

# **Building a business case for good jobs: Links between Good Work and innovation, productivity and employee health/wellbeing**

## **ReWAGE Policy Brief**

### **Introduction**

This research brief focuses on the relationship between good jobs, expressed as Good Work, and business outcomes. It considers the evidence from existing literature linking multiple dimensions of Good Work to the business outcomes of innovation, productivity, and employee health/wellbeing. The research aligns with the LRA's vision to serve as Northern Ireland's leading authority in promoting productive working relationships in support of economic growth, in line with the Minister for the Economy's Economic Vision.<sup>1</sup>

Northern Ireland's persistent low level of productivity has no single explanation<sup>2</sup> and it has become a central policy challenge to addressing economic growth in Northern Ireland.<sup>3</sup> Innovation, often a precursor to productivity, is essential as it creates economic growth and more better jobs.<sup>4</sup> Employee health/wellbeing too is essential if economic growth is to be sustainable<sup>5</sup> as the economic costs of ill health are significant to individuals, firms and the economy. Aiming to create good jobs in Northern Ireland, the NI Executive<sup>6</sup> has argued that a focus on job quality, not just job creation, has to be a cornerstone of economic policy.

This policy brief and the longer evidence paper contribute to the business case for creating more good jobs in Northern Ireland as a route to improved firm innovation, productivity and employee health/wellbeing.

### **Approach**

There is no national statistical dataset administered by either Northern Ireland Statistics and Research Agency or the UK's Office for National Statistics that would enable direct

---

<sup>1</sup> Department for the Economy (DfE) (2024) Statement from Minister Murphy – Economic Vision, <https://www.economy-ni.gov.uk/news/statement-minister-murphy-economic-vision>.

<sup>2</sup> Jordan, D. (2022) Northern Ireland's productivity problems, National Institute UK Economic Outlook – Summer 2022, National Institute of Economic and Social Research, <https://www.niesr.ac.uk/wp-content/uploads/2022/08/NIESR-UK-Economic-Outlook-Summer-2022.pdf>.

<sup>3</sup> FitzGerald, J. and Morgenroth, E. (2020) 'The Northern Ireland economy: problems and prospects', Statistical and Social Inquiry Society of Ireland, 173. Friedrich, A., Sjöberg, A. and Friedrich, P. (2016). Leaned teamwork fattens workplace innovation, The relationship between task complexity, team learning and team proactivity. *European Journal of Work and Organizational Psychology*, 25(4), 561–569.

<sup>4</sup> Department for the Economy (DfE) (2022) Measuring Success: 10X metrics to achieve a 10X economy, [www.economy-ni.gov.uk](http://www.economy-ni.gov.uk)

<sup>5</sup> Jordan, D. and Turner, J. (2022) Northern Ireland Productivity Dashboard, Northern Ireland productivity Forum, The Productivity Institute, <https://www.productivity.ac.uk/research/northern-ireland-productivity-dashboard-2022/>.

<sup>6</sup> Office of the First Minister and Deputy First Minister/New Economics Foundation (OFMdFM/NEF) (2015) Good Jobs in Northern Ireland.

analysis of the relationship between Good Work and the business outcomes of productivity, innovation and employee health/wellbeing. In the absence of such a dataset, a patchwork reliance on secondary data is necessary, though this data can be limited in some cases and is fragmented overall. This policy brief summarises the findings from a literature review that collated much of this data.

The literature reviewed draws on both the generic terms of ‘good work’, ‘fair work’, ‘job quality’ and ‘decent work’ as well as the more specific dimensions of Good Work developed by the Carnegie Measuring Job Quality Working Group.<sup>7</sup> These seven dimensions are: terms of employment; pay and benefits; health, safety and psychosocial wellbeing; job design and the nature of work; social support and cohesion; voice and representation; and work life balance. These dimensions are assessed against innovation, productivity and employee health/wellbeing.<sup>8</sup>

## Key Findings

### Innovation and Good Work

Innovation includes product, process and other innovations, all of which feature in the literature. Overall, evidence demonstrates that there is a positive link between innovation and job quality. The summary findings linking each of the seven dimensions of Good Work and innovation are presented in Table 1. There was little research that assessed multiple dimensions of job quality with innovation but there is reason to suspect that there are interactive effects which may be reinforcing.

**Table 1: Summary of findings on job quality and innovation using the Good Work dimensions**

Dimension	Summary finding
Terms of employment	Little research exists on the relationship between terms of employment per se and innovation. Research on temporary employment offers mixed findings – it can both help and hinder innovation.
Pay and benefits	Financial incentives are important but it is the structure of pay packages rather than payment level that matters most for innovation.
Health and wellbeing	Workplaces that are conducive to good health and/or can positively channel stressors make for a more innovation friendly environment.
Job design and the nature of work	Types of work organisation and organisational culture can help or hinder innovation; Taylorist work organisation and management approaches are a hinderance; non-Taylorist can help innovation.

<sup>7</sup> Irvine, G., White, D. and Diffley, M. (2018), *Measuring Good Work, The final report of the Measuring Job Quality Working Group*, Carnegie UK Trust, Dunfermline. <https://www.carnegieuktrust.org.uk/publications/measuring-good-work-the-final-report-of-the-measuring-job-quality-working-group/>

<sup>8</sup> The evidence paper also includes data gathered from illustrative case studies of firms in Northern Ireland.

