoners are more likely to identify age as a barrier (69% of respondents aged 50-64), compared to 18-24-year-olds (22%) and 25-49-year-olds (20%) (Figure 9). This may be related to the prevalence of ageism in recruitment processes, which has been extensively analysed by the Centre for Ageing Better.¹⁷ While 'too much experience' may impede older workers to progress, younger Londoners, on the other hand, were more likely (45%) to see lack of relevant experience as a barrier, compared to those aged 25-49 (27%) and 50-64 (13%).

Low-income and manual workers were more likely to cite lack of access to training opportunities and qualifications as barriers to better work.

Perceptions of main obstacles to accessing better work also differ across pay and occupational groups. Low-income workers were more likely to identify lack of relevant experience (36%) and insufficient access to training opportunities (19%) as some of the biggest barriers to accessing better work in the future, compared to other workers (22% and 9%, respectively) (Figure 10). Almost one quarter (24%) of skilled, semi-skilled or

¹⁵ Greater London Authority. (N/A). [Ethnicity pay gap](#).

¹⁶ Greater London Authority. (N/A). [Gender pay gap](#).

¹⁷ Centre for Ageing Better. (2021). [Too much experience: older workers' perceptions of ageism in the recruitment process](#).

unskilled manual workers (C2DE) saw lack of qualifications as the key barrier, compared to 15% of professionals and workers in management and middle management (ABC1). ABC1 workers were more likely to see a lack of quality jobs in their sector as the main barrier to better work (19%) than C2DE workers (11%) – a demand-side barrier, rather than a supply-side one, as is the case with C2DE workers.

Figure 9: Older Londoners see age as the main barrier to accessing better jobs, whereas younger Londoners point to the lack of relevant experience as their key barrier.

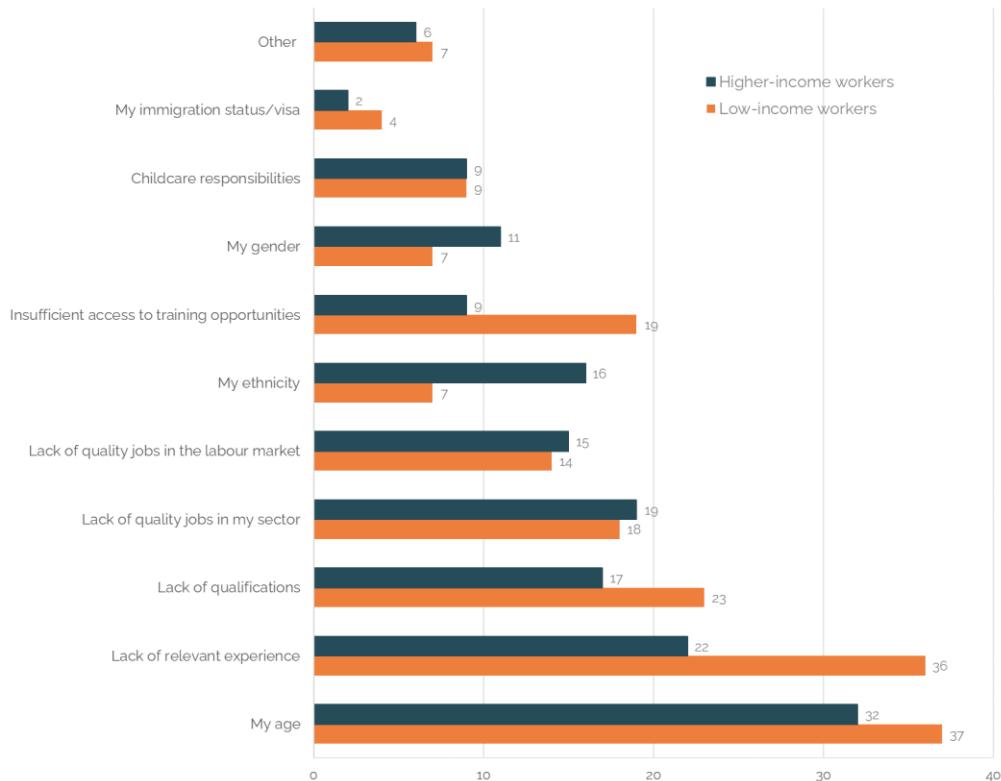
Main barriers to accessing better jobs in the future by age



Source: L&W analysis of YouGov polling of Londoners (N=798). Not including 'Other'.

