Office for National Statistics

Article

Coronavirus and occupational switching: January to June 2020

Occupational flows across the labour market, focusing on the individual characteristics of the occupation movers, such as sex and age.

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1 . Main points

- Of those employed in Quarter 1 (Jan to Mar) and Quarter 2 (Apr to June) 2020, 6.1% changed occupation in the first half of this year compared with 5.7% in the same period last year.
- Analysis of only those who have changed occupation in the first half of this year shows that associate professional and technical occupations experienced the greatest percentage of occupational outflows (20.9%) and occupational inflows (21.2%); over half (52.5%) also changed major industry.
- Of the workers who changed occupation between Quarter 1 and Quarter 2 2020, over half (52.6%) were men, 26.9% were aged 35 to 49 years and 26.9% were aged 50 to 64 years.

2 . Introduction

The coronavirus (COVID-19) pandemic has had a significant impact on the UK labour market so far. There has been interest in looking at how this has affected the flows between employment, unemployment, and inactivity, as well as the extent to which there has been any effect on labour market mismatch[1] on those who have remained in employment.

This article explores the movements between occupations of those in employment that occurred in the labour market in the period covering the initial impacts of the COVID-19 pandemic (Quarter 1 (Jan to Mar) 2020 and Quarter 2 (Apr to June) 2020). We compare these figures with the same period a year ago (Quarter 1 2019 and Quarter 2 2019) as one way to look at how the pandemic might have affected these flows.

We specifically look at occupational inflows and outflows of those who have remained in employment in the pandemic, covering those who were aged 16 years and over and classed as employees and self-employed by the Labour Force Survey (LFS) in the two consecutive quarters.

Despite a marked fall in labour demand during the pandemic, the unemployment rate remained low, at 3.9%, in Quarter 2 2020. This is in part because of the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS) allowing workers to be temporarily away from work but remain in employment.

Analysis of labour market flows attributes this to a net flow into economic inactivity of 75,000 individuals between Quarter 1 (January to March) and Quarter 2 (April to June) 2020. This was the first net increase in economic inactivity since early 2013, driven by those moving out of unemployment. This likely reflects how lockdown has affected the ability and/or willingness of people who have lost their job to actively search for a new one, caused partially by personal health concerns. Employment status on the LFS is self-reported, with people classifying themselves as being either an employee or self-employed. The number of people who changed from reporting themselves as self-employed to an employee increased by 48,000 between Quarter 1 and Quarter 2 2020, and 81,000 on the year to a record high of 253,000. This may be partially attributed to workers seeking greater job security and stability as a result of uncertainty created during the pandemic.

Occupational switching can be defined as a change in a worker's Standard Occupational Classification (SOC) from one quarter to the next, which would not be reflected in the traditional flows between employment, unemployment and inactivity. However, this can be of interest in helping to understand whether the pandemic might have led to an increase in mismatch in the labour market.

This analysis uses the LFS to classify occupation switchers as those who have changed one-digit SOC code between periods Quarter 1 and Quarter 2. When analysing at the major group structure, one-digit level, although broad, this compresses occupations that are similar in terms of qualification, training, skills and experience.

The ability of workers to switch between different occupations highlights the existence of transferrable skills and labour mobility. The Office for National Statistics (ONS) defines a job as an activity performed for an employer or customer by a worker in exchange for payment, whereas occupations are grouped according to skill level and skill specialisation. Therefore, not all job-to-job moves are considered an occupational switch as some workers may take on a different job within the same occupation.

Notes for Introduction:

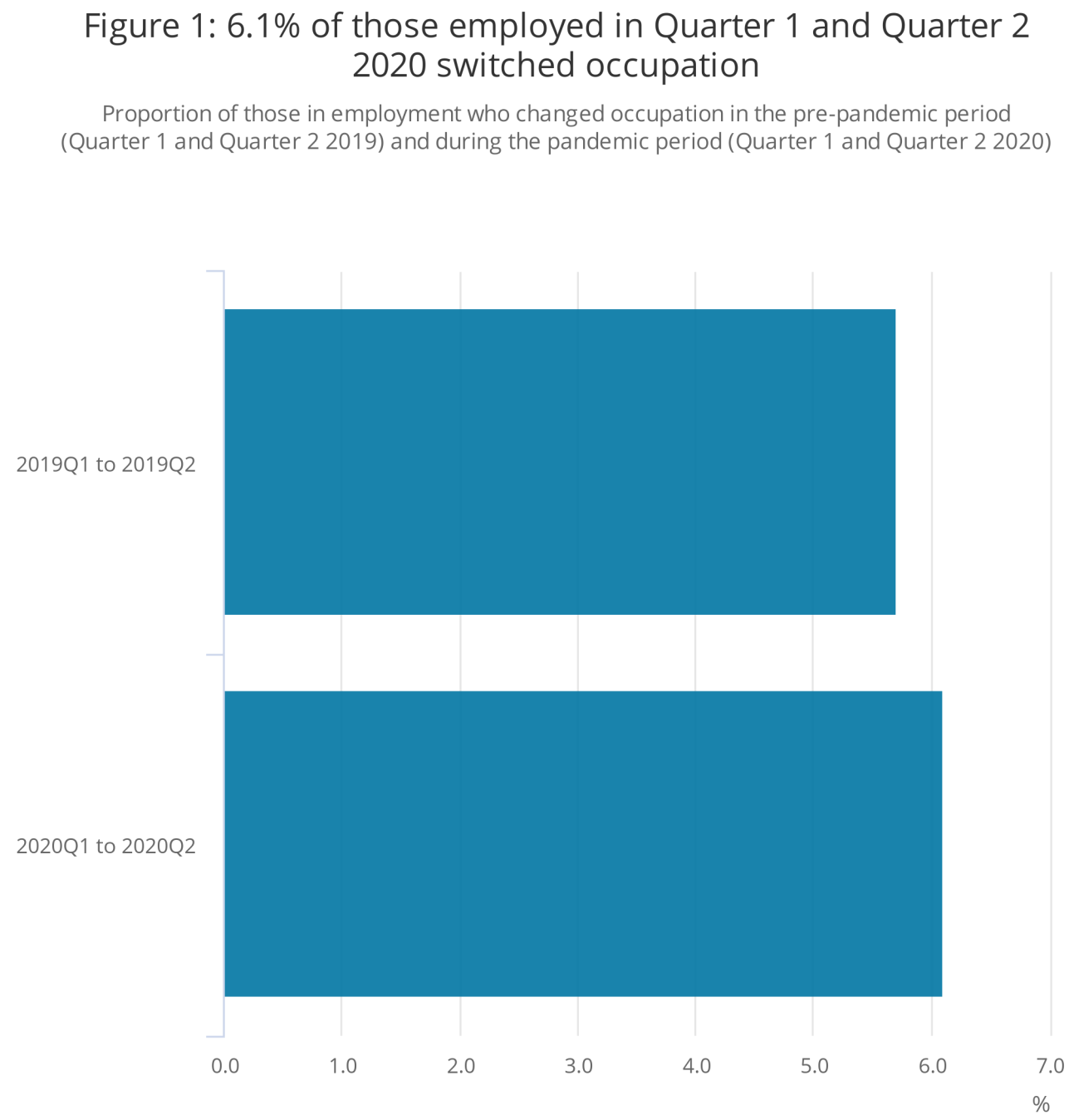
1. Labour market mismatch can be defined as a worker with a level of education, experience, skills or interests that do not correspond to their job where they are employed.

3 . Total proportion of occupational switching

Looking at those who were in employment in both Quarter 1 (Jan to Mar) and Quarter 2 (Apr to June) 2019, 5.7% of people changed occupations over this period. Between Quarter 1 and Quarter 2 2020 during the coronavirus (COVID-19) pandemic period, this rose to 6.1%.

Figure 1: 6.1% of those employed in Quarter 1 and Quarter 2 2020 switched occupation

Proportion of those in employment who changed occupation in the pre-pandemic period (Quarter 1 and Quarter 2 2019) and during the pandemic period (Quarter 1 and Quarter 2 2020)



Source: Office for National Statistics – Labour Force Survey

4 . Flows between occupations

The Sankey diagram (Figure 2) shows the inflow and outflow of individuals who were classified as employees or self-employed during the period January to June 2020 (pandemic) that have changed their occupation at the major one-digit level in the same period. Therefore, it does not include those who have changed employment status, or those who have stayed in the same occupation. Flows between occupations could be interpreted as a proxy for transferable and/or similar skills between different categories, but it could also highlight that there might be an impact on mismatch in the labour market.

The occupation that saw the largest outflow between Quarter 1 and Quarter 2 2020 was associate professional and technical occupations (20.9%); the largest single move (7.9%) into professional occupations. The largest inflow was also into associate professional and technical occupations, with 21.2% of individuals who switched occupation moving into this group. The highest proportion of movement in this period was workers moving out of professional occupations (6.2%).

