

Knowledge economy and the labour market

Changing Forms of Organisation

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The impact of the knowledge economy on jobs

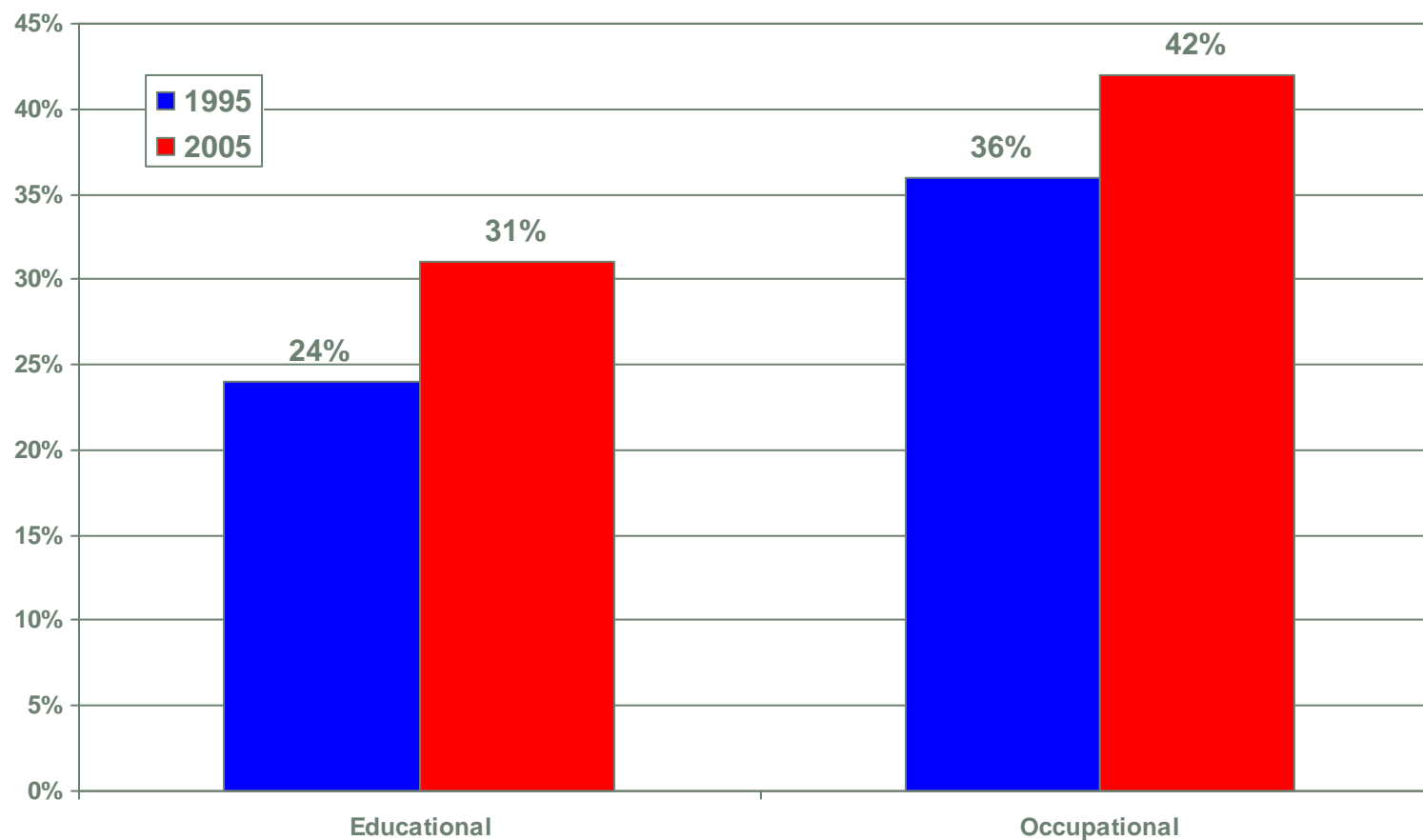
- Who are knowledge workers?
- Is the knowledge economy driving new forms of work flexibility?
- Is the knowledge economy associated with more lovely and lousy jobs?
- Are we producing too many knowledge workers?

