

Department of Labour
TE TARI MAHI



Work values
and
the quality of employment:
A literature review

by

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Disclaimer

The views expressed in this paper are the author's. They do not necessarily reflect the views of the Department of Labour and do not represent Department of Labour policy. The paper is presented with a view to inform and stimulate wider debate and further research.

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1. EXECUTIVE SUMMARY

1.1. What is the relevance of work values and the quality of employment?

This paper reviews the literature on what people value in employment and on methods of measuring the quality of employment, with a view to measuring it in New Zealand. In New Zealand's current labour market context of skill and labour shortages, historically low unemployment, people working long hours, an ageing population, increasing female labour force participation, increasing proportion of dual income families and increasing number of people in non-standard employment, the government's attention has broadened from simply increasing the quantity of jobs to improving the quality of jobs. Such changes have consequences for employee well-being and the quality of employment. Poor quality employment is associated with a range of less than positive outcomes. The quality of employment (sometimes referred to as 'quality of work'; 'quality of working life'; 'job quality'; or 'good jobs and bad jobs') has also increasingly becoming the focus of attention among labour market analysts and policy makers in the European Union and OECD countries as they face similar changes. Europe and Canada are ahead of New Zealand in studying values and the quality of employment, so we can learn useful lessons from them.

The quality of employment is relevant to the Department of Labour's (DoL) work, as reflected in its overall outcome of *productive work and high-quality working lives*. It advises the government on a wide range of policies that have the potential to influence the quality of people's working lives in areas such as labour force participation, productivity, return to sustainable earnings after work illness/injury, work-life balance, pay and employment equity, the Decent Work Action Plan (DWAP), the regulatory environment for small and medium enterprises (SMEs), employment relations, health and safety, skills training, identifying and meeting skills needs, labour market information and immigration.

1.2. How is the quality of employment defined?

The quality of employment is a subjective and multidimensional concept, hence is difficult to define. Reflecting this difficulty, it has no standard or agreed definition in the academic or expert literature. Defined most broadly, it includes the objective characteristics related to employment (both, specific to the job and general relating to the wider labour market), characteristics of the worker, the match between worker and employment characteristics, and the worker's subjective evaluation (job satisfaction) of the employment characteristics. Very briefly, it implies 'work organisation adapted to the needs of both businesses and individuals' (van Bastelaer 2002:1).

1.3. Why examine the quality of employment – what are the costs of poor quality employment?

Employment is an area where inequality manifests itself, not only in unemployment rates, but also in job characteristics and their longer term consequences. High quality jobs are generally also the most productive ones, and require higher levels of skills from workers. While quality improvements can often entail costs, poor quality of employment can lead to a range of less than positive outcomes for employees, employers, society and the economy. Hence, the quality of employment deserves the attention of policy makers, employers and the government.

Low quality employment is not randomly distributed in the population. In general, women, youth, older people, less educated people, less skilled people, ethnic minorities and people who are disadvantaged in some way and/or are at the margins of the labour market are more likely to be in low quality employment, perpetuating such disadvantage.

From a human rights perspective, everyone deserves to have the opportunity to be in decent work or work with at least reasonable conditions (e.g. a wage which allows them to maintain a basic standard of living; a job in which the risks of harm are minimised and in which they are not exploited) from which they derive job satisfaction. Individuals in low quality employment are more likely to be at risk of injury and illness at work, as well as stress affecting their health outside of work; poverty and a low standard of living; limited bargaining power and access to entitlements such as holidays; unemployment and dropping out of the labour force; limited access to training and development; difficulty with work-life balance; and in countries like the US, limited access to health insurance and pension benefits. Low quality jobs are usually dead-end ‘McJobs’ with little training to improve the worker’s human capital and their chances of moving to better quality jobs. Hence, a bad job is seldom a stepping stone to a better job.

Employers bear the consequences of poor quality employment through lower worker morale and commitment; reduced worker output and productivity; higher worker turnover and the related recruitment and retention costs; and higher workplace accident rates.

Workers’ families feel the effects of poor quality employment in work-life balance, health costs, social interaction and their standard of living. Ultimately, this reflects on society and the economy in terms of social equality, social cohesion, productivity, employment levels, business standards and the general standard of living. The quality of employment is a broader indicator of an economy’s health than standard indicators like the unemployment rate or GDP.

1.4. What do people value in employment?

Before measuring the quality of employment, it is important to find out what people value in employment. The characteristics that workers consider most important in a job will determine the meaningfulness of the job (and employment in general) for the worker, and the satisfaction they derive from it. New Zealand research in this area is sparse, of varying quality, and difficult to generalise from. There is more research overseas than in New Zealand, mostly from surveys, although the richest data comes from qualitative methods like focus groups.

The limited research on work values in New Zealand indicates that overall, what New Zealand employees valued most in a job was its intrinsic nature – how interesting and challenging a job was. This is what motivated employees the most to remain in a job or when searching for a new job. Other very important values included the quality of management, management recognition of employee merit and effort, training and development opportunities, work-life balance and relationships with colleagues. Pay and job security also mattered, but usually less than the other factors did. Taken together, these results indicate that personal growth and intrinsic job characteristics were more valued than rewards like pay. However, these results are likely to be biased towards relatively well paid jobs and relatively well educated people, so need to be used cautiously.

The results from New Zealand are similar to the overseas findings of interesting work being valued more than pay, and of the value of work-life balance. The various pieces of international research on work values show that there is large variation within a population, often more than between populations of different countries. Some sectors of the populations in the OECD countries, Canada, Australia and western Europe valued most the intrinsic characteristics of work (e.g. interesting work), while in the countries of Central-Eastern Europe, workers valued most the extrinsic characteristics of work (e.g. pay and rewards). However, the quality of employment was not a top-of-the-mind issue for low and middle income earners in Britain. While they rated better work-life balance as more valuable than participating in decision making and training, they would have preferred more money, more staff (to reduce their workload), and getting rid of age and gender discrimination. They were sceptical of any actual changes to their lives from changes in workplace policies. Some authors would argue that they could benefit from information about their rights and efforts to change their low expectations and personal priorities. Studies like this point to the important role of people's expectations, whether about work in general or a specific job, and their work values in influencing their behaviour in the labour market.

Even though low and middle income earners in Britain did not expect work-life balance, this was an important issue for some populations, especially for women, and in some cases, younger men.

Work values can vary by factors such as age, gender and regional location, so these variables need to be included in any study of work values.

1.5. How is the quality of employment measured?

‘Measuring’ the quality of employment is not straightforward. Because of its multidimensional nature, the subjective nature of many of the characteristics and the trade-offs involved among them, it is difficult to combine them into a single index measuring the quality of employment without the researcher imposing their own value judgements on other people. Other complicating factors in measuring quality are that its determinants are not the same for both, men and women and that the importance of various characteristics of a job changes over the course of a person’s life.

Using an indicator...

The quality of employment has been measured using an indicator which serves as a proxy for it, such as income, job satisfaction and employment relationships. Income data is readily available, so was the most commonly studied characteristic of employment; however, job satisfaction is increasingly taking over this status because it is a broader indicator. Income is unidimensional, and does not take account of workers’ subjective views. By itself, it could be a suitable proxy for the quality of employment only to the extent that it is positively correlated with other aspects of quality.

In contrast, job satisfaction and employment relationships capture a range of characteristics and take account of workers’ personal values and subjective opinions. These two indicators can also capture characteristics which are difficult to measure, such as job interest. Of the two, job satisfaction is more useful because employment relationships is a key determinant of it.

Whichever indicator is used, it is important to consider how it varies by worker characteristics such as age, gender, education, occupation, etc and what its limitations are.

Using a range of indicators...

Some researchers argue that it is impossible to measure the quality of employment using a single measure, so instead they collect and compare statistics on a range of characteristics of employment. This method precludes the need to weight the characteristics, a step in combining multiple characteristics into an index. Collecting data on a range of quality indicators may be cumbersome, but is useful for people wanting to focus on selected aspects of employment quality. Using a range of indicators is the most comprehensive and least subjective method because it includes the widest range of indicators, and does not imply that any characteristic or state is better than another.

The CPRN quality of employment indicators and the European Foundation provide two comprehensive models for measuring, monitoring and comparing the quality of employment using a

wide range of indicators. The latter has been used more widely – in the EU and Canada – and has also been used for reviewing policy and legislative developments relating to the quality of employment, hence provides a wider basis for comparison.

An autonomous tripartite body of the EU, the European Foundation for the Improvement of Living and Working Conditions (the ‘European Foundation’) has developed a model of the quality of work and employment (see below) and a range of indicators for measuring the quality of employment.

A model of quality of work and employment (European Foundation 2002:6)



Using on this model, the European Foundation developed a survey to provide an overview of working conditions in Europe based on which changes and trends affecting work could be measured. The most recent survey, The Third European Study on Working Conditions 2000 (ESWC), had data from interviews with almost 22,000 workers from EU member countries. It allows comparisons with the previous surveys in 1990/91 and 1995/96, and is due to be repeated in 2005. It had over 80 questions, hence provides a comprehensive look at various dimensions of job quality from the model. Measures to assess job quality included exposure to physical hazards at work; intensity of jobs; working time; the pace of work; work-life balance; violence at work; and participation and consultation at work.

The Quality Employment Indicators Project of the Canadian Policy Research Networks (CPRN) provides information on the quality of employment in Canada. Its website has results on indicators of employment quality from different surveys grouped according to the following themes: influence, rewards, security, job design, environment, schedules, relationships, job demands, pay & benefits, training & skills and special indicators.

Using an index...

Some researchers have attempted to develop a single index incorporating multiple characteristics of employment. Of the three indices discussed in this paper, one was developed to obtain an overall picture of the labour market in Chile, another one was used to analyse former female welfare recipients' transition from bad to good jobs in the US, and the final one was used to analyse the association between non-standard employment and bad characteristics based on objective economic criteria.

While using such indices can be simpler than monitoring the quality of employment through a range of indicators and can be useful for summary and comparative purposes, the perspective from an index is limited to the variables and indicators used in creating it. Hence, this approach is more useful for answering specific questions, such as the transition from a bad to a good job. Any index will be subjective because it fails to consider what is most important for the worker whose quality of employment it is measuring.

1.6. Conclusion: What next for New Zealand?

To keep up with changes in the workforce and work organisation not only in New Zealand, but also in the world, and to improve the quality of working life of New Zealanders, we need to consider what people value in employment, how high New Zealand's quality of employment is and how New Zealand's quality of employment stacks up internationally. This focus is particularly relevant in the current tight labour market with skill and labour shortages, as women's labour force participation increases and as the workforce ages.

Before we can measure the quality of employment in New Zealand, we need a systematic study of what people value in employment and how this varies in the population by demographic and personal characteristics. These results will enable us to identify what characteristics (individually and/or in combination) make any job or working situation low/medium/high quality for different people. Such attitudinal and value research has been used in the domain of organisational behaviour to understand issues such as labour turnover, productivity and corporate identity as well as to improve business practices and productivity within global markets.

The next step will be to measure the quality of employment in New Zealand, identify the distribution of high and low quality jobs, identify how employment quality can be improved, and compare New Zealand's employment quality with that of other countries.

Monitoring the quality of employment is one way of 'measuring' it and the European Foundation model is a comprehensive monitoring model. It has been used in the EU countries and in Canada,

hence it provides a sound basis for comparing New Zealand data. To use this model in New Zealand, we would need to develop suitable indicators and identify data sources for the indicators.

Because of the wide ranging effects of high quality of employment, attempts to improve quality will be felt by more than just the workers concerned. They will be felt by workers' families, employers, and society as a whole in a better quality of working life and measuring the quality of employment would allow us to monitor this.