Figure 2: Occupational flows, Sankey Diagram Quarter 1 and Quarter 2 2020

Occupation-to-occupation interactions at 1-digit SOC code

Notes:

1. Occupation switchers are individuals who have been surveyed by the ONS and answered the LFS stating that his/her major occupation has changed from one period to the next.
2. Occupations are displayed at the major 1-digit level of the SOC classification due to the limitations of the number of observations in the data.
3. This Sankey diagram is focused on individuals who were in employment in both Quarter 1 and Quarter 2 of 2020. Close attention needs to be paid to the ordering of the occupations in Quarter 1 and Quarter 2 to interpret the nature of the occupation flows correctly.
4. In order to understand the Sankey diagram, the reader should be aware the movements are only of those in employment or self-employment who have changed occupation from Quarter 1 to Quarter 2 2020. It cannot be interpreted as the movements of the entire labour force.

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5 . Proportion of occupation switchers that also changed major industry

When workers change occupation, they may remain in the same major industry or move to a different one. Those who move to occupations with higher skill levels within their existing industry may be a result of promotions. Workers who change major industry when they switch occupations could be searching for a change of career.

During the peak of the coronavirus (COVID-19) pandemic, when businesses were working in limited capacity because of travel restrictions and social distancing measures, businesses in certain industries were disproportionately affected as some were temporarily required to close. This may have encouraged occupational switching into a different major industry.

Figure 3: Of those who changed occupation between Quarter 1 and Quarter 2 2020, 52.5% also changed major industry

Occupation switchers that have changed major industry between Quarter 1 and Quarter 2 2020

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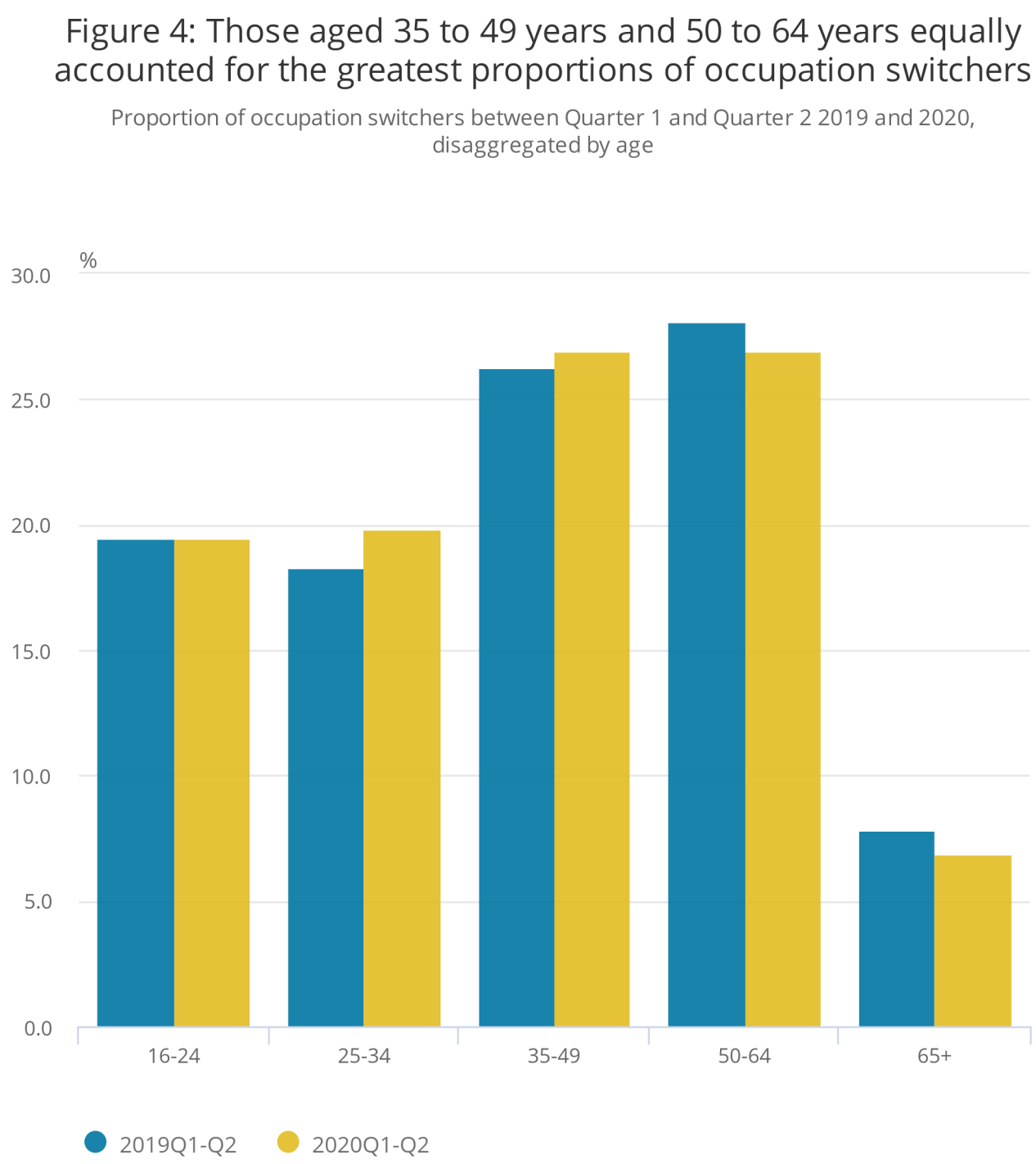
Figure 3 shows that of the 6.1% of workers who changed occupation between Quarter 1 (Jan to Mar) and Quarter 2 (Apr to June) 2020, over half (52.5%) also changed major industry. For context, 52.1% changed major industry of the 5.7% that changed occupation between Quarter 1 and Quarter 2 2019.