Definitions of knowledge workers

- No official statistical definition of “knowledge workers” and limited internationally comparable information;
- Most commonly used are top 3 occupational groups (managers, professionals, and associated jobs) or educational – at least graduate or equivalent;
- Producers of knowledge assets (teachers, trainers, sales and marketing, consultants, librarians, professionals, technicians, nurses);
- Task based one-off studies and surveys – “expert thinking and complex communication skills” (researchers and related professionals, teachers, some salespeople, some managers);
- Tech based - R&D researchers, Science, Engineering Technology (SET) graduates, IT professionals;
- None or assumed to be self-evident.

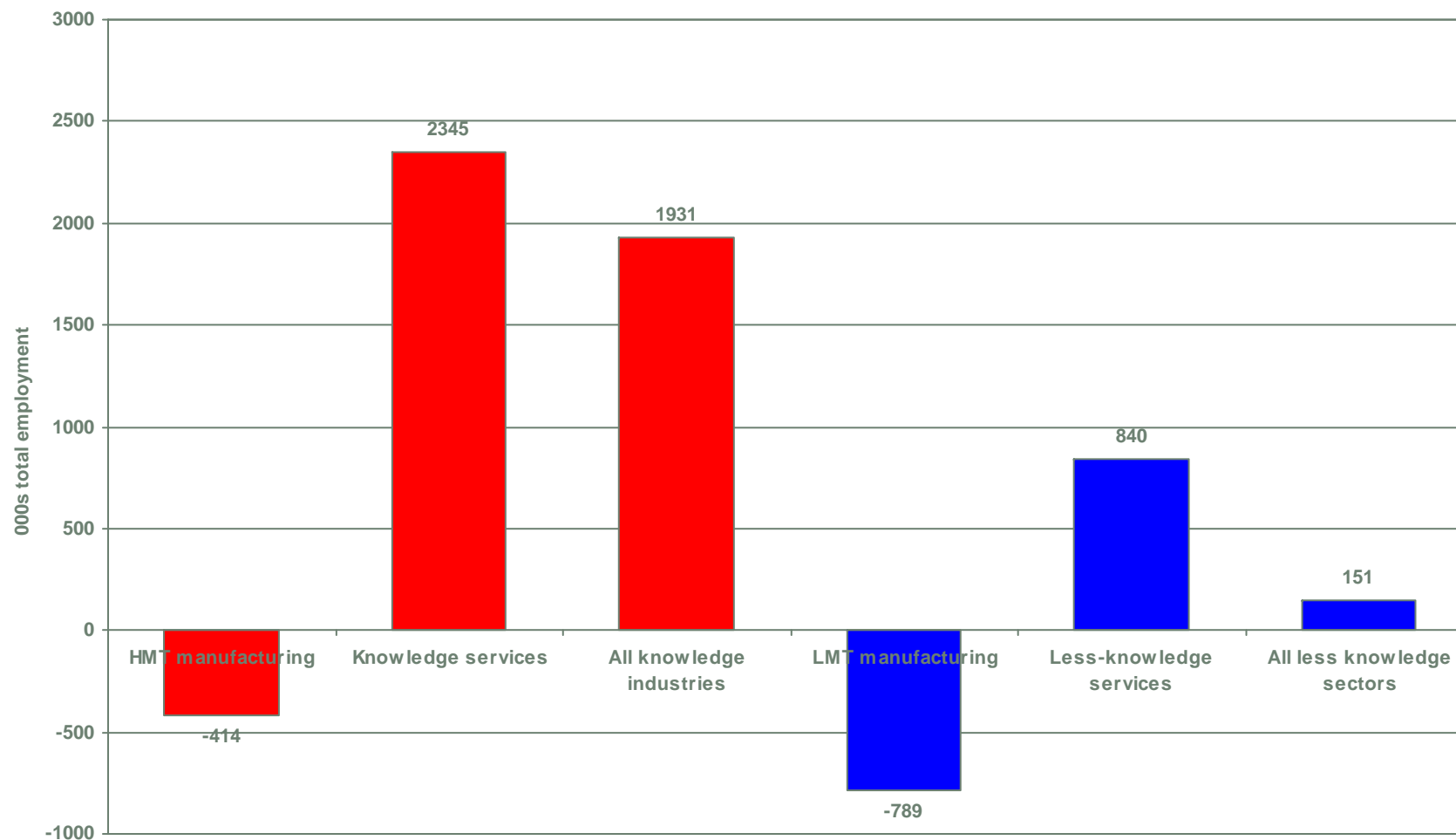
How many knowledge workers?