2. INTRODUCTION

The purpose of this paper is to review the literature on what people value in employment and on methods of measuring the quality of employment, with a view to measuring it in New Zealand. The quality of employment (sometimes referred to as ‘quality of work’; ‘quality of working life’; ‘job quality’; or ‘good jobs and bad jobs’) is increasingly becoming the focus of attention among labour market analysts and policy makers in the European Union and OECD countries as the labour market faces changes such as falling unemployment levels, an ageing working population and higher female labour force participation. At the same time, work organisation has been changing from the traditional Taylorist or Fordist organisation (characterised by high division of labour) to one involving more team work (characterised by greater individual autonomy and learning) (Steijn 2001). The incidence of non-standard work is on the rise, with more people working on a temporary or part-time basis (albeit often voluntarily). All these changes have consequences for employee well-being and the quality of employment.

This paper is structured as follows: the next section outlines the relevance of this work to the Department of Labour (DoL). Section 4 explores definitions of the quality of employment, with the rationale for studying it in section 5. Sections 6 and 7 cover what people value in employment in New Zealand and internationally, and section 8 briefly explores methods for studying values. Section 9 examines different approaches to measuring the quality of employment. Section 10 concludes with implications for New Zealand. The appendices contain indicators, surveys and datasets used in studying values and measuring the quality of employment in Europe, Canada and New Zealand.

3. BACKGROUND

In New Zealand’s current labour market context of skill and labour shortages, historically low unemployment, people working long hours, an ageing population, increasing female labour force participation, increasing proportion of dual income families and increasing number of people in non-standard employment, the government’s attention has broadened from simply increasing the quantity of jobs to improving the quality of jobs. Poor quality employment is associated with a range of less than positive outcomes. Analysing the quality of employment can serve as the basis to measure and improve it; to monitor efforts to improve the quality of employment; to assess where, if any, value is being added; for employers to compare the costs and benefits of focusing on quality; and to make international comparisons on quality.

The work on quality of employment in New Zealand lags behind that of many other countries. In 2000, the International Labour Organisation (ILO), the Statistical Commission and Economic

Commission for Europe (ECE) and the Statistical Office of the European Communities (Eurostat) explored measuring the quality of employment. Also in 2000, the European Council in Lisbon adopted the twin goals of full employment and job quality for the European Union in the first decade of the new millennium (Tucker 2002). The Quality Employment Indicators Project of the Canadian Policy Research Networks provides comprehensive information on the quality of employment in Canada, including what makes a good job and why it matters. The European Foundation for the Improvement of Living and Working Conditions has developed an analytical framework of quality of work and employment. This framework has been used to compare data on a range of job quality indicators for Canada, the United States and 15 European countries. The Social Policy Agenda of the Commission of the European Communities aims to move to full employment through ‘not only *more* but also *better* jobs’ to emphasise the relationship between economic, employment and social policies (Commission of the European Communities 2001:3).¹

As a result of all these efforts, there is a fair amount of literature in the area from overseas countries, and several attempts to measure the quality of employment from which New Zealand can learn useful lessons.

3.1. Relevance to the Department of Labour

A recent British publication asserts that the government cannot legislate for high quality employment, but it can ‘promote an agenda that links high quality work and good job design to high performance’ (Coats 2005:4). The Department of Labour’s (DoL) overall outcome is *productive work and high-quality working lives* for all. It advises the government on a wide range of policies that have the potential to influence the quality of people’s working lives in areas such as labour force participation, productivity, work-life balance, pay and employment equity, the Decent Work Action Plan (DWAP), the regulatory environment for small and medium enterprises (SMEs), employment relations, health and safety, skills training, identifying and meeting skills needs, labour market information and immigration.

The Department of Labour’s Statement of Intent 2005/06 identifies its role in promoting high quality employment:

We [DoL] will be focused on the labour market delivering increased economic and social outcomes; people having real choices about workforce participation and high-quality employment; an increasingly skilled workforce; and more productive workplaces. (p4)

¹ The quality of employment may have increased in prominence lately, but there has been concern about this for decades in some countries. See Lowe (2000) for further details.

The DoL's fourth long term goal is *New Zealand's workplaces are attractive, innovative and productive*. To achieve this, it is necessary to understand what New Zealanders value in employment and what factors influence the quality of employment in New Zealand.

A survey of DoL staff in 2004 asked respondents to identify the relative level of importance that they placed on each of its priorities. *Decent Work – Ensuring employees are treated fairly and able to maintain the quality of their working lives* was rated most important, with over 75% of respondents believing it to be the highest priority of the DoL (DoL 2004a). Decent work is related to the quality of employment. See section 6 **Error! Reference source not found.** and Appendix I for more information about relevant DoL work.

4. DEFINING THE QUALITY OF EMPLOYMENT

Research has identified some characteristics influencing the quality of employment. Job characteristics include:

- extrinsic job characteristics: financial rewards, working time, work/life balance policies, job security, opportunities for advancement; and
- intrinsic job characteristics: job content, job intensity, risk of illness or injury, relationships with others (Beatson 2000).

Another way of grouping the main elements of the quality of employment is into the following two broad dimensions, encompassing individual job, organisational and wider labour market characteristics. Both of these dimensions appear as important in opinion surveys:

- job characteristics: objective and intrinsic characteristics including job satisfaction, remuneration, non-pay rewards, working time, skills and training, prospects for advancement, job content, match between job characteristics and worker characteristics;
- the work and wider labour market context: gender equality, health and safety, flexibility and security, access to jobs, work-life balance, social dialogue and worker involvement, diversity and non-discrimination, overall economic performance and productivity (Commission of the European Communities 2001).

The quality of employment is a subjective and, as illustrated above, multidimensional concept. Its broadest definition includes the objective characteristics related to employment (both, specific to the job and general relating to the wider labour market such as health and safety standards), characteristics of the worker, the match between worker and employment characteristics, and the

worker's subjective evaluation (job satisfaction) of the employment characteristics (Commission of the European Communities 2001). Very briefly, it implies 'work organisation adapted to the needs of both businesses and individuals' (van Bastelaer 2002:1).

Reflecting the subjective and multidimensional nature of the quality of employment, it has no standard or agreed definition in the academic or expert literature (Commission of the European Communities 2001). Some definitions of it consider only characteristics of the job, while others are broader and include workers' characteristics and labour market issues. At the joint ECE-Eurostat-ILO seminar on measuring the quality of employment, van Bastelaer and Hussmanns (2000:1-2) defined the quality of employment as 'a set of characteristics that determine the capability of employment to satisfy certain commonly accepted needs'. In defining the quality of employment thus, the authors acknowledged that it encompasses characteristics of the job, but believe it is impossible to measure the quality of employment as such because of the individual subjective dimension, which they leave out of their definition.

Sehnbruch (2004:14) analysed the quality of employment from the capability approach (whether something enhances capability or not) and defined it as 'the capabilities and functionings generated by a job'. She added 'this considers what individuals can achieve with a given set of job characteristics, which means that their needs and personal circumstances are taken into account' (Sehnbruch 2004:21). Her definition includes job and worker characteristics as well as the worker's subjective view.

A rather lengthy definition in the [European] 'Employment Guidelines 2003' captures the dimensions proposed by the European Commission above: 'Quality is a multi-dimensional concept addressing both job characteristics and the wider labour market. It encompasses intrinsic quality at work, skills, lifelong learning and career development, gender equality, health and safety at work, flexibility and security, inclusion and access to the labour market, work organisation and work-life balance, social dialogue and worker involvement, diversity and non-discrimination, and overall work performance' (quoted in European Foundation 2004:2).

Lowe (2000:174) asserted that 'the quality of work that Canadians want rests on four pillars'. These are the opportunity to engage in tasks that are fulfilling and meaningful to workers personally; a decent standard of living; health, well-being, and support for family life, or life outside work generally; and rights including worker participation in decision-making. Based on these four pillars, he drew up a checklist of eight goals to generate discussion and debate to assess overall work trends, employers' practices, government policies, and the agendas of unions and professional associations'. These goals are:

- A basic right to work that provides a decent living standard and economic security.

- Mutual trust among employers and workers.
- Opportunities for all workers to constructively participate in decision making on how, when, and under what conditions they do their work.
- A culture of openness regarding information about the business and provision of the resources workers need to use this information effectively.
- Healthy and safe work environments, developed through collaboration between workers and employers.
- Work environments supportive of a balanced life, so that family and personal goals can be achieved alongside work goals.
- Encouragement of innovation based on workers' initiative and creativity.
- Opportunities to use and further develop skills, knowledge, and abilities in the course of doing one's job.

These broad goals capture many of the aspects of employment that need to be considered when analysing its quality, including workers' rights, and workers', organisational and job characteristics.

In summary, it appears that it is not simple to capture the subjective and multidimensional nature of the quality of employment in a suitable definition. The explanation of the Commission of the European Communities, which included the objective characteristics of the worker and of employment, the match between these two, and the worker's subjective evaluation is broadest in its scope and captures aspects of other definitions, hence is the most suitable.

4.1. Decent work

Related to the quality of employment is the concept of decent work. As introduced by the International Labour Organisation (ILO) in 1999, decent work is described as 'opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity' (quoted in Anker et al 2003:147). Decent work has the four dimensions of employment, social security, workers' basic rights and social dialogue (Ghai 2003). It thus encompasses the quality of employment and includes every aspect of employment that an individual has reason to value (Sehnbruch 2004). Many of these involve adhering to a core set of internationally agreed labour standards, e.g. occupational safety and health and social protection (van Bastelaer and Hussmanns 2000).

In 1999, the ILO set itself the new goal of 'Decent Work for All', reflecting its shift to a focus on outcomes – what kinds of work people are doing, how remunerative and secure the work is, and what rights workers enjoy in the workplace (Fields 2003).

Like the quality of employment, decent work is a multidimensional concept, hence it is not easy to measure in a way which encompasses all its components and shows their interconnectedness (Ghai 2003). There have been many approaches to measuring decent work, and a special volume (142) of the *International Labour Review* is devoted to it.

4.2. 'Precarious' non-standard employment

Another related concept is that of 'precarious' non-standard employment. Non-standard work is work that is not full time and permanent. While non-standard work by itself is not precarious, if we consider non-standard work to exist along a continuum, at its lower end are casual, temporary and fixed-term workers whose employment is more likely to be precarious than at its upper end.

Precarious work is of low quality, e.g. low wages, low job security, limited control over workplace conditions, little protection from workplace health and safety risks and less opportunity for training and career progression; and because of this, it puts workers at risk of injury, illness and/or poverty (quoted in Tucker 2002). Attempts to define precarious employment face similar issues to defining the quality of employment, because both are multidimensional and subjective. The intersection between the nature of the job and the worker's preferences makes any employment precarious, rather than the presence of a single criterion or many criteria. Precarious non-standard employment has become a policy concern in recent times because of the increase in non-standard employment (Tucker 2002).

4.3. Summary

The quality of employment, decent work and precarious non-standard employment are all related and overlapping concepts describing the experience of being in employment and the outcomes of that. Decent work and precarious non-standard employment are concerned with low or poor quality of employment where workers are most vulnerable to exploitation, poverty, injury/illness from employment, social exclusion, etc. Because decent work involves complying with internationally agreed labour standards, it can be considered a minimum level of quality.

5. WHY EXAMINE THE QUALITY OF EMPLOYMENT – WHAT ARE THE COSTS OF POOR QUALITY EMPLOYMENT?

Employment is an area where inequality manifests itself, not only in unemployment rates, but also in job characteristics and their longer term consequences. High quality jobs are generally also the most productive ones, and require higher levels of skills from workers. While quality improvements can often entail costs, poor quality of employment can lead to a range of less than positive outcomes for employers, employees, society and the economy. Hence, employment quality deserves the attention of policy makers, employers and the government. For the purposes of this paper, I have categorised the outcomes into the broad areas of human rights concerns; social equity concerns; impacts on the worker and their family; and economic and business costs. These areas are overlapping rather than distinct, despite being separated in this paper. And while the evidence concerns different definitions of low and high quality employment, it still refers to employment which in some way or other is not optimal for the workers concerned.