6 . Characteristics of occupation switchers

Of those who changed occupation between Quarter 1 (Jan to Mar) and Quarter 2 (Apr to June) 2020, 26.9% were aged 35 to 49 years and the same proportion were aged 50 to 64 years. The two age groups make up a larger proportion of the employed population, and it is also possible that these individuals may have a higher incidence of transferrable skills making it easier to switch between occupations. The proportion of occupational switching accounted for by each age category was largely unchanged compared with that of Quarter 1 to Quarter 2 2019.

Figure 4: Those aged 35 to 49 years and 50 to 64 years equally accounted for the greatest proportions of occupation switchers

Proportion of occupation switchers between Quarter 1 and Quarter 2 2019 and 2020, disaggregated by age

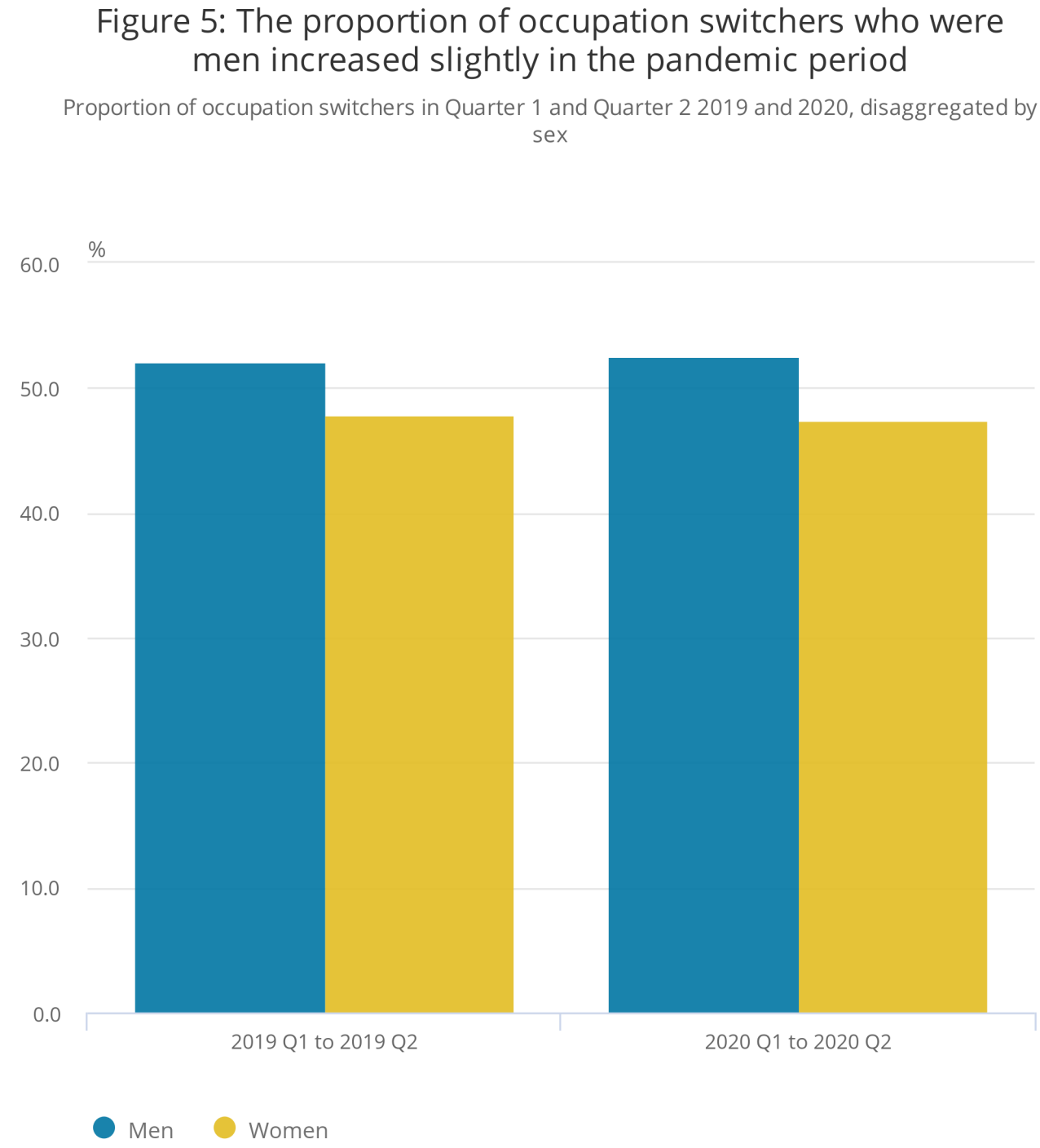


Source: Office for National Statistics – Labour Force Survey

Of those employed in Quarter 1 and Quarter 2 2020 who switched occupation, 52.6% were men and 47.4% were women. This is broadly in line with the figures reported in the first half of 2019.

Figure 5: The proportion of occupation switchers who were men increased slightly in the pandemic period

Proportion of occupation switchers in Quarter 1 and Quarter 2 2019 and 2020, disaggregated by sex



Source: Office for National Statistics – Labour Force Survey

7 . Conclusion

The coronavirus (COVID-19) pandemic has had a significant impact on the UK labour market so far. For those workers who have remained in employment in the quarters explored by this study, there was only a slight increase in the incidence of occupational switching from the pre-pandemic period to the period covering the pandemic. The limited change in occupational switching is likely to reflect the effect of the government's job retention schemes, the CJRS and SEISS, which encourage an attachment between individuals and a specific job. Occupational switching might therefore become more prevalent as employment support unwinds.

As the picture continues to develop, it will be possible to further understand how occupational movements have affected the labour market.

Further work on occupational switching will be covered in due course, where elements such as training and skills mismatch will be added to the research and will extend the analytical study of the switching in occupation.

8 . Appendix

Table 1: General nature of qualifications, training and experience for occupations in SOC 2010 major groups