Share of total employment: educational = graduate and HE equivalent; occupational=top three standard occupational groups (managers, professionals, associates)



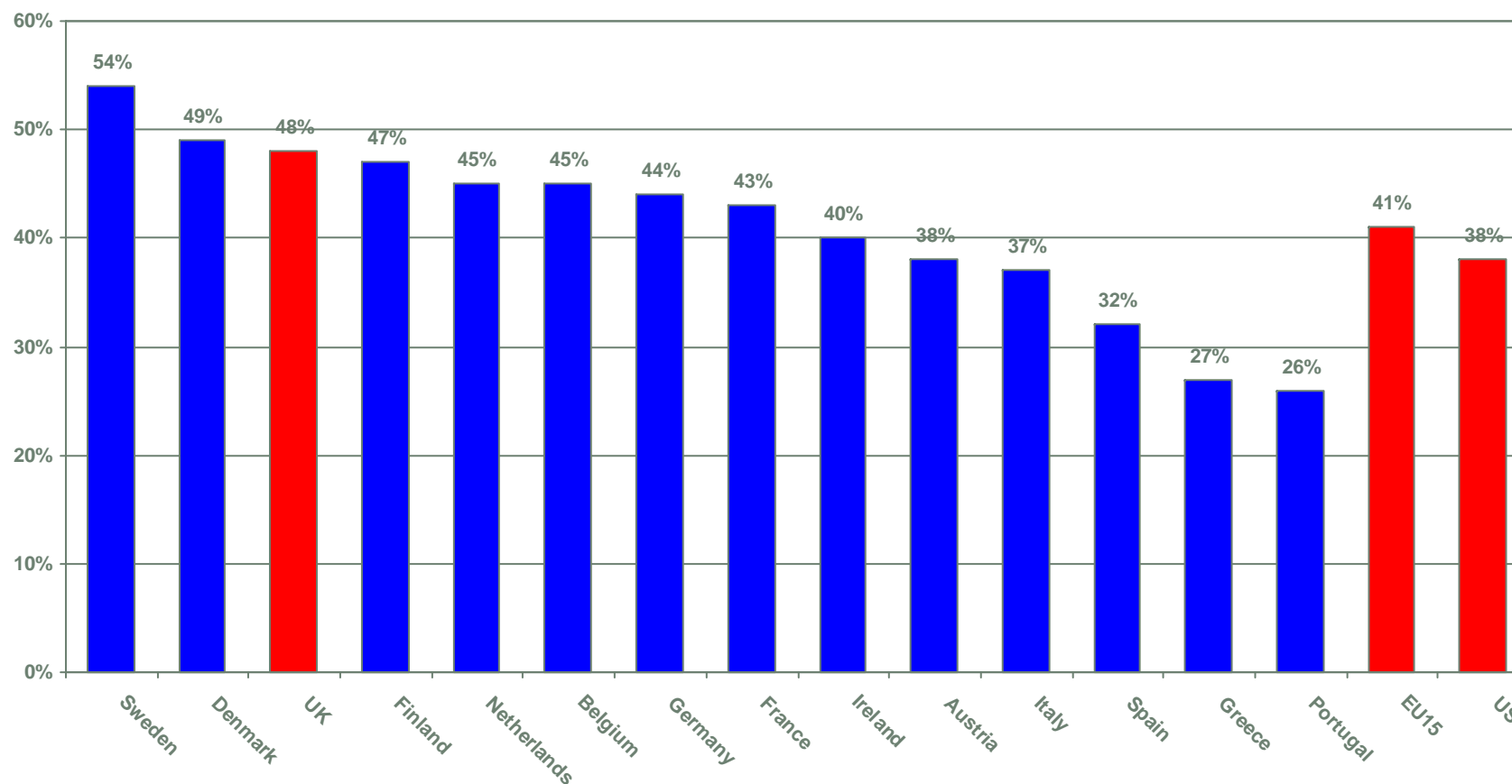
Knowledge based industries and job creation in the UK 1995-2005