5.1. Human rights concerns

From a human rights perspective, we could argue that everyone deserves to have the opportunity to be in decent work or work with at least reasonable conditions (e.g. a wage which allows them to maintain a basic standard of living; a job in which the risks of harm are minimised and in which they are not exploited) from which they derive job satisfaction. Research has established a link between the workplace environment and job satisfaction (DataQuest Consulting 1999).

5.2. Social equity concerns

Low quality employment is not randomly distributed in the population. It is important to consider who is in low quality employment because of the link between the quality of employment and poverty and social exclusion (Commission of the European Communities 2001). In general, women, youth, older people, less educated people, less skilled people, ethnic minorities and people who are disadvantaged in some way and/or are at the margins of the labour market are more likely to be in low quality employment, exacerbating such disadvantage. (For a review of the distribution of lower end non-standard employment, see Tucker (2002)).

People with low or no skills are more likely to be in temporary or precarious work, lacking career development opportunities. Hence, people in low quality jobs have a higher risk of becoming unemployed or of dropping out of the labour force. The ongoing loss of low-skilled, low-productivity jobs will make it harder to integrate low-skilled people into the labour market (Commission of the European Communities 2001).

Grzywacz and Dooley (2003) found that less than optimal forms of employment were not randomly distributed in the UK population: women, workers with lower levels of education, people of colour and workers aged 65 or over were more likely to be in 'barely adequate' or 'inadequate' jobs. Johnson and Corcoran (2003) present evidence that low skilled workers attain poor quality jobs, with low wages and minimal benefits. Atkinson and Williams (2003) found that low-skill, low-status employees and welfare recipients who end up in low-pay, low-status jobs (i.e. low quality) are not helped in moving away from such employment by employer attitudes and practices towards such people.

Sehnbruch (2004) also found a link between unemployment and low quality employment. Using the index she had developed to measure the quality of employment, she found that in Chile, women, older workers, younger workers 'in the crucial stage of family building', workers without tertiary education and workers in smaller companies were in lower quality employment.

5.2.1. Are bad jobs better than no jobs?

Employment is a source of income, social relationships, identity and individual self-esteem (Winkelmann and Winkelmann 1998). Being in employment at any given time is also expected to provide benefits in the future, such as wages and the probability of being employed (Richardson and Miller-Lewis 2002). So is any job, even a bad one better than not having a job? Social welfare policies in many countries are based on this premise. However, there is divided opinion about whether unemployed people should take any job as a springboard to further employment, even if it does not offer favourable conditions (such as limited or no training, exposure to health and safety risks) and is not well matched to their skills and qualifications, or whether taking up such employment will lead to nothing more than being trapped in a succession of bad jobs. Much of the work in this area has been done on improved wages rather than other characteristics of employment, and the evidence suggests that entering any job does not necessarily lead to improved wages. To the extent that low paid jobs can be associated with other less than optimal conditions of employment like limited or no training, exposure to health and safety risks, limited employee influence on their job, the results are generalisable to poor quality employment.

Entering a job can mean gaining entry into the labour market and retaining a place in it. Evidence from German panel data has shown that becoming unemployed had a significant negative effect on life satisfaction (Winkelmann and Winkelmann 1998), supporting the argument to take up any job. Based on studies of job satisfaction which conclude that moving from an average job to unemployment reduces happiness more than does moving from an average job a bad job, Layard (2004) asserted that being in a bad job was better than being unemployed. However, he conceded that not everyone progressed 'upwards' from bad jobs (Layard 2004:6). To mitigate the low earnings associated with bad jobs, in-work benefits should be used to supplement earnings, making

bad jobs better. But in the long run people should be trained in sufficient skills to be able to earn a decent living (Layard 2004).

Not necessarily

There is much more evidence to support the argument that entering any employment does not necessarily promote mobility into better quality employment. 'McJobs' with limited prospects of upward mobility, held by young workers, with few qualifications, possibly a history of unemployment, requiring little skill, with poor pay and fringe benefits (McGovern et al 2004) tend to be dead-end types of jobs.

In the UK, Stewart (2002) found that the low quality of employment was the main reason unemployment persisted among labour market re-entrants. These jobs tended to be low paid and unstable, leading to dead ends, rather than improving workers' human capital or skills and productivity. There was a similar pattern with workers remaining in low paid jobs. Further, these two patterns were linked in a 'low pay – no pay cycle' with low paid workers more likely to become unemployed in the future, and the unemployed more likely to be low paid on re-entry to employment (Stewart 2000:1). Hence, he argued that policy should be focused on getting unemployed people into a good job rather than any job.

Johnson and Corcoran (2003) concluded that the work-first approach did not necessarily lead to improved quality of employment in the US. The work by Atkinson and Williams (2003) in the US also supported this view. They investigated the role of employer attitudes and practices in hiring people in low-pay, low-status jobs where disadvantaged and previously unemployed people often end up and which provide little or no training or promotion opportunities. These people face strong multiple barriers to gaining, retaining and advancing in employment. Their opportunities for advancement were largely restricted to either opportunities with the same employer which did not require better formal qualifications, or similar jobs with better employers. Turnover is often high in such jobs, but reducing it is not a high priority for employers. Employers tend to be prejudiced against the long-term unemployed and people out of work for 2 years. The authors found that such low quality jobs provided little or no basis for substantially advancing through the labour market.

Yet more evidence to support this

From an analysis of the earnings patterns of low wage workers using longitudinal data in the US, Holzer et al (2002) found that while nearly half had improved earnings within three years, this improvement was very modest for most of them. White males were most likely to have improved earnings; in contrast black and other (mostly Hispanic) males were hampered by lesser access to high-quality jobs. Changing jobs and industry was associated with improved earnings, but a significant proportion had improved earnings from remaining in their jobs. The authors concluded that there was no single path for improving earnings. The characteristics of the employing firm also

impacted on wages, such that ‘it is useful to try placing low earners into high-wage sectors, firms with low turnover, and larger firms that provide job ladders and possibilities of upward mobility’ (Holzer et al 2002:42). Working through a temping agency was associated with lower pay for the low earners, but higher subsequent wages and better job characteristics, suggesting that such labour market intermediaries may have an important role in helping low earners move into higher paid opportunities (Holzer et al 2002).

After a comprehensive review of the literature on mobility from low wage jobs from the US, UK and OECD, Richardson and Miller-Lewis (2002) concluded that a low wage job cannot be assumed to be preferable to no job. There were many reasons for this conclusion. Being in a low paid, insecure job improved one’s chances of being subsequently employed only modestly, and it did not lead to better mental well-being than being unemployed. Studies have found ‘quite low’ levels of wage mobility among low wage workers in the UK and US and that ‘quite a large fraction’ cycled between low wage jobs and no jobs (Richardson and Miller-Lewis 2002:40, 41). Mobility was higher for youth, men and more educated workers. ‘Thus, for older, less educated and female workers, low wages are likely to be a trap rather than the first step on the ladder’ (Richardson and Miller-Lewis 2002:41). However, the finding of falling mobility was based on data from the 1980s and early to mid 1990s when wage inequality rose. The authors did not discount the possibility that the trend of reducing mobility may have reversed during the second half of the 1990s when the US labour market was strong.

In summary, while entering any job may improve (even if only modestly) one’s chances of being in subsequent employment, it is unlikely to lead to improved quality of employment. This is a major policy concern because people in low quality employment tend to get trapped in it or to cycle between unemployment and poor quality employment.

5.2.2. What helps people move from low to high quality employment?

Despite the above assertion, many workers do move from low to better quality employment. The evidence suggests the following factors can promote such a transition (or at least better wages):

- voluntarily moving jobs periodically (Atkinson and Williams 2003, Johnson and Corcoran 2003)
- acquiring higher skills, whether unemployed or employed (Atkinson and Williams 2003)
- ensuring an appropriate match – from the perspective of getting into higher quality employment, it is better to enter a job well matched to the individual’s skills, experience and qualifications, than to enter any job (Atkinson and Williams 2003, Richardson and Miller-Lewis 2002)

- employment in the public sector, or in a large, profitable, low turnover firm in high wage industries or industries other than retail, hospitality or personal services (Richardson and Miller-Lewis 2002, Holzer et al 2002)
- initial employment through labour market intermediaries like temping agencies (Holzer et al 2002)

These findings are fairly consistent with Tucker's (2002) findings about mobility from a literature review on precarious non-standard employment.

5.3. Impacts on the worker and their family

Being in low quality employment has impacts not only on the workers, e.g. income, training, health and safety risks, employment relations, health; but also more widely on their family, e.g. children's activities and work-life balance issues.

5.3.1. Income

Remaining in low quality employment perpetuates earnings differentials. The international evidence agrees on the association between precarious non-standard work and low income compared to workers in standard full-time employment. The discrepancy in earnings can be explained by the workers' demographic characteristics (e.g. age, education, ethnicity and occupation) or by the temporary nature of the work. Low income has wider consequences than just the fiscal impacts. In the US, low income earners also less likely to receive health insurance and pension benefits (Tucker 2002).

5.3.2. Training

As indicated above, when people get trapped in low quality employment they have limited chances of receiving training and raising their productivity and hence improving their chances of getting better employment. This perpetuates the individual's disadvantage and from a wider perspective is detrimental to an economy hampered by skill shortages.

5.3.3. Health and safety risks at work

Low quality employment is associated with increased health and safety concerns for workers, e.g. occupational illnesses, diseases, infections and injuries from gradual process. Workers in temporary and contractual situations are less likely to have access to adequate health and safety training and control over working times (Tucker 2002). Workplace injuries as a result of inadequately managed health and safety risks entail social and economic costs not just for the

injured worker (e.g. lost earnings, medical costs, quality of life), but also their employer (e.g. lost output) and family (e.g. medical costs, social relationships).

5.3.4. Mental and physical health (outside of work)

Grzywacz and Dooley (2003) examined the association between different employment statuses on an employment continuum with physical health and depression in the United States. Using survey data, people were allocated to an employment continuum which was divided as follows, depending on relative levels of desirable psychological (e.g. decision latitude, job demands), economic (income) and non-income (e.g. health and retirement benefits) attributes of jobs:

<i>unemployed</i>	not currently working but looking for work
<i>inadequate jobs</i>	currently working but earning below federal poverty standards
<i>barely adequate jobs</i>	better than inadequate jobs, but do not provide basic levels of economic or non-income resources or psychological attributes
<i>economically good jobs</i>	provide adequate economic or non-income resources, but lacking basic psychological attributes
<i>psychologically good jobs</i>	provide adequate psychological attributes, but lacking basic economic or non-income resources
<i>optimal jobs</i>	provide adequate economic or non-income resources and adequate psychological attributes

Less than optimal jobs were consistently associated with poorer physical and mental health. However, people in ‘psychologically adequate’ jobs did not show such differences from people in ‘optimal’ jobs, leading the authors to assert that:

during periods of relative economic prosperity ... psychological aspects of employment arrangement appear to be more important to employee health and well-being than economic considerations, provided an adequate economic threshold has been met. (Grzywacz and Dooley 2003:1758)

The evidence suggests a relationship between workplace characteristics and health outcomes, e.g. ‘job strain’ is a risk factor for heart disease (DataQuest Consulting 1999). These findings support the need to look beyond the simple dichotomy between unemployment and employment to the quality of employment when considering the health of the economy, as well as of individuals. Unemployment statistics do not give a measure of the health-implications of bad jobs. Transitions from employment to unemployment may have comparable effects on an individual’s health and well-being as moving from optimal to barely adequate jobs (Grzywacz and Dooley 2003).

