

How does getting promoted, and other forms of in-work progression, impact our welbeing?

# the big idea

Until now, the consensus has been that getting promoted at work - whether in terms of pay, status or responsibility - is good for our wellbeing. This briefing explores whether the evidence backs this assumption up. It is based on a systematic review of the evidence of how progression at work impacts wellbeing. It looks at what kind of progression is important to employees, and what the potentially negative impacts of progression may be.

Job progression is one aspect of job quality. Evidence shows that while being employed is good for wellbeing, being in a quality job is even better, as our Job Quality briefing from 2017 emphasised.

By 'high quality', we don't mean a certain skill level, type or industry. It's about what makes a job worthwhile for us. Things like:

- how secure it is
- the social connections we have
- · the ability to use and develop our skills
- clear responsibilities
- opportunities to have a say in a supportive workplace.

# What is in-work progression?

Progression was highlighted by the 2017 Taylor review of modern working practices, which explicitly recommended that











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You need to give everyone the same opportunities to progress, if people want to.



17 include

studies

sifted



longitudinal studies

#### "Government should seek to develop a better understanding of what progression at work is and the public policy levers that can influence it".

For this systematic review we looked for evidence on progression that included:

- monetary gains, for example, increased earnings as a result of an hourly pay rise, increased hours of work, or promotion
- **non-monetary gains**, for example, progression into a more stable and secure job, which may result in monetary gains over the longer-term.

The studies that were included in this review measured progression as:

- people's self-reported experiences of progression
- · changes in seniority
- · expectations of promotion

This means it is difficult to specify what particular aspects of job progression are having an effect on reported life satisfaction, job satisfaction and mental health outcomes.

Much of the evidence is classed as promising rather than strong, reflecting the relatively small number of studies conducted, even though they use nationally representative longitudinal data.



## What do you need to know? The five minute read



Promotions can lead to improvements in job satisfaction in the short-term, but the positive effect fades over time. [5], [11], [12]



There is mixed evidence on the immediate effects of promotions on mental health: in the longer-term there is a possibility that promotions are associated with poorer mental health. [2], [11], [15]



In addition to actual promotions, having a job with career prospects can make an important contribution to a person's wellbeing. [3], [12], [14], [17]



Some forms of insecure or temporary employment are associated with poorer wellbeing [1], [3], [4], [6], [7], and [10]

Moving into permanent employment may not produce better wellbeing outcomes when compared to temporary work. Where there are improvements, these are mainly driven by greater satisfaction with job security. [1], [3], [4], [6], [7], [10], [16]



All evidence should be considered alongside questions of possible benefits and risks, affordability, acceptability, feasibility and wider impacts, including equity issues, in the user setting. Where the evidence is less strong, these other considerations become even more important.



# what evidence did we find?

The evidence explored

# Promotions can lead to improvements in job satisfaction in the short-term, but the positive effect fades over time.

One study in the review looked at the effect of promotions, measured by individuals' selfreports on whether they received a promotion, on job satisfaction and several other job attributes, for example stress, control and security, based on a sample of 2,681 employed individuals between 2002 and 2010.

The greatest increase in job satisfaction was observed 0-6 months after promotion, when individuals reported:

- A small increase in reported job satisfaction (0.16 'standard deviations' of job satisfaction).
- Similar increases in feelings of security, sense of control over their own work and stress.

After the initial six months, the effect of promotion on job satisfaction began to decline, and was statistically insignificant two years after the promotion. The research finds that promotions did have a more lasting effect on control, but also on stress levels: both measures remained at their higher levels more than three years after promotion.



# Figure1: Effects of promotion on job satisfaction and perceived job attributes over time

Reference: Johnston, D.W. and W.-S. Lee, Extra Status and Extra Stress: Are Promotions Good for Us? Industrial and Labor Relations Review, 2013. 66(1): p. 32-54.



# Promotions may have a negative impact on mental health in the longer-term; immediate effects are more mixed

One study used data from individuals in the UK between 1991 and 2007, which included a sample of around 17,000 five-year individual spells and more than 1,000 individual promotions. It measured the effects of transitions between non-supervisor, supervisor and managerial roles, on mental strain.

It found that:

- People who are promoted from non-supervisor to supervisor, or from supervisor to manager show no significant change in reported mental strain.
- People experiencing a larger promotion, from non-supervisory role to managerial roles, experienced an improvement in mental wellbeing in the first year. However, by the third year, mental strain of the people that had a larger promotion had worsened, compared to those not promoted.