Eurostat technology and knowledge intensive industry definitions



Employment in Knowledge based industries in 2005

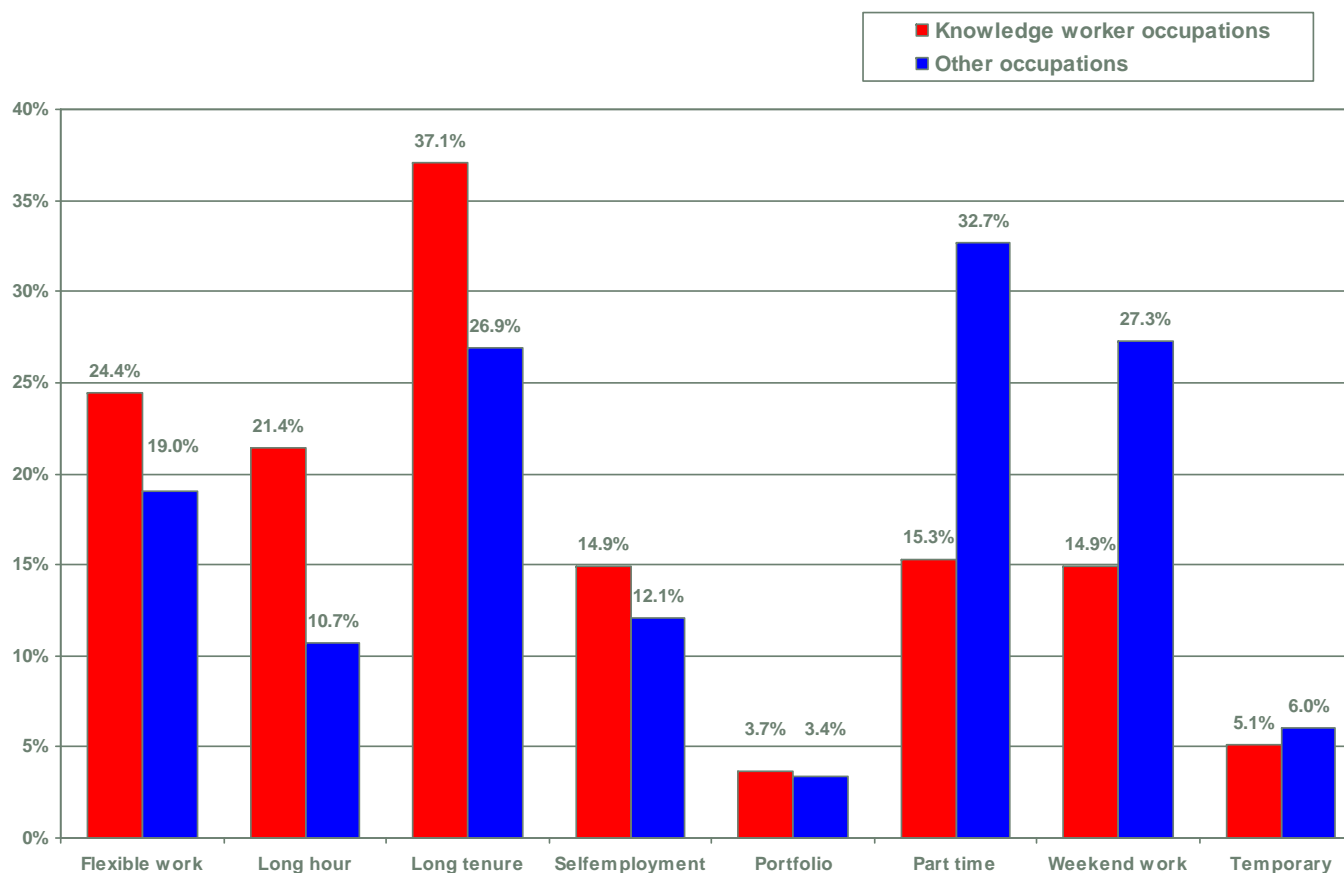
Eurostat definitions of technology and knowledge based industries, derived from European Labour Force Survey: WF estimates for US, based on approximate US industry equivalents of Eurostat definitions