5.3.5. Employment relations

Non-standard working arrangements have been found to influence the workers' employment relations. Third parties like unions are often removed from the industrial relations process in such situations. Casual workers were less informed than permanent employees about their minimum conditions, received less favourable conditions and did not always receive their entitlements such as holidays (Tucker 2002).

5.3.6. Impacts on the family

In so-called developing economies, people employed in the 'informal' sector are likely to be in lower quality jobs, as well as to be excluded from most provisions of labour market legislation such as minimum standards. The children of adults in stable employment with a regular income can engage in activities such as education (Sehnbruch 2004). Working non-standard hours and/or having inflexible hours is more likely to impact negatively on a worker's health and well-being, family relations and quality of life, e.g. by reducing opportunities for interaction with friends and family in their leisure time (Tucker 2002). Such work can impose significant costs on workers if they need to re-arrange their personal lives, for example, they may face greater difficulties in arranging childcare.

5.4. Economic and business costs

Even though quality employment is associated with (at least) decent wages and conditions for workers, it has wider impacts than just the workers involved. Ultimately the costs and benefits of poor quality employment are borne by businesses, the tax payer and society at large.

5.4.1. Recruitment and retention

Replacing experienced employees can be expensive in terms of cost and output for employers. High quality employment is associated with improved recruitment and retention. This is particularly significant when the labour market is tight, with skill and labour shortages. Such shortages can lead to a loss of output which is inefficient, e.g. the crops of horticultural growers may remain unpicked, or hospitals cancel surgery because of nursing shortages.

Examining what people value and what they expect in a job is important because both of these variables influence employee retention (Taris et al 2005). Research suggests that people search for jobs that fit in with their work values (see also Clark's (1998) findings on page 46). The match between such individual values and features of the job, team and organisation (these three features comprise 'job supplies') influence the individual's job satisfaction and commitment to the job which leads to a better chance of their retention in it. However, in Dutch young adults, an even

stronger predictor of job satisfaction (and hence intention to remain in the job) was found to be the extent to which an individual's initial expectations about the job were met once they began working in it.² The authors suggested that this had important implications for the information and orientation that people were given about jobs before they began them, as well as for individual development programmes:

Aside from increasing efforts to provide early realistic orientation for new employees, it is important that employees learn more about their self-concept and about the kind of rewards provided by the organization that matches best with their self-concepts.
(Taris et al 2005:378)

This finding about met-expectations reflects Booker et al's (2001) result from Canada, where students' decisions about continuing a career in the Public Service were related to (among other factors) the extent to which their expectations had been met (see section 0).

5.4.1.1. Recruitment and retention in the non-profit sector

In Canada, McMullen and Schellenberg (2003) compared some characteristics of employment among the non-profit, profit and quango sectors (non-profit organisations in 'quasi-public' industries including schools, colleges/ universities, hospitals and public infrastructure) to get a picture of the quality of employment in the non-profit sector. The authors identified illustrative dimensions and indicators of the quality of employment in the non-profit sector, but their analysis focused on selected aspects of the quality of employment, including extrinsic rewards and hours and scheduling. Refer to Appendix II for these dimensions and indicators.

Their findings (from the 1999 Workplace and Employee Survey) showed that a higher proportion of workers in the non-profit sector than in the profit and quango sectors had temporary or part-time employment; flexible working arrangements; access to benefits like medical and life insurance, pension plans, etc. However, workers in the non-profit sector, who are largely female, had lower hourly earnings and often lower total earnings because they were more likely to work fewer total hours (McMullen and Schellenberg 2003).

The survey findings showed that a similar proportion of workers in the non-profit and quango sectors, but slightly more in the profit sector, reported being satisfied with both, their job, and their pay and benefits. However, the difference was much greater among workers aged 45 and over, particularly in the case of dissatisfaction with pay and benefits (McMullen and Schellenberg 2003).

² In this study, work values, job supplies and met expectations were all measured using a self-report questionnaire.

The literature suggests that workers in the non-profit sector are more likely to derive intrinsic rewards by contributing to the community or by helping others. The authors found support for this in the survey where workers aged 45 or over from the non-profit sector were more likely than workers in other sectors to report satisfaction with their job, but not with their pay and benefits. While part-time employment may be attractive to workers seeking to balance work and family responsibilities, this need for flexibility varied during their life. The authors believed that this may have explained the older workers' dissatisfaction with their pay and benefits, as they re-evaluated the trade-offs they made when their family responsibilities were no longer as heavy as they had been (McMullen and Schellenberg 2003).

The authors concluded that non-profit organisations needed to consider recruitment and retention issues because in years to come they would compete with the quasi-public and public sectors for the same pool of educated and skilled employees. The non-profit sector, which was human-resource intensive compared to other sectors, needed to know and understand the nature of the work it offered and the characteristics of employees working in it, to improve working conditions in it (McMullen and Schellenberg 2003).

5.4.2. Productivity

The Commission of the European Communities (2001) proposes that improving the quality of employment can be part of a virtuous circle of increasing productivity, rising living standards and sustainable economic growth. High quality employment is associated with productivity in many ways. For example, such employment entails learning and development for individual workers, improving their human capital and hence their productivity. High staff turnover can discourage employers from spending much on employee training, to the detriment of their skill levels.

5.4.3. Employment levels

Improving the quality of employment has the potential to raise employment levels (European Foundation 2004). The changing composition of the labour force (e.g. ageing population and increasing participation of women) and family structures (e.g. more single parent families) has implications for work organisation and the conditions of employment. Research suggests that men and women value different things in employment (e.g. men attach greater importance to pay, while women attach greater importance to work-life balance and the social aspects of jobs), and older workers value different things to younger people (e.g. younger workers value promotion, while older workers value job security and the social aspects of jobs) (DataQuest Consulting 1999). As recognition of this, in recent times work-life balance has become an important policy focus in many countries including New Zealand.

5.4.4. Monitoring the state of economic development

So far, the unemployment rate or GDP have most commonly been used as indicators of the health of an economy. However, using the quality of employment can give us a more wholistic picture of the economy or at least of labour market performance (Sehnbruch 2004, Grzywacz and Dooley 2003). For example, based on the index that Sehnbruch developed, she concluded that:

the main problems of the Chilean labour market are low incomes, too much informality in the formal sector, too many atypical contracts and too much self-employment, little professional training, low coverage of health and pension insurance and low stability of employment. ... slightly less than half of the Chilean labor force has low or very low quality jobs. This is a considerably more complex result than a conclusion that merely considers whether the country's unemployment rate is too high. (Sehnbruch 2004:56)

These findings were based on the characteristics included in developing the index. Using different characteristics would allow analysis of different labour market conditions, e.g. employment relationships, job difficulty, etc.

In the US, an increasing number of economic development subsidies have job quality standards attached to them. These standards 'are becoming an everyday tool for effectively targeting development subsidies to businesses that create high-quality jobs' (Purinton et al 2003:1). The subsidy programmes include tax credits, training programmes, industrial revenue bonds, loan programmes, enterprise zones and tax increment financing. The most common job quality standards required are wage standards and employer-provided healthcare benefits (Purinton et al 2003). Tools such as these economic development subsidies which are based on the quality of employment can provide an indication of business standards in the economy.

5.5. Summary

Fostering the quality of employment for all sectors of the labour force can enhance social equality, social cohesion, productivity and economic growth (Sehnbruch 2004). While quality improvements will often entail costs, poor quality of employment has very wide ranging effects, from individual workers, their families, employers, to society and the economy. Workers' income can suffer from poor quality employment, as can their health (both at work, as well as outside of it), their training prospects and hence their productivity, their ability to influence decisions about their job such as their working hours. Accepting any job does not necessarily improve a worker's chances of getting into better quality employment. In other words, poor quality employment can adversely affect not only a worker's quality of working life, but also their overall quality of life, including their family

life. Employers can experience low quality employment in lower productivity, and recruitment and retention costs. Eventually, society and the economy can be constrained by such costs, reflected in productivity, business standards, economic growth and employment rates. The quality of employment is a broader indicator of an economy's health than standard indicators like the unemployment rate or GDP. For all these reasons, the quality of employment deserves the attention of policy makers, employers and the government.

6. WHAT DO PEOPLE VALUE IN EMPLOYMENT IN NEW ZEALAND?

Before measuring the quality of employment, it is important to find out what people value in employment, or what characteristics people consider most important in a job. The detailed study of work values is fairly recent, as previously scholars were more focused on the institutional and social dimensions of work (Vecernik 2003). There is some international research in this area, but less so in New Zealand. A literature review on this topic indicated that 'only a limited series of snapshots' emerged for New Zealand (Norris 2004:56).

This section begins with a definition of values and work values, followed by the findings from Norris' literature review which attempt to provide a historical context. The subsequent sections cover surveys of the general population and selected sub-populations (of varying generalisability). Finally, Department of Labour and related work completes the section.

Values have been defined as 'beliefs that are experienced by the individual as standards that guide how he or she should function; they are cognitive structures, but they also have behavioural and affective dimensions. Values develop so that individuals can meet their needs in socially acceptable ways'. Values play a major role in people establishing their personal goals (cited in Brown 2002:48). Work values refer to the hierarchy of preferences an individual has towards being in employment (Vecernik 2003), e.g. financial prosperity, altruism, achievement and responsibility, hence they determine the meaning of work for people. Brown (2002) proposes that cultural and work values are the primary, but not exclusive, variables influencing decisions about people's occupational choices and the resulting satisfaction. Hence, examining people's values are important in understanding and measuring the quality of employment.

An international study of work-related values (Hofstede cited in Norris 2004) found that New Zealanders scored well above average on individualism, which other authors (also cited in Norris 2004) suggested was a result of the country being settled by migrants, working their way out of wage dependency. At the same time, New Zealanders valued egalitarianism. Hence, the concept of 'horizontal individualism' may be applicable here, reconciling these two seemingly contradictory values. New Zealanders also scored above average on masculinity. Hofstede's definitions of

‘masculinity’ and ‘femininity’ referred to general patterns of male assertiveness and female nurturance at the aggregate level of a society, rather than as determinants of individual behaviour. New Zealanders scored low on power distance, implying that individuals were more likely to think ‘superiors are just like me’ and was indicative of a culture that regarded inequality as a necessary evil that should be minimised (Norris 2004:59). While Hofstede’s work has been criticised (e.g. most respondents were men), it involved 116,000 IBM employees in 40 countries including New Zealand. Norris found some support for his theories from various pieces of empirical work. However, the empirical work was dated and not very robust or systematic, hence its merit is questionable.

6.1. Career progression and development in the Public Service

The Career Progression and Development Survey 2000 (SSC 2002) of the New Zealand Public Service questioned staff about what they valued in the workplace, from a range of workplace factors and the work environment. The survey had a response rate of 52% yet was described as ‘broadly representative of the Public Service population’ (SSC 2002:13). The results, which indicated that public servants valued job interest over material rewards and job security, were reported as being consistent with previous research in New Zealand and elsewhere.

The nine workplace items whose importance respondents were asked to consider were ranked overall as follows (starting from the most important):

- a feeling of accomplishment
- quality of management
- challenging work
- pay and benefits
- job security
- reputation of organisation
- reasonable workload
- opportunities for advancement
- standard hours

The first three items were considered ‘highly important’ by more than three-quarters of public servants, and was consistent across gender, management status and ethnicity. The ranking of all the factors was relatively consistent across the sub-groups, but their relative importance varied by sub-group. Challenging work was more important to managers than to non-managers; while pay and benefits; job security; having a reasonable workload; and working standard hours were more important to non-managers than managers (SSC 2002).

Staff were relatively satisfied that their jobs offered them challenging work, but were only moderately satisfied with their sense of accomplishment, and even less satisfied with the overall quality of management (SSC 2002).

