Job quality in Europe: What does it mean for workers, labour markets and policy?

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Joint-Seminar WSI-ETUI
“Social, economic and political developments in Europe”
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1. Measurement of job quality: methodology and policy impact
2. What role for workers and working conditions
3. What role for labour market performance
PART I. Measurement

- ETUI Job Quality Index
  - Construction of an indicator, methodological work to validate it;
  - **Future**: Update with 2015 data, effects of the crisis and austerity.

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Job quality in the crisis - an update of the Job Quality Index (JQI), Janine Leschke and Andrew Watt (2012)
Job quality in Europe, Janine Leschke and Andrew Watt (2008)
Measurement

- **What is needed to impact policy**
  - An on-going research project in collaboration with academic researchers (University of Cambridge and University of Chile); a series of journal articles:
  - Diagnosis of a problem: quality of work / decent work have little impact on policy. Prevalence of neo-liberal deregulatory direction for action. Job quality not included at the EU level employment surveillance and recommendations.
  - The close link between formulation of policy strategy, available indicators for monitoring progress and assessment process with new recommendations.
  - What solutions: coherent conceptual framework for measurement of job quality that can translate into and impact policy
Laeken job quality indicators 10 sub-dimensions and 25+ indicators, mostly beyond the scope of job quality itself. Limited policy and methodological impact

Quality of employment taskforce (ILO, CEC, OECD, UNECE, EF); complex indices

EMCO indicators for job quality
(1) Socio-economic security; (2) Education and training; (3) Working conditions; (4) Work-life and gender balance

Lisbon strategy
“More and better jobs”, “promoting quality and productivity at work”

Europe 2020
Employment target for 2020 at 75%

Employment Guidelines
#7 “Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality” still only concrete target is for employment rate (75%)

Employment Guidelines (proposal) #7: Enhancing the functioning of labour markets. “...Quality employment should be ensured in terms of socio-economic security, education and training opportunities, working conditions (including health and safety) and work-life balance.”

Annual Growth Survey (and CSRs)
Employment and social policies: participation, ALMPs, wage setting, segmentation, education and training, poverty and social exclusion

Joint Employment Report
Quantity of jobs, poverty, distribution; job quality missing “Employment Guideline 7: Increasing labour market participation and reducing structural unemployment and promoting job quality.”
# Scoreboard of key employment and social indicators (2013) in JER 2015

<table>
<thead>
<tr>
<th>Levels</th>
<th>Changes</th>
<th>Employment indicators</th>
<th>Social indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>UR</td>
<td>YUR</td>
</tr>
<tr>
<td>2</td>
<td>🅿️</td>
<td>Italy</td>
<td>Belgium, Italy, Croatia, Hungary</td>
</tr>
<tr>
<td>-</td>
<td>🅿️</td>
<td>Greece, Croatia, Cyprus</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>🅿️</td>
<td>Spain, Portugal, Slovakia</td>
<td>Spain, Greece, Croatia, Cyprus</td>
</tr>
<tr>
<td>2</td>
<td>🅿️</td>
<td>Luxembourg, the Netherlands, Finland</td>
<td>The Netherlands, Austria</td>
</tr>
</tbody>
</table>

Table: Summary of the reading of the scoreboard of key employment and social indicators
Context: Challenges for trade unions

- What? Putting job quality back on the EU policy agenda, give higher profile to JQ and ensure its application
- How? Can social dialogue deliver in this area? Is it feasible and practical to find some (least) common definition with employers?
- How to develop the policy orientation and demands regarding quality of work? Link to positive impact on productivity, economic growth, employment participation?
PART II. Working conditions and workers

- ‘Job quality in practice’
- Current investigations around questions:
  1. Ways to improve job quality at a workplace level
  2. How job quality affects individual workers: life-course transitions, labour market attachment
  3. Interaction between various aspects of job quality: working time flexibility and work intensity
- Collaborative projects; output mostly academic articles, but also policy focus
Working conditions and workers
(1) Participatory HRM practices and job quality

- Employee participation: “Enable, and at times empower employees, directly or indirectly, to contribute to decision-making in the firm” (Boxall and Purcell 2003: 162)
  - representative participation – formal and indirect, trade unions
  - more localised – work councils, joint consultation committees
  - direct and informal – day-to-day direct communication determined and initiated by managers and supervisors, upward problem-solving, task-based participation (setting targets), ‘employee involvement and participation’ (EIP)

- Organisational perspective. Employee participation (eg high-performance HRM) expected to improve firm-level performance
  - Encourage employees’ trust, engagement and commitment to organisational goals
  - Employees posses information that is useful for management when seeking organisational improvements
  - Employees as problem-solvers
Working conditions and workers

(1) Participatory HRM practices and job quality

- Focus on performance impacts has meant that potential of EIP for improving job quality has been under-researched

- **Employee perspective**
  - Valued feature in itself with positive impacts on health and wellbeing: discretion, autonomy, involvement, job satisfaction
  - Opportunities to influence workplace decision-making
  - Participation can be expected to be used by employees to improve working conditions by allowing workers to ‘voice’ their dissatisfaction and request improvements in problematic areas
  - Possible negative effects on some aspects of job quality: increased work effort, work intensification, overtime

- So far focus on vulnerable workers: skill level, gender, age

- **Future**: for a more general assessment, with more comprehensive job quality measures and cross-country focus; what role of national institutions, trade unions, etc.