Knowledge workers and flexible working in 2005

(“knowledge workers” = top three occupational groups, share of total employment: flexible working = all reporting some form of flexible working (eg flexi-time, term-time working, job share); long hours = 48 or more a week (inc unpaid); long tenure = 10 yrs or more in current job; portfolio = more than one job).

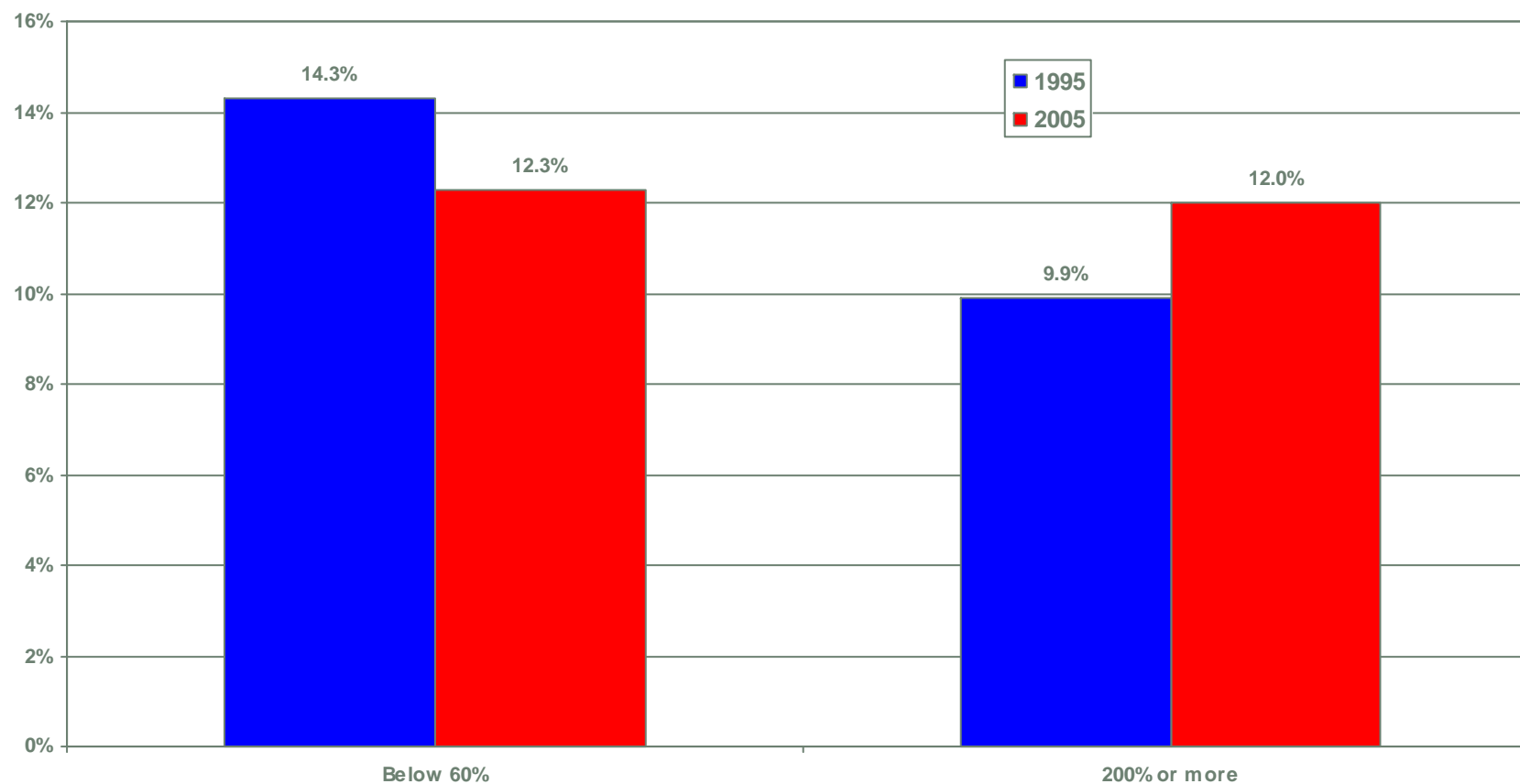
Source: Labour Force Survey



Knowledge workers and flexible employment 1995-2005

- Knowledge workers are more likely to work part time compared with 1995 (two thirds of all growth in part time work);
- Knowledge workers much less likely to work long hours (defined as 48 usual hours a week or more) than a decade ago;
- Knowledge workers no more likely to be in “portfolio” employment (with more than one job) than in 1995;
- Knowledge workers less likely to be self-employed than in 1995;
- Knowledge workers just as likely to be in long tenure jobs (defined as in current job for at least 10 years) as in 1995.