Figure 10: Low-income workers are more likely to identify lack of relevant experience and insufficient access to training opportunities as barriers to progression

Main barriers to accessing better jobs in the future by income



Source: L&W analysis of YouGov polling of Londoners

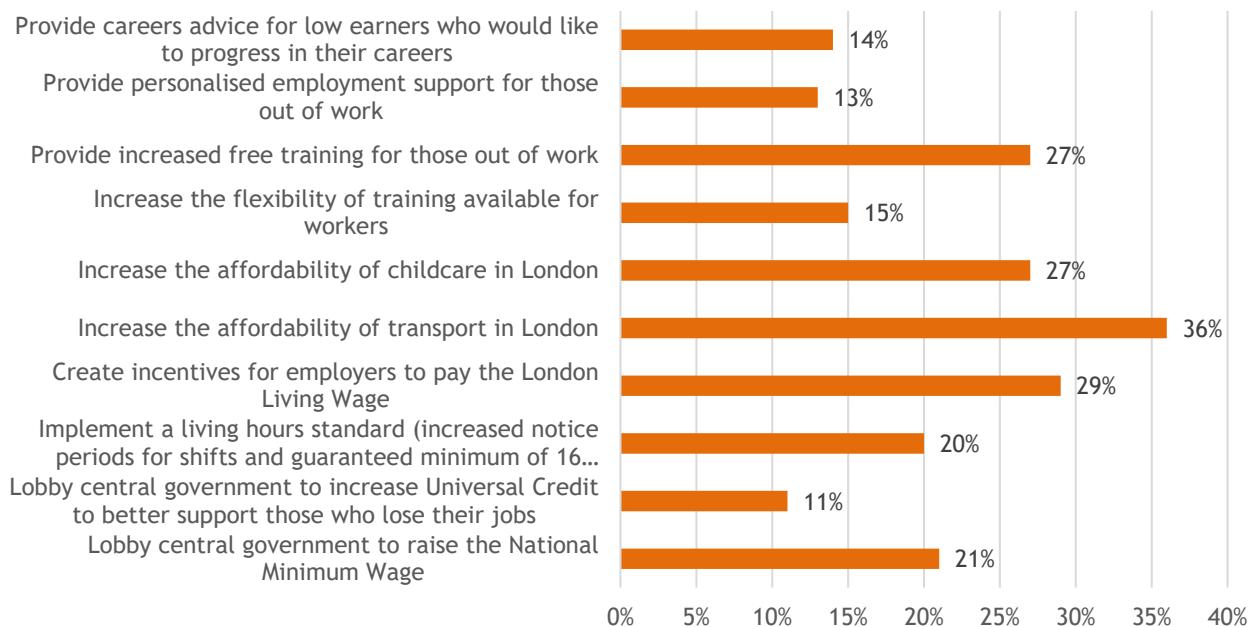
Londoners' views on priorities for the Mayor of London

We asked Londoners for their views on what the Mayor of London should focus on to support jobs and employment in the capital. Figure 11 presents respondents' priorities and paints a clear picture of the multi-angle approach required to support Londoners into work while enabling career progression across the capital. With rates of in-work poverty rising, priorities relating to the cost of living and pay were at the top of many Londoners' lists.

- **Cost of living** – Over one third of Londoners (36%) see increased affordability of transport as a priority for the Mayor. Londoners prioritise an increase affordability of childcare, with 27% selecting this measure.
- **Pay** – Londoners see adequate pay as a key priority. Almost three in ten Londoners (29%) think the Mayor should focus on creating incentives for employers to pay the London Living Wage (LLW) to its employees. One in five (21%) think a rise of the National Minimum Wage (NMW) is key and that the Mayor should lobby central government to raise it.
- **Hours** – One in every five Londoners think the Mayor of London should implement a Living Hours standard (20%). The standard calls on employers to provide an increased notice period for shifts and a guaranteed minimum of 16 hours of work.
- **Training** – Over one quarter of Londoners (27%) see increased free training for those out of work as a key employment support measure.