Respondents rated the importance of the given work environment factors in the following order (starting from the most important):

- being treated fairly
- staff working cooperatively
- having my ideas valued
- equitable access to rewards
- good work-area design
- accommodation of outside commitments

The first four items were considered ‘highly important’ by more than three-quarters of public servants, and was consistent across gender, management status and ethnicity. Overall, respondents were not particularly satisfied with their work environment. Managers were more satisfied than non-managers on most factors. Men were less satisfied than women were about being able to accommodate outside commitments, and about their ideas being valued (SSC 2002).

The results were used to identify issues for attention. Overall, the results showed that most public servants wanted a higher-level job, which was interpreted as ‘no lack of ambition in the Public Service’. However, the opportunities for advancement were generally perceived as poor (SSC 2002:17). The survey was repeated in 2004, but the results were not available at the time of writing.

6.2. Surveys of labour turnover

A national population survey of labour turnover conducted in 2000 explored why New Zealanders had moved jobs (‘movers’) or remained in the same job (‘stayers’) in the previous five years (Boxall et al 2003). While the authors call their sample ‘a broadly representative national sample’ (Boxall et al 2003:199), it had a response rate of only 48% and being a telephone survey, it is likely to be biased towards the better educated and away from low income earners.

Respondents were asked to rate whether each of a variety of factors had been a major reason, a minor reason or had no impact on their decision to move or stay in their job. The main reasons for leaving were found to be for more interesting work (67% of movers), because management did not recognise the employee’s merit (51%), better training opportunities elsewhere (54%), and to obtain

a better balance between work demands and life outside work (52%).³ Better pay (50%) and job security (48%) were ranked 5th and 6th respectively (Boxall et al 2003).

Stayers had not changed jobs because they were happy with their co-workers (94%), had interesting work (90%), had a good relationship with their supervisor (92%), and had good job security (88%). Good pay was a reason for 73% of stayers (Boxall et al 2003).

The authors concluded that the motivation for job change was multidimensional, with no single factor explaining it. Movers had given on average three major reasons for having done so. However, interesting work stood out as both, a 'push' factor for employee turnover and a 'pull' factor for employee retention. In addition, employees' choices about staying or moving were influenced by the drive to grow in their work, and their expectations of management to recognise their merit. While employees were more critical of management for failing to recognise merit or listening to them, they were less critical of their immediate supervisor. The results suggested that most respondents got on well with their immediate supervisor and their colleagues, and that the quality of these relationships was an important factor in staff retention (Boxall et al 2003).

Extrinsic rewards like pay, promotion and security mattered for employees, but pay was not the most important issue. It was possible that pay was a:

threshold factor ... a certain level of pay (the right 'ball park') is needed to recruit and retain but, if this is met, the actual likelihood of attracting or retaining turns much more on whether the employee finds the work intrinsically interesting and on other factors identified in this research as important retainers, such as being happy with co-workers and having a good relationship with one's supervisor – the social ties that bind employees to employers. (Boxall et al 2003:210)

Other factors influencing employee retention included work-life balance, and possibly union membership. Overall, the authors believed their results were consistent with previous research (Boxall et al 2003).

The authors identified key implications of the findings for employers who had problems with employee retention. Employers needed to be aware of their employee attitudes towards work organisation and employment policies and practice. They needed to be committed to human resource measurement and analysis such as systems for performance review (Boxall et al 2003).

³ These are arranged in order of respondents ranking them as a 'major reason' for leaving, whereas the figure in brackets is the total of 'major reason' and 'minor reason', hence is not in exact descending order.

A recent study of employed knowledge workers found that the organisational attributes that they considered most attractive were opportunities for career development and work-life balance, followed by above average pay. These results did not vary by gender. The authors were surprised by the third placing of pay, but emphasised that the results were not generalisable because of their specialised sample of research scientists and technicians (Pajo et al nd).

Surveys of university graduates in the 1990s (albeit with a less than 25% response rate) also found that intrinsic work characteristics were the most important motivating factors for students looking for a job - work interest, work related to study and future job prospects were much more important than pay. The main reasons that graduates left their first professional jobs were travel/holiday, moving to a preferred area of their profession, a better job [unspecified how it was better], and the end of a fixed term contract. A smaller proportion left because they disliked the job or found the position unsatisfying (Cox and Pollock 1997).

With the tight labour market at present, there are plenty of job opportunities for today's young people, which is reflected in their ambitions. Young New Zealanders, some university graduates, when interviewed by the *Listener* magazine, expressed very high expectations about their future employment. They were very ambitious, wanting a good job, a high salary, career advancement opportunities, work-life balance, as well as material trappings: 'a nice house, nice car, nice everything ... I definitely want the bells and whistles' (Smith and Nippert 2005:16). At the same time, they wanted to be happy. While people wanted successful careers, employment was not an end in itself, but a means to pursue 'the love of my life' (Smith and Nippert 2005:17), such as being a musician. People were willing to travel overseas if they did not find what they wanted in the New Zealand labour market.

Another survey by specialist recruiter Hays of its job candidates found the ten most common reasons for looking for a new job were:

- lack of career progression
- seeking new challenges
- salary
- lack of training or development opportunities
- poor management
- too much stress
- travel time too great
- seeking to specialise in a particular field
- poor work/life balance
- office politics (Hays 2005).

There was no indication of the extent to which the results of the last two studies can be generalised. However, people interviewed by a magazine and candidates of a specialist recruitment company are unlikely to be representative of the population as a whole, particularly of low quality jobs. Yet, these results will be indicative of a segment of the population, so cannot be discounted totally.

6.3. New Zealand Values Study

Part of the World Values Study, the New Zealand Values Study is conducted by the Centre for Social and Health Outcomes Research and Evaluation (SHORE) and The Whariki Research Group at Massey University. Twelve hundred New Zealanders aged 18 and over from around the country were interviewed for The New Zealand Values Survey 2005.

When asked to rate the importance of work relative to other domains of their life, 90% of respondents rated work as very or rather important, behind family (99%), friends (98%) and leisure time (96%), but ahead of politics, religion, spirituality and cultural activities. Respondents were asked to rate their priorities if they were looking for a job from each of three separate series of a range of intrinsic and extrinsic characteristics of employment. The results were as follows:

Table 1 Priorities in choosing a job

Aspect of a job	Percent
Doing an important job which gives you a feeling of accomplishment	45
A good income so that you do not have worries about money	22
Working with people you like	19
A safe job with no risk of closing down or unemployment	14

Twice as many respondents rated gaining a sense of accomplishment as more important than income. This order was the same as in the previous survey (1998). In the current survey, two groups of respondents were more likely to prioritise income – these were respondents aged 18-24 years and respondents with a lower educational level (Rose et al 2005a).

Table 2 Priorities in choosing a job

Aspect of a job	Percent
A job that enables you to balance work and life commitments	53
Gaining new skills or opportunities for future development	22
Security provided by having a permanent job	17
A workplace organised to protect the physical health of its employees	9

Work-life balance was the most important aspect from this list, with just over half the respondents rating it as a priority, compared to just over one in five respondents rating gaining new skills as a priority. However, respondents aged 18-24 years, and tertiary educated respondents were more likely to prioritise gaining new skills (Rose et al 2005a).

The order of the final series was as follows:

Table 3 Priorities in choosing a job

Aspect of a job
An employer who recognises the employee's new skills and their contribution to the organisation
A workplace in which employees can participate in decision making
A job with reasonable hours of work
A workplace organised to reduce work related stress

The percent of respondents rating these aspects as priorities was not provided, but there were no significant differences by age or education (Rose et al 2005a).

While having three separate series of priorities with some repeated aspects complicates the data analysis, this survey indicates that New Zealanders value work very highly, but it is not the most important thing in their life. They value work for a sense of accomplishment and for the employer's recognition, yet they value work-life balance. Income is not necessarily a first priority.

These results were similar to the results of the *New Zealand Study of Values 1998*. In that survey, respondents ranked valued aspects of work in the following order of importance:

Table 4 Valued aspects in a job

Aspect of a job	Percent
A job that is interesting	83.7
A job in which you feel you can achieve something	82.5
Good pay	78.8
An opportunity to use initiative	72.5
Good job security	72
A job that meets one's abilities	60.9
Good hours	55.9
A responsible job	51.1
A job respected by people in general	36.4
Not too much pressure	35.4
Generous holidays	32.3

Work was most important for its intrinsic content, for the worker feeling a sense of achievement, and thirdly, for financial reasons.

6.4. The 'Best Places to Work' survey

Unlimited magazine has been running an annual survey of the 'Best Places to Work' for five years now, designed by a human resources consultancy. While the surveys are not representative of all organisations or employees in New Zealand, they still provide indicative data. The survey explores how employees feel about their job, their team, their organisation in general, communication and cooperation, reward and recognition, leadership and development. In 2004, employee perceptions were measured using 58 rating scale and two open-ended questions; and 16,646 employees from 161 organisations responded to the survey (Flagler 2005).

Based on the surveys, *Unlimited* identified what it labelled the 'key drivers' to [employee] commitment, job satisfaction, attitudes to the organisation as a place to work, and intention to stay (Nasta 2004). The following eight drivers were singled out as the most important areas to focus on to improve workplaces (along with the percent of respondents rating them as most important in 2004):

- I feel there is a future for me at this organisation. (19%)
- This organisation is a fun place to work. (16%)
- I feel a sense of belonging to this organisation. (12%)
- The work I do makes full use of my knowledge and skills. (9%)
- The pay and benefits I receive are fair for the work I do. (8%)
- I feel I am working for a successful organisation. (7%)
- I have confidence in the leadership of this organisation. (5%)
- I believe in what this organisation is trying to accomplish. (5%)

The first driver has been identified as the most important for three years now. The second and third drivers exchanged ranks compared to 2003, which in the current tight labour market was interpreted as employees being less willing to remain in employment they did not enjoy (Flagler 2005).

In addition to these drivers, the following six tips were identified for a 'better workplace' (Flagler 2005:60):

- Redefining advancement to include opportunities for personal growth and new experiences.
- Management and/or leadership training for middle management.
- Hiring people who already share the values of the organisation. 'Hire for attitude, train for aptitude'.
- Management walking the talk and setting a good example.

- Recognising and appreciating employee efforts.
- Communication with staff.

Characteristics differentiating the ‘Top 20’ from other organisations included recognition for a good job, celebrating success, having a clear vision for the organisation – where it is going and how it is going to get there, a sense of community among staff, training opportunities and looking after staff. The Top 20 organisations reported improved profits and higher customer satisfaction compared to major competitors; they included an organisation with over 700 staff and another which had cut its staff by 65% following restructuring (Flagler 2005).

6.5. Precarious employment

Tucker’s (2002) literature review of ‘precarious’ non-standard employment identified a growing concern about the increase in this type of employment. Precarious employment is low quality employment that can disadvantage workers in several ways. This type of employment is increasing, both in New Zealand as well as internationally. As indicated earlier, defining precarious employment is problematic, because there are many characteristics associated with it, none of which are absolute and because workers’ preferences determine what constitutes precarious employment. Based on the literature, Tucker (2002) identified ten characteristics as potential indicators of precariousness in New Zealand. She also identified policy concerns associated with precarious non-standard employment.

The literature review was followed by case studies of precarious employment in four industries to increase the Department of Labour’s knowledge and understanding of different employment arrangements including casual, temporary, contract work and standard work and the factors that may lead to precarious employment. The research found that workers did not necessarily consider the indicators identified in the literature review by themselves to mean their employment was ‘precarious’. Because of the subjective nature of precarious employment, the intersection of the indicators (formal – legal/economic) with an individual’s own circumstances (informal – cultural/social) made the employment ‘precarious’ for them. Many workers were prepared to enter casual or temporary employment (characteristics associated with precariousness) under a variety of terms to meet their needs. ‘Precarious’ work was found among people with little or no labour market power, powerful employers, an absence of bargaining, low knowledge of employment relations, no access to information about employment, low wages, unsociable hours and reduced participation in the lives of their children (LMPG & WEB 2004).