The hourglass labour market? Shares of well-paid and low paid jobs 1995-2005

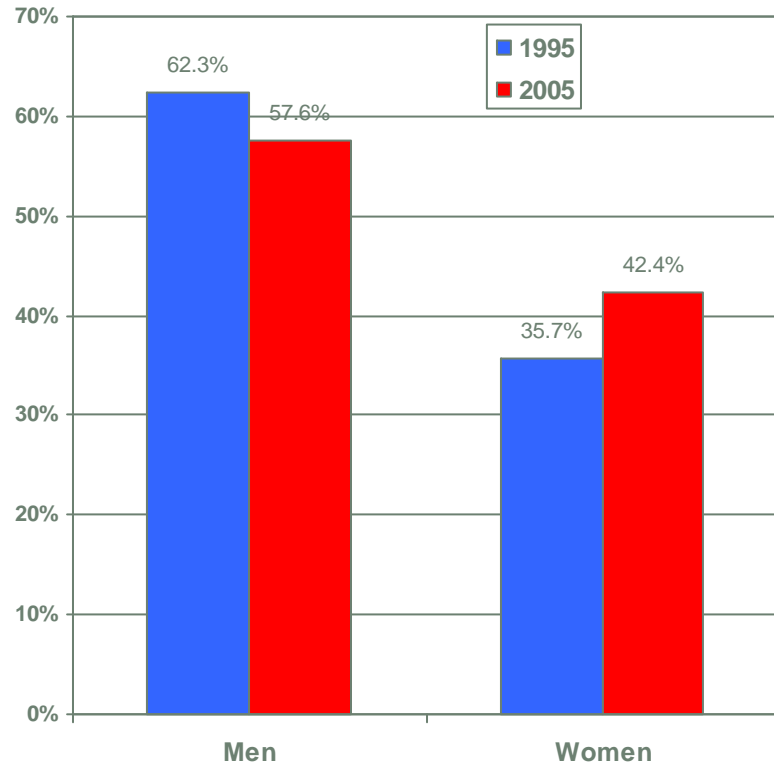


Are we producing too many knowledge workers? The evidence

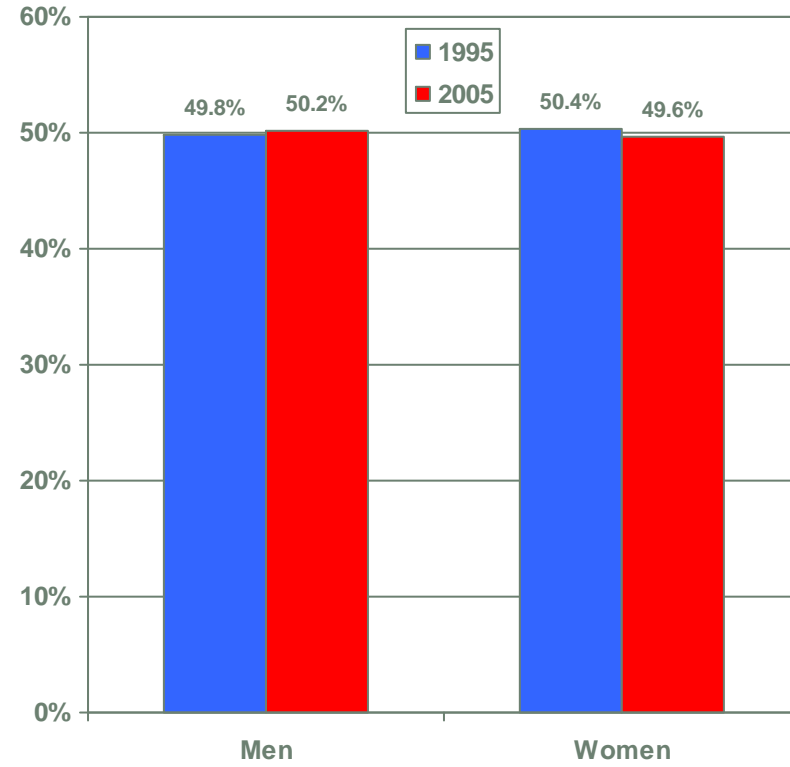
- The ratio between the aggregate average wages of graduates and non-graduates have not significantly changed over time;
- There has been no increase in polarisation within the graduate workforce (ie the share of graduates in less well-paid jobs and the share in well paid jobs has not changed greatly over the past decade)
- The gap in employment rates between graduates and non-graduates has narrowed over the past decade;
- Some possible explanations (a) the nature of some traditionally “non-graduate” jobs has changed or (b) the full impact of expanding graduate numbers have still to come through.