# Having a job with career prospects can be an important element for peoples' wellbeing

A study using the US National Longitudinal Survey of Youth data for the years 1998-2006 with 30,000 individual-year observations, investigated the effect of promotions on job satisfaction over time, as well as the role of expectations for future promotions on job satisfaction. This was captured by the self-reported information on whether workers believed that a promotion was possible over the next few years or the job involved promotion opportunities.

Both actual promotions and positive expectations about future promotions had comparable effects on job satisfaction.

Individuals who were promoted had an initial increase in job satisfaction of 5%, (0.12 points relative to a mean satisfaction score of 2.4 out of 3), which faded over time. Those with an expectation of promotion also had 5% higher job satisfaction compared to their peers who did not expect one.



# Figure 2: The effect of actual promotion or perceived promotion prospects upon job satisfaction

Reference: Kosteas, V.D., Job satisfaction and promotions. Industrial Relations: A Journal of Economy & Society, 2011. 50(1): p. 174-194.



# Some forms of insecure or temporary employment are associated with poorer wellbeing

In four studies, insecure employment was associated with poorer wellbeing for all individuals, and in two additional studies, insecure employment was worse for women only.

One study using data from Australia (males aged 15-65), found that the negative impact of casual employment on perceived job security and life satisfaction was much more pronounced for employees with a short tenure (less than two years).



# Moving into permanent employment may not produce better wellbeing outcomes when compared to temporary work. Where there are improvements, these are mainly driven by greater satisfaction with job security.

One study analysed the effect of moving into both permanent and non-permanent employment on individuals' life satisfaction and work satisfaction. Using the 1999-2004 British Household Panel Survey (BHPS) and a sample of around 19,000 male and 19,800 female employees, the study distinguished between permanent, fixed-term, temporary agency and other flexible contracts, including casual and seasonal employment. It found that:

- The effect of moving between permanent, fixed-term, temporary agency and other flexible contract types were statistically insignificant, except for women moving from permanent to 'other flexible contracts', which were found to be associated with a lower job satisfaction.
- Importantly, after controlling for individuals' satisfaction with job security, moving into any form of non-permanent employment was associated with increased job satisfaction when compared to permanent work. A permanent contract does not necessarily come with all the other aspects of job quality that are important to people's wellbeing.

Consistent with the finding above, that promotion prospects matter for wellbeing, two studies found that the lower promotion opportunities available for temporary contract holders were an important determinant of the associated wellbeing gap between temporary and permanent work, in addition to the effect of decreased job security from fixed-term contracts.





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# Implications for employers

Promotion can improve employees' satisfaction with life and with work in the short-term.

However, the positive effect of promotion diminishes over time and, in some cases, there are negative effects in the longer-term on employees' mental health. Because of this, employers could consider how to create a work environment where progression to more challenging roles is supported, and that regular progression and development opportunities are accessible to all employees on both temporary and permanent contracts.

This could include the following.

- Understand people's barriers to progression, such as skills, ill health or language barriers.
- Provide support and/or improving people's capabilities to progress, for example by developing their skills and experience or providing more flexible work arrangements.
- Make sure that wellbeing is monitored and addressed throughout by providing targeted support at every level, especially post-promotion.

# Implications for policy

Policy makers could consider encouraging employers to consider the following.

## 1. Make sure progression opportunities are supported and accessible.

This can include conceiving of in work progression more broadly than through hierarchical and management structures, to provide development opportunities for all employees throughout their careers.

Work and learning that enables people to progress and develop new skills was considered important by most participants in our <u>public</u> <u>dialogues</u> as essential for wellbeing.

2. Identify opportunities to reduce the negative wellbeing effects of job insecurity across all job types. Job security can be enhanced if we feel we're able to get another good job fairly easily. This could be achieved, for example, through creating support systems for people on fixed-term contracts to:

- · transition between contracts
- identify progression opportunities and career development support, including training.

### **Evidence gaps**

While this briefing provides evidence on the general wellbeing effect of in-work progression through different routes, such as promotion, wage rise or moves into permanent work, further research is required to understand how different forms of promotion affect different groups of people.

This would include comparing within-employer job transitions with moving to an alternative employer, and the different effect on people based on their sector, gender, age, non-work commitments and career aspirations.

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# briefing | progression and job security



The Centre is supported by the ESRC and partners to produce evidence on wellbeing in four areas: work and learning; culture and sport; community; and cross-cutting capabilities in definitions, evaluation, determinants and effects.



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