Workers reported experiencing their form of work as precarious when they were: not getting a fair day’s pay for the fair day’s work they undertook; not treated fairly at work; not able to earn enough to live as they aspired even if those aspirations were modest; or afraid that their family could not

survive, or was suffering, because of the state they were in considering their work and home lives. The negative impact most frequently reported by people in precarious work was their lack of participation in the lives of their children (LMPG & WEB 2004).

Based on the research, four additional indicators of precarious employment were identified. The study suggested that a focus on improving the quality and practice of employment and how the parties enter and maintain their employment relationship is appropriate (LMPG & WEB 2004).

6.6. Work-life balance

As women's participation in the labour force increases, work-life balance is becoming increasingly valued, and at the same time, a policy focus. Lack of work-life balance can influence employee well being and performance on the job, as well as having negative spillover effects at home (cited in Norris 2004). Implementing work-life balance can be difficult. For example, a survey of Australian and New Zealand workers found that respondents thought 'trust and respect' with their manager and company more important in achieving work-life balance than 'a broad range of flexible work practice options and family support initiatives' (Kerslake 2002:29). Work-life balance was conducive to productive and less stressed employees (Kerslake 2002).

Recognising that achieving a balance between paid work and other activities that matter had become a significant challenge for some people, the Government established the Work-Life Balance Project. Led by the Department of Labour, this project aims to develop policies and practices promoting a better balance between paid work and life outside of work.

Findings from case study research and a consultation exercise showed that people on lower incomes had the greatest difficulty in achieving work-life balance, highlighting the importance of job security, decent pay and conditions in achieving work-life balance. Areas where government regulation could improve opportunities for work-life balance, especially for low-income, casual and precarious workers, included better leave provisions, breastfeeding breaks, and income support (DoL 2004b). These findings showed a link between some conditions associated with low quality employment and difficulty with work-life balance. Other findings included identifying the benefits of work-life practices as loyalty, trust, quality of work and productivity; identifying various conditions of employment which promote or hamper work-life balance opportunities; and issues for specific groups (DoL 2004b). Overall, workplace cultures and practices, caring responsibilities and income adequacy were identified as the three main barriers to work-life balance (DoL 2004c).

6.7. Employer of Choice

The Department of Labour's Employer of Choice initiative encourages employers to consider some key issues in 'moving your industry or firm to a more competitive position in attracting and retaining staff' (DoL 2003a:1). Many of these issues can be considered as indicators of the quality of employment. These issues, compiled from several sources, include:

- having a documented human resources strategy supported by effective 'people policies' (such as employee performance assessment systems)
- measuring employee satisfaction
- corporate social responsibility and triple bottom line reporting
- providing training and development opportunities to employees and potential employees
- improved management of diversity in the workforce
- conducting productive employment relationships
- competitive employment conditions
- protecting your workforce from workplace injury
- supporting migrant talent (DoL 2003a)

6.8. Values and growth & innovation in New Zealand

Harris et al (2005) explored how values and national characteristics in New Zealand enterprises influenced growth and innovation strategies, processes and behaviours at work. This was based on the premise that innovation, central to New Zealand's global competitiveness, is as much a social and cultural process as it is about science, invention, developing skills and commercialisation. The findings are based on approximately 200 interviews from nine case study enterprises deemed 'smart' in terms of growth and innovation.

The authors identified a set of preferences for how New Zealanders like to work. These preferences, which operate in informal ways, can be summarised as follows:

New Zealand employees prefer 'human scale' workplaces where there is a strong sense of community and belonging, where people can forge relationships. People need to be genuinely acknowledged and recognised for the contribution they make, without being made a fuss of. Employees bring a willing can-do attitude or 'free capital'. However, this is easily lost if managers do not consult with or acknowledge the contribution of staff. Managers and leaders need to communicate effectively and to consult staff and take account of issues they face. While migrants are recognised as filling key skill and management gaps, and bringing with them fresh perspectives, technical know-how and market savvy, at the same time they can make it difficult to achieve a cultural fit while

not diluting the tacit knowledge base too much. Another dilemma for workplaces is striking a balance between a laid back life style orientation of many staff and being attuned to the standards and demands of global customers (Harris et al 2005).

These preferences influenced the ‘motivation and willingness of New Zealanders to freely offer that voluntary effort and resourcefulness that makes the difference between being ordinary and being successful’ (Harris et al 2005:45). Hence, understanding them is vital. Overall, the authors asserted that these findings supported the Department of Labour led Workplace Productivity Working Group’s (WPWG) identification of a conducive workplace culture as one of the seven key drivers of workplace productivity (Harris et al 2005).

6.9. Summary

There has been some research in New Zealand on what employees value in employment, and how satisfied they are with some conditions of their employment. The New Zealand research has been undertaken from various perspectives, and varies in its generalisability, although some of the researchers report that their results are broadly consistent with international research. It is difficult to collate the results of these studies into an overall summary because the studies consider similar but not the same factors or aspects of a job. A systematic and robust study of the whole population and across all jobs exploring what different sections of the population value in employment is lacking.

Overall, what New Zealand employees valued most in a job was its intrinsic nature – how interesting and challenging a job was. This is what motivated employees the most to remain in a job or when searching for a new job. Other very important values included the quality of management, management recognition of employee merit and effort, training and development opportunities, work-life balance and relationships with colleagues. Pay and job security also mattered, but usually less than the other factors did. Taken together, these results indicate that personal growth and intrinsic job characteristics were more valued than rewards like pay. However, these results are likely to be biased towards relatively well paid jobs and relatively well educated people, so need to be used cautiously. From the perspective of employers, the research indicated that their awareness of what is important to employees can improve staff retention which in turn can influence productivity and the culture of an organisation. This is particularly significant with skill and labour shortages at present.

The research on precarious employment and work-life balance showed that certain workplace cultures and practices in combination can disadvantage some people. There is a link between low quality employment and difficulty with work-life balance for people with limited labour market

bargaining power. Hence, improving the quality of employment can alleviate work-life balance concerns for some people.

7. WHAT DO PEOPLE VALUE IN EMPLOYMENT INTERNATIONALLY?

Despite many global influences and challenges in the labour market and work organisation, regional, cultural and ethnic differences mean that we cannot transpose international research on work values to New Zealand (Norris 2004). Yet, examining international research is useful for understanding the broader context of values. As mentioned earlier, there is some international research on what people value in employment.

This section begins with findings from Norris' literature review including the World Values Survey findings, and demographic patterns in work values. This is followed by findings from large European surveys; the role of education and expectations among low and middle income earners in Britain; a survey of students employed in the Canadian public service; and finally a small study from Australia.

Norris's literature review (2004) identified common themes, theoretical concepts and policy concerns about values and attitudes to work from the international literature. Themes relevant to this paper include variation in values by age/generation and gender; job satisfaction and work-life balance. These themes are discussed below as well as in other parts of this paper. She noted that attitudinal and value research has been used in the domain of organisational behaviour to understand issues such as turnover, productivity and corporate identity as well as to improve business practices and productivity within global markets.

World Values Study

The World Values Study, which has been conducted four times now (including in New Zealand in 1998, 2001-2002 and 2005), consists of national surveys of basic values and beliefs in more than 65 societies, containing 80% of the world's population. Findings from the surveys suggest that values and attitudes and behaviour are related (cited in Norris 2004). Based on these surveys, Inglehart (cited in Edwards and Burkitt 2001) has argued that rich industrialised societies are increasingly characterised by 'post-materialist' values of self-expression and quality of life, and less by materialist values of economic and physical security. This implies that income and security are becoming less important motivating factors, replaced by interesting and meaningful work, as well as non-work and family life. In today's knowledge economy, employees expect individual and personal development from the employer; and reject traditional hierarchical forms of authority in favour of increased worker participation and co-operation (Steyn and Kotzé 2004).

Demographic patterns in work values

Research has found that values to work vary by age/generation and gender, so it is important to consider these variables in studying work values. Studies showed that parents' attitudes, and their employment and economic circumstances influenced their children's understanding of and attitudes to work. Regional differences in youth work values were related to variations in regional labour markets, e.g. youth from areas with higher levels of unemployment placed greater importance on the value of work (Norris 2004).

Youth were found to have lower levels of job satisfaction, possibly related to the poor quality of their (youth) employment or a more general malaise; or, in Australia, to pessimistic views about the future. At the same time, and a 'crucial lesson' to policy makers, widespread dissatisfaction was also found among workers aged 50 and over:

Sharp declines in satisfaction amongst both male and female over-50s workers were found in the areas of pay, management efficiency, use of abilities, working hours, fringe benefits, amount of work and variety of work. There also appeared to be evidence that employers were more likely to offer benefits to middle years workers, rather than over 50s, and that over 38% of the older workers were without any kind of occupational pension. (Norris 2004:55)

Young females more than young males expected to have to balance work and family in the future. In contrast, another study found that men in their 20s and 30s were closer in attitudes to younger women than to older men in that they (i.e. men in their 20s and 30s) placed a higher priority on spending time with their families and were less willing to 'sacrifice their lives for their jobs' (Radcliffe Public Policy Center 2000 cited in Norris 2004:55). In addition, women under 30 were found to be more ambitious than older women and men of all ages by rating job prestige or status as important more frequently than the latter two groups (Norris 2004).

European surveys

Vecernik (2003) examined opinion data from the late 1990s and 2001 from three cross-national surveys to compare work and job values between Central-Eastern European (CEE) countries and western European (EU) countries. These surveys were the International Social Survey Programme (ISSP) module on Work Orientations; the European Values Study (EVS); and the Households, Work and Flexibility Survey (HWF). The author considered the data in the context of communism and capitalism in European countries, yet concluded that workers' values were independent of such economic regimes. Overall, the author found that:

While [EU] populations stick more to the intrinsic values of work (initiative, responsibility, interest, promotion), [CEE populations] prefer the external conditions of the job (pay, hours, vacations, not too much pressure). (Vecernik 2003:463)

The former set of values can be grouped together as the dimension of ‘personal development’ and the latter as ‘comfort and material conditions’. Despite these differences between countries, there were bigger disparities within them, related to factors such as education, occupation and region (although they were weak predictors of work values).

Using ISSP data from nine OECD countries, Clark (1998) found that what workers valued most in a job was job security and job interest, followed by promotion opportunities and the ability to work independently. Pay and hours of work mattered, but were among the least important. These results were fairly consistent across country, gender and age.

British results

Using focus groups with low and middle income earners in Britain, Edwards and Burkitt (2001) found that of the three issues they raised, work-life balance was most important to workers (especially for women), followed by participation in decision making and training. Yet, work-life balance was not a feasible option without a higher income. Workers would have valued more money and more staff to share the workload with to improve their quality of employment, as well as getting rid of age and gender discrimination. The researchers asserted that workers needed more information about their rights and entitlements, such as holidays. However, the quality of employment itself was not much of an issue for the workers, regardless of their income, partly because they did not expect it. The authors found that expectations were not so low as income increased. Because of the reality of their working conditions, the low paid workers expected to not always get what they wanted at work more so than in other areas of their life, and to have to make trade-offs at work. Quality of employment was outside what they knew and what they accepted as the norm. Further, the workers were sceptical about whether measures to improve the quality of employment (e.g. training) would result in actual improvement. The authors concluded that:

enhancing the quality of work requires getting people to think differently and shift their personal priorities as well as eradicating external barriers such as discrimination and poor employment practice. (Edwards and Burkitt 2001:49)

Edwards and Burkitt (2001) called for increased publicity and information about employee rights and enforcing them, as well as challenging the culture of low expectations at work.