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## Results

<table>
<thead>
<tr>
<th></th>
<th>Good physical environ.</th>
<th>Absence of work pressures</th>
<th>Working time quality</th>
<th>Job prospects</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>69.684 ***</td>
<td>60.469 ***</td>
<td>54.370 ***</td>
<td>54.619 ***</td>
</tr>
<tr>
<td>Low education</td>
<td>-2.192 ***</td>
<td>1.018 ***</td>
<td>-0.660 *</td>
<td>-1.234 ***</td>
</tr>
<tr>
<td>Female</td>
<td>1.810 ***</td>
<td>-1.438 ***</td>
<td>1.695 ***</td>
<td>-0.949 ***</td>
</tr>
<tr>
<td>Part-time</td>
<td>1.410 ***</td>
<td>4.665 ***</td>
<td>3.691 ***</td>
<td>-5.801 ***</td>
</tr>
<tr>
<td>Participation: some</td>
<td>0.896 ***</td>
<td>2.436 ***</td>
<td>2.789 ***</td>
<td>8.788 ***</td>
</tr>
<tr>
<td>Participation: all</td>
<td>2.017 ***</td>
<td>1.782 ***</td>
<td>4.551 ***</td>
<td>15.143 ***</td>
</tr>
<tr>
<td>R sq.</td>
<td>0.312</td>
<td>0.105</td>
<td>0.183</td>
<td>0.217</td>
</tr>
</tbody>
</table>

Notes: ***p ≤ 0.001, **p ≤ 0.01, *p ≤ 0.05.

Control variables: sector, occupation, age, child(ren) below five in household, living with partner/spouse, country.

Results

Women’s employment decisions after childbirth found to be limited by both personal factors, such as the need to contribute to the household income, and institutional factors, such as the lack of affordable child care (e.g. Thévenon 2013). However, the impact of job quality on women’s employment choices is not yet well understood.

Job quality may affect women’s decisions to become mothers, and also good quality jobs are likely to offer better chances for combining family obligations and paid work, in other words, increase the likelihood of a return to work after childbirth.

The recent financial and economic crisis calls for a renewed research focus on the employment prospects of women and the quality of their jobs. Not only have these two important aspects of employment been negatively affected by the economic downturn; both have also faded out of the EU policy agenda.
Figure 1 Gender differences in the impact of parenthood on employment rates (age 20-49, 2013)

Source: Eurostat (Labour Force Survey).
Notes: Difference in employment rates for workers with young children (below 6 years old) and workers without children.
Results

Figure 2 Differences in job quality across life stages (women aged 20-49, EU27, 2010)

- **Prospects**
  - No children: ~62
  - Couple child 0-5: ~66
  - Couple child 6+: ~68
  - Single parent: ~64

- **Intrinsic job quality**
  - No children: ~68
  - Couple child 0-5: ~70
  - Couple child 6+: ~72
  - Single parent: ~66

- **Working time quality**
  - No children: ~60
  - Couple child 0-5: ~62
  - Couple child 6+: ~60
  - Single parent: ~56

Source: EWCS.


- **Future**: a more detailed analysis of non-standard employment (temporary work) in terms of consequences for labour market attachment and decisions about family formation; longitudinal data. Aim: assessment of long-term and social consequences of labour market reforms post-2008

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PART III. Labour market performance

● ‘Job quality vs job quantity’
● Perceived need to reduce labour market rigidity, inefficiency, dualism, to stimulate employment growth and reduce unemployment. Key aspects of job quality – contractual arrangements, wages, working hours – subject to deregulatory pressures.
  ● What impact on job quantity?
  ● How labour market performance, level and structure of (un)employment affected by recent reforms? Other social costs and consequences?
● Research project #1: effects of internal devaluation (wages, labour costs adjustments) on (un)employment outcomes across the EU; based on country case studies (DE, UK, IE, PL, EL, ES, IT, PT, RO), edited book in preparation, working papers;
● Research project #2: effects of labour market regulation changes / labour market reforms, also relating this to the role of non-standard employment, on dynamics of overall employment and unemployment; in preparatory stages, setting up a research network