Knowledge work and the gender dimension

Knowledge worker occupations



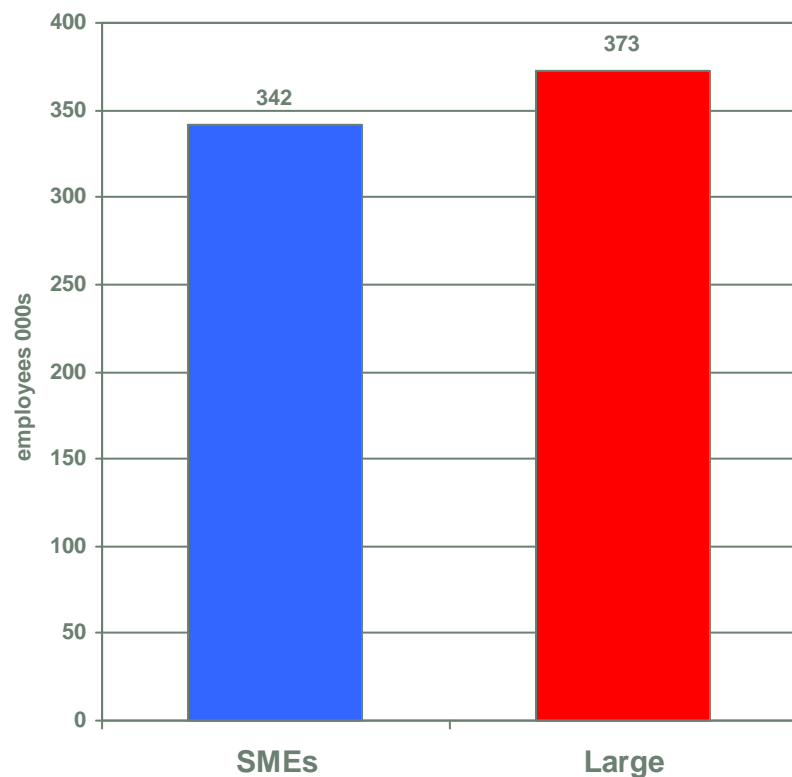
Other occupations



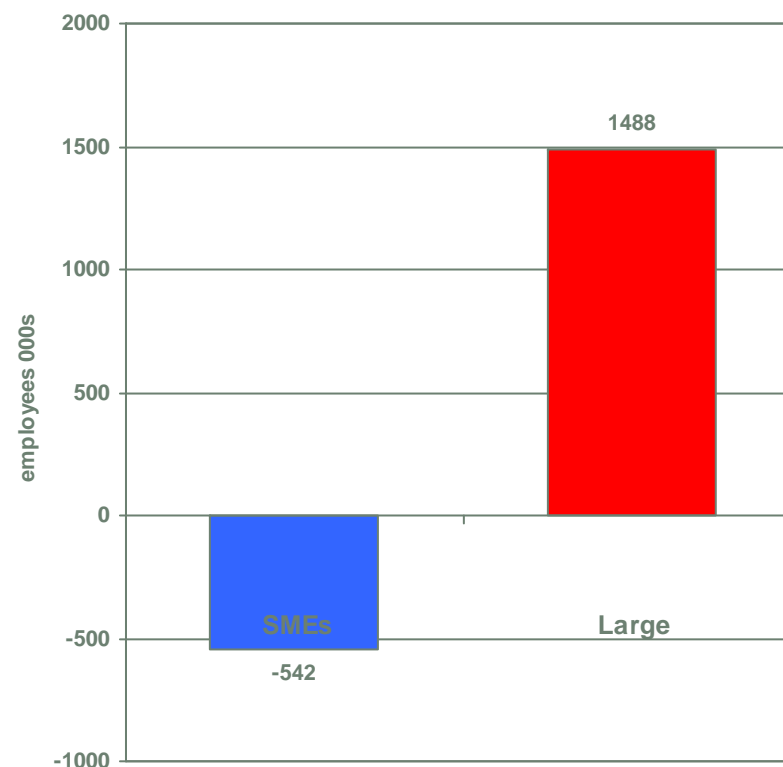
Knowledge economy and enterprise – gazelles and elephants

Employee employment change 1995-2005, excluding health and education services: Source: Enterprise Directorate

KE based private sector industries



Other private sector industries



Conclusions to date

- The UK has a large knowledge economy by OECD standards measured by the share of employment in knowledge industries;
- Knowledge based service industries have dominated job creation over the past decade in the UK (and are big job generators in all OECD economies);
- Over the past decade, the growth of knowledge based work has not been associated with new forms of job flexibility – or increased polarisation (more lousy and lovely jobs);
- The economy has absorbed the increased supply of graduates relatively efficiently (so far);
- Broadly speaking, it has been good for women's employment;
- SMEs in knowledge based industries are a significant source of new jobs, but SMEs in the rest of the economy are shrinking as a share of employment.