Major group	General nature of qualifications, training and experience for occupations in the major group
1 Managers, directors and senior officials	A significant amount of knowledge and experience of the production processes and service requirements associated with the efficient functioning of organisations and businesses.
2 Professional occupations	A degree or equivalent qualification, with some occupations requiring postgraduate qualifications and/or a formal period of experience-related training.
3 Associate professional occupations	An associated high-level vocational qualification, often involving a substantial period of full-time training or further study. Some additional task-related training is usually provided through a formal period of induction.
4 Administrative and secretarial occupations	A good standard of general education. Certain occupations will require further additional vocational training to a well-defined standard (for example, office skills).
5 Skilled trades occupations	A substantial period of training, often provided by means of a work based training programme.
6 Caring, leisure and other service occupations	A good standard of general education. Certain occupations will require further additional vocational training, often provided by means of a work-based training programme.
7 Sales and customer service occupations	A general education and a programme of work-based training related to sales procedures. Some occupations require additional specific technical knowledge but are included in this major group because the primary task involves selling.
8 Process, plant and machine operatives	The knowledge and experience necessary to operate vehicles and other mobile and stationary machinery, to operate and monitor industrial plant and equipment, to assemble products from component parts according to strict rules and procedures and subject assembled parts to routine tests. Most occupations in this major group will specify a minimum standard of competence for associated tasks and will have a related period of formal training.
9 Elementary occupations	Occupations classified at this level will usually require a minimum general level of education (that is, that which is acquired by the end of the period of compulsory education). Some occupations at this level will also have short periods of work-related training in areas such as health and safety, food hygiene, and customer service requirements.

Source: Office for National Statistics