Results from the annual British Social Attitudes Survey (BSAS), based on a representative sample of adults aged 18 or older, show increasing support for work-life balance among workers. Since

1989, agreement with the statement *Work hard, but not so it interferes with the rest of my life* has been increasing from 38 to 47% in 2003, while agreement with the statement *Do best I can even if it sometimes interferes with the rest of my life* has been decreasing from 56 to 46%. In 2003, for the first time since 1989, employees were more likely to say that they worked hard, but not so that it interfered with the rest of their life, than they did their best even if it interfered with the rest of their life. At the same time, in 2003 a third of employees would have preferred working fewer hours, up from 23% in 1983, but not necessarily at the expense of income (Kaur 2004).

Canadian results

In Canada, an internet survey with a 50% response rate found that in choosing a future career, students employed in the federal Public Service for the summer ranked the following factors as the five most important from a list of 15:

- interesting work (62.9%)
- a competitive salary (51.7%)
- work in the student's field of study (41.6%)
- balance of work and personal life (29.6%)
- long-term job security (22.2%) (Booker et al 2001)

These factors are a mix of position attributes, compensation and personal fit, and were similar to findings from another survey of university students conducted three years before this one. The authors asserted that contrary to a prevalent myth, these results indicated that current students valued traditional issues such as compensation and job security. However, of concern to the Public Service was the finding that of these five most valued factors, students expected to find only work-life balance through a career there (Booker et al 2001).

The authors used the following five items to assess quality of work:

- their work had made a contribution to their work unit (89.6% agreed)
- they had been encouraged to take initiative (76.6%)
- their relevant skills and knowledge had been utilised (74.3%); they had been given interesting tasks (68.4%)
- their work was related to their field of study (55.9%)

Students who were satisfied that their placement met the first and third factors above (i.e. had interesting work in their field of study) were also likely to expect to find an interesting career in their field of study in the Public Service, seek a career there, and recommend a career there to others (Booker et al 2001).

The overall findings of this survey were that even though students were generally positive about their placement experiences, there was a limited match between what they wanted in future employment, what they thought the Public Service would offer, and in some cases, evidence for the realities they were like to face. Students were more likely to recommend than to pursue further Public Service employment and one-third of students were sitting on the fence about a career there. The students' work experience was strongly associated with their decision to pursue a career there, with students seeking a career there more positive on every aspect of their workplace experience than students who did not plan to return. These results showed that quality student placements in the Public Service which matched what students wanted in future employment played an important role for not only its short-term labour requirements, but also its long term recruitment needs (Booker et al 2001).

Australian results

An internet survey on employee satisfaction and motivation by Australia's largest employment website, seek.com.au, completed by 6,506 respondents in 2003 found that 25% of respondents were either 'very happy' or 'happy' with their current job, while 49% were either 'very unhappy' or 'unhappy'. The top rating items in response to what people loved about their job were the people they worked with, variety and content of work, hours of work, and fourthly, the salary. To improve their retention, respondents most commonly wanted to change the management style, their pay and thirdly, variety and interest of their work. In seeking a new job, for most respondents, both the type of work and the employer were equally important (Seek). While these results are valid for a section of the population, they cannot be representative of the population because of the group sampled.

Summarising the international research

The various pieces of international research on work values show that there is large variation within a population, often more than between populations of different countries. Some sectors of the populations in the OECD countries, Canada, Australia and western Europe valued most the intrinsic characteristics of work (e.g. interesting work), while in the countries of Central-Eastern Europe, workers valued most the extrinsic characteristics of work (e.g. pay and rewards). However, the quality of employment was not a top-of-the-mind issue for low and middle income earners in Britain. While they rated better work-life balance as more valuable than participating in decision making and training, they would have preferred more money, more staff (to reduce their workload), and getting rid of age and gender discrimination. They were sceptical of any actual changes to their lives from changes in workplace policies. Some authors would argue that such workers could benefit from information about their rights and efforts to change their low expectations and personal priorities. This study, as well as the study of Canadian students in the Public Service, and work by Taris et al (see page 20) and Clark (see page 46), points to the important role of people's

expectations, whether about work in general or a specific job, and their work values in influencing their behaviour in the labour market.

Even though low and middle income earners in Britain did not expect work-life balance, this was an important issue for some populations, especially for women, and in some cases, younger men. Work values can vary by factors such as age, gender and regional location, so these variables need to be included in any study of work values.

The results from New Zealand are similar to the overseas findings of interesting work being valued more than pay, and of the value of work-life balance. Together, these findings support Inglehart's contention of changes in values in rich, industrialised countries away from materialist values of economic and physical security to 'post-materialist' values of quality of life.

8. WHAT METHODS HAVE BEEN USED TO EXAMINE VALUES?

Recognising the role of work values in labour turnover, productivity and business practices, analysts have recently begun examining work values. Work values or preferences have been studied using mainly quantitative methods such as surveys. However, Edwards and Burkitt (2001) got rich data from focus groups of people in Britain grouped by income, age and gender.

The main surveys from Europe and Canada used for analysing work values are detailed in Appendix I. Some of the main New Zealand surveys are also included in this appendix. Surveys range from one-off to repeating surveys, repeated quarterly, annually or even every five years. They are conducted by telephone or face to face, with respondents giving their opinions on a range of items. Depending on the scope and focus of the surveys, they cover a range of themes including labour market participation, working conditions, employment relations, income, health, education, housing, religion, family values, demographic details, etc. They can target the whole labour force or selected sections of it.

Vecernik (2003) discussed some methodological problems in analysing values. Measuring human values is problematic because it involves using subjective data, gathered indirectly, such as through surveys. It is difficult to make cross-cultural comparisons because the circumstances of data collection vary across countries and because people have different understandings of identical words and questions. Populations vary in how 'trained' they are in answering survey questions. Max Haller (cited in Vecernik 2003) questions the extent to which Inglehart's findings are a result of the methods rather than actual differences in the countries. Another problem is that subjective attitudes may not depend on objective conditions. Vecernik (2003) goes on to discuss at some length the reasons it is difficult to compare data from eastern and western Europe.

Norris (2004) noted key methodological problems identified by Hakim. Data from statistical surveys tend to focus on sets of questions, rather than single opinion items. Attitudes are generally measured using a series of questions on a scale, or a multi-item measure. Further, studies are generally limited to behavioural data on hours worked, earnings, and location within the workforce, and fail to take into account data on unobserved factors such as motivations and attitudes.

9. MEASURING THE QUALITY OF EMPLOYMENT

‘Measuring’ the quality of employment is not straightforward. Because of its multidimensional nature, the subjective nature of many of the characteristics and the trade-offs involved among them, it is difficult to combine them into a single index measuring the quality of employment without the researcher imposing their own value judgements on other people. In fact, some researchers assert that it is impossible to measure the quality of employment using a single measure or index, instead it is possible to ‘collect data on important aspects of the employment situation’ (van Bastelaer and Hussmanns 2000:1; Commission of the European Communities 2001; Ritter and Anker 2002). This may be the reason that in the UK, users of labour market statistics are interested in statistics on the characteristics of employment rather than an overall measure of the quality of employment (Beatson 2000). Surveys and datasets are the usual sources of such statistics (see Appendix I for examples of them).

Another complicating factor in measuring quality is that its determinants are not the same for both, men and women. For example, absolute pay seems to matter more for men, and comparative pay for women (Leontaridi and Sloane 2001).

Measuring the quality of employment is further complicated by the importance of various characteristics of a job changing over the course of time. Where a person is at in their life can change the relative importance of some job characteristics, e.g. a new graduate entering the job market may value job security very highly, but later when s/he becomes a parent, s/he may value work-life balance very highly. It can also be influenced by external, societal factors. E.g. when the labour market is tight, workers may increase the value they place on characteristics like work-life balance, which are more difficult to obtain when labour is not scarce.

The quality of employment has been measured using an indicator (e.g. income; job satisfaction; employment relationships); a range of indicators grouped together (e.g. European Foundation method) and by combining the indicators into indices. The following section describes how these methods have been used, and discusses their pros and cons.

9.1. Using indicators to measure the quality of employment

9.1.1. Issues with indicators

Indicators measure the extent to which a specified objective or outcome has been achieved (Ghai 2003). They can be used to assess performance, test alternative hypotheses and make comparisons across time and space. However, there are some limitations when developing and using indicators. The objective being measured may be difficult to define; objectives may be measured directly or indirectly, and by using qualitative or quantitative measures. While theoretically, indicators allow comparisons across time and space, making cross-country comparisons is often difficult because of different data collection methods, measures, accuracy (Ghai 2003) and legal and cultural differences between countries which influence the way respondents interpret and answer questions. For example, in some countries, the working environment may be perceived as a ‘part of daily life’, hence associated problems may be considered ‘a “normal” part of the conditions of life’ precluding the need for special attention (Paoli & Merllié 2001:3).

Another problem is that there is seldom just one measure of the outcome, and a more accurate measure of the objective may be obtained by combining several indicators into an index. In developing an index, it is important to consider the weight given to the different indicators, and the formula for combining qualitative and quantitative indicators. Because of these limitations, indicators and indices can be useful for providing an approximate rather than an accurate picture of the quality of employment (Ghai 2003).

9.1.2. Measurement approaches using an indicator

9.1.2.1. Income

Traditionally, economists used income or wages to measure the quality of employment because it was the most systematically monitored characteristic of employment (Jackson & Kumar 1998). Income, wages and benefits are easily measurable characteristics of employment. However, there are many issues with using income as the sole indicator of the quality of employment, making it a less than ideal measure of it.

Why is income not an ideal measure?

- Income is just one of the many characteristics of employment that workers value, hence, it does not provide a complete picture of the quality of employment. People often change jobs within the same income range, in which case, they may consider the other conditions of employment more important. In fact, as noted in sections 6 and 7, income does not always feature among the most important aspects of a job. For example, Clark’s (1998) analysis of 1989 data from the International Social Survey Programme (ISSP) from the OECD countries found that, apart from Hungary, pay was one of the least important aspects of a job.

- People's expectations change with their income. With increasing income, people have increased expectations about the quality of employment (Edwards and Burkitt 2001) as well as 'their entitlement to happiness' (*The Economist*, August 26 2004). With increasing income, the value that people attach to other characteristics of employment changes, particularly non-pecuniary job characteristics (Clark 1998) and the value of income falls. This may explain Vecernik's finding (detailed in section 7) that income and material conditions were more important in CEE than in EU countries. In this context, pay or income has been labelled a 'hygiene' factor: its absence can make people dissatisfied, but its presence does not motivate or make people satisfied. It is not a priority for people unless they have specific concerns about it (SSC 2002).
- Men and women do not necessarily value income to the same extent or rate their income in the same way, nor are their expectations about income always the same. Women attach less importance to income and pecuniary elements of work than men do (Clark 1998, Leontaridi and Sloane 2001). Absolute pay seems to matter more to men, while comparative pay seems to matter more to women (Clark 1998, Leontaridi and Sloane 2001). In response to the question 'Is your income high?', men were more likely than women to rate their income as high in the OECD countries (Clark 1998). In Canada, women have lower expectations about pay than men, 'possibly because they had received lower pay in previous jobs' (Smith 2002:106).
- The importance of income also varies with the age of workers, with Clark (1998) finding that it increased with age.

While income is an important characteristic of employment and income data is relatively easily available, using it by itself is problematic for measuring and comparing the quality of employment.

9.1.2.2. Job satisfaction

Job satisfaction is increasingly the most studied characteristic of employment. Some researchers favour using employees' own opinions about their job satisfaction to measure the quality of employment, with Edwards and Burkitt (2001:10) calling it 'a key measure' and Vecernik (2003:460) referring to it as 'the best indicator of job quality'.

Why is job satisfaction preferred as a measure?