Social support and cohesion	Social support from management and colleagues can help innovation and innovative behaviour, though the evidence base is small.
Voice and representation	Innovation potential is higher in organisations with employee participation and voice, and a sense of belonging. There is no evidence that unions hinder innovation, though the evidence base is small.
Work-life balance	Reduced working hours and flexible working promotes innovation and innovative behaviour. It can also enhance learning and innovation processes both within and between firms.

## Productivity and Good Work

Studies utilise a wide range of measures of productivity for example output per hour, per capita value added and even perceptions of productivity. Some more than others of the seven dimensions have a more robust evidence base linking productivity. Where literature exists, it indicates a positive relationship. The evidence is summarised in Table 2.

**Table 2: Summary of findings on job quality and productivity using the Good Work dimensions**

<b>Dimension</b>	<b>Summary finding</b>
Terms of employment	While temporary employment negatively impacts productivity, no research appears to exist on the range of employment contract types and productivity.
Pay and benefits	A positive relationship between pay and productivity exists across national contexts and at individual worker, firm and sector levels.
Health and wellbeing	A positive relationship exists between productivity, employee wellbeing and job satisfaction at individual worker and organisational levels.
Job design and the nature of work	Some forms of job design, including Quality of Working Life and High Performance Work Systems, can improve productivity in certain industries.
Social support and cohesion	Very little research exists; some on teamworking suggests a positive relationship with productivity but is not statistically significant.
Voice and representation	The effects of unionisation are mixed but can be good in certain industries and certain countries. Non-union forms of worker voice have shown positive increases in productivity.
Work-life balance	Longer working hours impede productivity. A positive relationship can exist between work-life balance and productivity, particularly for some forms of flexible working.

## Employee health/wellbeing and Good Work

Because use of the term 'wellbeing' can be fuzzy, this section focuses directly on worker health outcomes – mental and physical – in relation to the seven dimensions of Good Work. Here, the evidence base can draw on systematic reviews and meta reviews, both of which are readily available in health sciences. The findings are summarised in Table

3. As with other areas of research, there is a tendency to examine a particular aspect or dimension of a job rather than the job as a whole.

**Table 3: Summary of findings on job quality and employee health using the Good Work dimensions**

Dimension	Summary finding
Terms of employment	Considerable evidence indicates that job insecurity and precarious employment and, to some extent, temporary employment have adverse mental health outcomes.
Pay and benefits	Better pay and higher incomes are associated with better mental and physical health. Some work-related benefits are associated with lower mental health problems.
Health and wellbeing	Unmitigated high demands and high strain in jobs are linked to physical and mental ill-health.
Job design and the nature of work	Increased control over tasks and task variety are positively associated with health, particularly good mental health.
Social support and cohesion	Generally, social support from colleagues and managers can positively help mental health amongst employees.
Voice and representation	A positive relationship exists between unions and minimised occupational health risks. Evidence on relationship between general physical health and mental health and unions is sparse and inconclusive.
Work-life balance	Long working hours and shift work generally can have adverse mental and physical health consequences.

### Conclusion & Recommendations

There are limitations in the data as the extent of evidence base for each dimension varies by each of the firm business outcomes. Similarly there are few studies which assess the multi-dimensional effects of Good Work on productivity, innovation or employee wellbeing and health. With the lack of linked administrative data it is not possible to make causal inferences. Such linkages are possible and there are attempts to develop them in the UK.<sup>9</sup>

In spite of these limitations, these findings offer good news for policymakers interested in improving innovation, productivity, and employee health/wellbeing in Northern Ireland. Creating more good jobs could be important feature of the efforts to deliver the step change envisioned in the Minister for the Economy’s Economic Vision. The findings also suggest several recommendations:

1. Northern Ireland should maintain policy aspirations that would deliver good jobs.
2. Northern Ireland ought to give serious consideration to implementing a good employment charter.
3. The results of this research should be used to educate and inform all firms in Northern Ireland of the business benefits of good jobs.
4. There should be support for all firms in Northern Ireland to help them transition to providing more good jobs.

<sup>9</sup> Bosworth, D., Sarkar, S. & Warhurst, C. (2023f) Exploratory work to develop a dataset to understand the link between Good Work and productivity. The Productivity Institute.

5. Targeted support ought to be considered for small firms in Northern Ireland to help them improve the quality of their jobs.
6. Northern Ireland should consider including a measure of good jobs as part of its metrics.
7. Researchers should be encouraged to address the data gaps and weaknesses in understanding the business benefits of good jobs generally and in Northern Ireland specifically.

**Source**

Erickson, E., Atfield, G., Balogh, R., Harris, J., and Warhurst, C. (2024). *Building a business case for good jobs: Links between Good Work and innovation, productivity and employee health/wellbeing*, ReWAGE and Warwick Institute for Employment Research.

**About the authors**

This policy brief was authored by Dr Emily Erickson and Professor Chris Warhurst of the Warwick Institute for Employment Research.

This paper represents the views of the authors based on the available research. It is not intended to represent the views of all [ReWAGE members](#).

This work was funded by the [Labour Relations Agency of Northern Ireland](#). For more information visit [www.lra.org.uk](http://www.lra.org.uk).

**About ReWAGE**

ReWAGE is an independent expert advisory group modelled on SAGE that is co-chaired by the Universities of Warwick and Leeds. It analyses the latest work and employment research to advise the government on addressing the challenges facing the UK's productivity and prosperity.

For more information visit: <https://warwick.ac.uk/fac/soc/ier/rewage/>.

Core funding for ReWAGE was provided by the Economic and Social Research Council.