Figure 11: Londoners see an increased affordability of transport and childcare and a promotion of LLW as the top three priorities for the Mayor of London.

Londoners' views on priorities for Mayor of London to support jobs and employment



(choice of up to three)

Source: L&W analysis of YouGov polling of Londoners. Chart excludes 'None of these' (4%) and 'Don't know' (13%).

Policy implications

Improving work and promoting career progression has become a higher priority in the aftermath of the coronavirus pandemic. London workers' satisfaction with their pay and opportunities for progression remains low, with a high proportion saying they have felt unwell over the last year due to work-related stress.

The Mayor's 2021 manifesto sets the protection, preservation and creation of jobs as a key priority for London and its economy. Yet, as this paper has demonstrated, there is an urgent need to focus on good work and to ensure it is accessible to all.

Developing and maintaining affordable infrastructure

A key element of this is to strengthen the city's infrastructure, which enables Londoners – especially those who experience the most disadvantage – to work and manage the costs of living. This includes creating accessible and affordable transport and childcare services.

Londoners have pointed to the affordability of transport in the capital as an area of particular concern. This echoes the findings of a 2019 report produced by Centre for London which found that Londoners spend more of their income on transport than the rest of the UK, with younger people and skilled manual employees spending on average one tenth of their income on transport.¹⁸ Adequate and affordable access to transport is especially vital in areas of high deprivation, where it can unlock access to employment opportunities, education and healthcare.

Childcare is another form of important infrastructure. The accessibility and affordability of childcare is vital to promote employment outcomes and career progression, especially for those with caring responsibilities. It is directly linked to Londoners' financial security, due to its impact on workers' disposable income and on unemployed Londoners' access to work.

The Mayor of London should work with London boroughs and Government to improve access to childcare offer and secure a fair and sustainable longer-term funding settlement for London's public transport system.

Promoting good work

Londoners' have highlighted the importance of adequate pay. Fair pay and conditions are a key pillar of the Mayor's Good Work Standard which sets the London Living Wage as a basic criterion for employers in London. Promotion of skills and progression are another key element of the Standard, as are measures focused on wellbeing in the workplace and diversity in recruitment.

As of March 2021, there were only 93 accredited Good Work Standard (GWS) employers in London, yet the Standard has the potential to reach a much larger number of workers in the capital through its expansion.

The Mayor of London and London boroughs should use procurement to create further incentives for employers to be accredited by the Good Work Standard.¹⁹

Revisiting the Standard

Revisiting the Standard to ensure its criteria is ambitious and on the right track to creating better work is a vital step. This can be done, in part, by embedding measures which can promote greater job security for workers, including reasonable notice of hours with compensation for late cancellation of shifts.

¹⁸ Centre for London. (2019). [Fair access: towards a transport system for everyone](#).

¹⁹ Currently, organisations accredited by the Good Work Standard can demonstrate social value in public sector procurement opportunities with the GLA Group.

This may mean adopting the requirements of the Living Hours standard, created by the Living Wage Foundation, would encourage employers to provide longer notice periods for shifts and a guaranteed minimum of 16 hours per week. This can provide workers with greater autonomy and certainty, and increase their ability to access training.

The Mayor of London should embed the requirements for employers to give reasonable notice of hours in the Good Work Standard, creating greater guarantees and job security for workers.

Improving access to training

The new Good Work for All grant emphasises linking unemployed Londoners to good work, especially in the areas of digital, health and social care, green economy and creative industries. As part of this, it is vital to ensure Londoners have access to training opportunities, including apprenticeships, that allow them to upskill and reskill to access jobs. This requires action at national and local levels.

The Government's introduction of the Lifetime Skills Guarantee – giving those aged over 23 in England funding for a first Level 3 qualification – is welcome, but it should be extended to include learning at lower levels, flexible learning opportunities (i.e. modules) and opportunities to retrain. Support is also required to cover the costs associated with training, such as transport and childcare.

The Mayor of London should ensure there is a clear skills offer tailored to the specific needs of Londoners, particularly those on low incomes.