- As mentioned earlier, it can be practically impossible to collect data on all the objective characteristics of a job and then combine them into an index without imposing one's own personal values in measuring the quality of employment of other workers. Instead, using job

satisfaction means taking into account subjective aspects of the employment relationship and the worker's personal values, circumstances and expectations (Ritter and Anker 2002).

- However, this is also the reason that some researchers caution against using job satisfaction to measure quality - it is not necessarily reliable because of an association between people's earnings and their expectations and aspirations for work. Many workers expect to not always get what they want in the workplace, and expect to make trade-offs. This means that improving the quality of people's working lives involves raising people's expectations. For example, women and part-time workers, even though on average are lower paid and in lower status jobs, tend to be happier with their work than men and full-time workers (Edwards and Burkitt 2001). This is likely to reflect lower expectations by women and part-time workers.

In Britain, poorly paid childcare workers had higher overall job satisfaction levels than sales managers receiving bonuses (Rose 2003). This can be explained by the negative correlation between education (and higher expectations) and job satisfaction: with higher education, people expect better quality and better rewarded work, which they may not always get. In fact, research has identified 'skill discrepancies' as a key influence on job satisfaction, and significant differences in reported satisfaction by occupation, without a simple relationship with status or pay (Edwards and Burkitt 2001).

- Subjective assessments of job satisfaction vary from worker to worker, but such assessments are strongly correlated with observable outcomes (Leontaridi and Sloane 2001), so can be used to predict behaviour, such as quitting a job (Clark 1998). In the European Community Household Panel (ECHP), self-reported job satisfaction was considered a component of inherent job quality (Vecernik 2003). Overall job satisfaction was consistently and negatively associated with employee turnover (Boxall et al 2003).
- Job satisfaction can capture many intrinsic and extrinsic aspects of the quality of employment (Leontaridi and Sloane 2001), some of which, e.g. interpersonal relationships, job interest and job difficulty, are not easy to measure in the way that income and hours of work are (Clark 1998). Because the value that workers attach to different aspects of their job changes with their gender and age, the determinants of job satisfaction also vary by gender and age.
- Because job satisfaction captures workers' subjective assessments, studies do not agree about the main determinants of job satisfaction. However, they do agree that income is not the most significant determinant of it (e.g. Clark 1998; Leontaridi and Sloane 2001; Ritter and Anker 2002) and that there is a correlation among the determinants (Clark 1998, Ritter & Anker 2002). Workers who rate their job highly on one characteristic will probably do so for other characteristics too, e.g. income and opportunities for promotion. The correlation finding is

useful for developing a composite job quality measure combining the individual characteristics. Clark (1998:16) interpreted this finding as certain types of workers experiencing 'multiple deprivation'. From the perspective of economics, Ritter & Anker (2002:336) propose that jobs are packaged so that 'they *tend* to be good, bad or mediocre' on several characteristics (emphasis in original).

How has job satisfaction been used to measure the quality of employment?

Clark (1998) used data from national statistical agencies and the 1989 International Social Survey Programme (ISSP) from nine OECD countries to analyse job characteristics that workers valued and considered important, the relationship of these characteristics with job satisfaction, and based on this, answered the question 'who has got the good jobs?'. He then developed a composite measure of job quality by counting the number of characteristics for which a worker rated themselves as having a 'good job'.

As indicated earlier, Clark (1998) found that what workers valued most in a job was job security and job interest, followed by promotion opportunities and the ability to work independently. Pay and hours of work mattered, but were among the least important. These results were fairly consistent across country, gender and age.

The determinants of job satisfaction (in decreasing order) were having good relations at work, good job content, good promotion opportunities, high income and finally, job security. However, there were some differences by gender and age. Job satisfaction was more strongly correlated with income for men and with hours of work for women. Younger workers' job satisfaction was not correlated with hard work. With increasing age, income became more important for job satisfaction, whereas promotion opportunities became less important (Clark 1998).

In terms of the distribution of good jobs, Clark (1998) found that proportionately more women than men reported high job satisfaction, as did proportionately more older workers than younger ones. These findings were similar to findings by Gardner and Oswald in Britain (cited in Edwards and Burkitt 2001). Clark proposed that analysis of workers' values combined with their labour market outcomes suggested that workers self-selected themselves into jobs that suited their preferences. For example, workers for whom pay was very important tended to be in jobs that paid well. These findings are supported by Taris et al's (2005) contention that the match between workers' values and 'job supplies' influences job satisfaction, and hence retention in the job (see page 20). Clark (1998) concluded that because job satisfaction was strongly correlated with job quality, it was a useful summary measure of a number of job characteristics that were typically not observed or measured, and hence it complemented the standard analysis of wages.

Leontaridi and Sloane (2001) measured the quality of employment by examining job satisfaction for people in career and non-career jobs, for whom the determinants of job satisfaction were expected to differ. Using data from the British Household Panel Study (BHPS), they found that the determinants of job satisfaction were different for men and for women, hence improving quality would mean using different approaches based on gender. Moving from a low paid to a higher paid job did not necessarily lead to increased job satisfaction, indicating that there was more to quality than pay. Job satisfaction was higher for employees with career prospects than without. The authors found support for their method of examining the quality of employment in terms of career and non-career markets (Leontaridi and Sloane 2001).

Ritter and Anker (2002) used data from the People's Security Surveys (PSS) of the ILO in five countries. They found that job satisfaction was strongly associated with (in descending order) perceived job security, the worker's (subjective) evaluation of workplace safety, higher education, perceived employer attitudes and union membership. In contrast to the UK, US, Canada and Australia, union membership was not negatively related to job satisfaction. The authors concluded that job satisfaction data are 'credible indicators of job quality, generally responding sensibly and consistently to various characteristics of the employment relationship.' The results were 'satisfyingly consistent' even from the five very different labour markets studied (Ritter and Anker 2002:357).

Analysing job satisfaction from three cross-national surveys in Europe, Vecernik (2003) found that job satisfaction varied much less among countries than did working conditions, including rewards. High job satisfaction was related to comfortable working conditions in Sweden, but to the relaxed attitudes of Czech Republic workers. Overall, eastern Europeans were less satisfied with their jobs than were western Europeans. This was mainly because of unsatisfactory salaries in the former, where workers valued conditions like pay and rewards most.

Green explored why reported job satisfaction had declined in places like Britain and West Germany during much of the 1970s to the 1990s. He found that job satisfaction was associated with (in no particular order) how hours worked matched workers' preferences for hours worked; job insecurity, and possibly related to this, working in the public sector; pay; self-employment; working independently; tight monitoring; physically and mentally demanding work; relationships with colleagues; avoiding conflict with management; health and safety risks; and job content including task discretion, work effort, employee participation in decision-making about their work and the match between workers' education levels and the level required by the job. He explained the fall in Britain during much of the 1990s by task discretion decreasing and work effort increasing, while the German situation remained a mystery to him.

What about job satisfaction in New Zealand?

There appears to have been only one fully representative survey measuring job satisfaction in New Zealand. A nationally representative telephone survey of employment relationships conducted in 2002 found that most employees reported being either 'very satisfied' or 'satisfied' with their current terms and conditions of employment (83%), and thought relations between their employer and employees were good or very good (again 83%) (Wyllie and Whitfield 2003). As noted in section 6, staff relations are relatively important to New Zealanders, while terms and conditions are less so. Hence, the results suggest that at least for these indicators, New Zealanders enjoy high quality at work.

In the New Zealand public service survey mentioned earlier, workers valued challenging work and sought a sense of achievement from their job. They reported being at least moderately satisfied with these elements. However, they were not particularly satisfied with environmental factors at work (SSC 2002). So, overall, their quality of employment can be considered only moderate. However, without analysing more indicators, we cannot reach any overall conclusions about job satisfaction or the quality of employment in New Zealand.

Summing up job satisfaction...

Job satisfaction is a useful measure for the quality of employment and is associated with workers' labour market behaviour (such as quitting and retention). Surveys are common sources of data on job satisfaction. Job satisfaction captures workers' subjective values and assessments, such as their opinion about characteristics of employment, some of which are difficult to observe and hence to measure. Jointly analysing satisfaction data with workers' values can be useful for predicting actual labour market behaviour because people self-select themselves into jobs that match their values and expectations. The correlation among the determinants of job satisfaction means that it can be measured using a composite measure. The determinants of job satisfaction vary by gender, age, education, culture, etc, hence these variables need to be included in any analysis of the quality of employment using job satisfaction.

On the basis of research so far, we cannot make any generalisations about job satisfaction or the quality of employment in New Zealand.

9.1.2.3. Employment relationships

In Canada, Lowe and Schellenberg (2001) analysed job satisfaction and the quality of employment through the lens of employment relationships. In the 1990s, studies of the Canadian labour market were done from the structural perspective of restructuring, downsizing, re-engineering and the use of new information technologies. As a result of this, good jobs were associated with characteristics such as the full-time/part-time and permanent/temporary status of employees. The authors asserted

that such structural perspectives were by themselves insufficient to capture the diversity of work experiences and outcomes in the workplace. Instead, they turned to employment relationships, the 'building block of economic life', which combined with the structural perspective, gave a better understanding of the workplace.

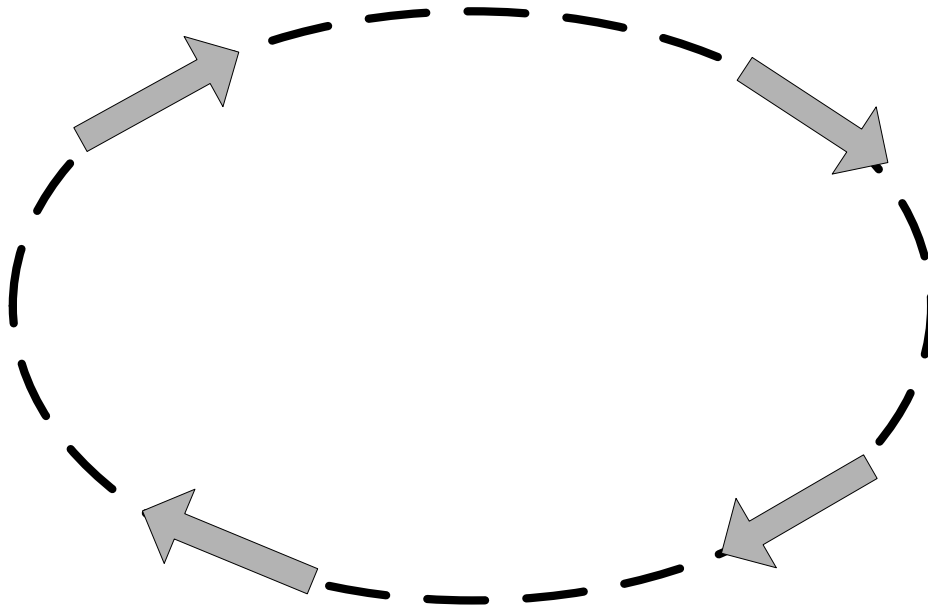
Based on the literature, the authors identified the following four core dimensions as key themes in analysing employment relationships from a multi-dimensional perspective: trust, commitment, employee influence on workplace decisions and communication. They designed a model incorporating these dimensions to understand how employment relationships influenced the quality of employment. The results were based on the 2000 CPRN-EKOS Changing Employment Relationships Survey (CERS) of employed and self-employed Canadians and eight focus groups.

The results confirmed the authors' assertion that 'employment relationships define in fundamental ways people's work experiences' (Lowe and Schellenberg 2001:31) and were more important to job satisfaction than pay and benefits. The authors found that the strength of employment relationships reflected the environment that employees worked in. A healthy and supportive work environment where employees were suitably resourced to do their jobs was conducive to good employment relations. Organisational change could have a negative influence on employment relationships. Specifically, the process of planning and implementing the change had a larger bearing than the type or magnitude of the change (Lowe and Schellenberg 2001).

Strong employment relationships mattered for good jobs because they were the key determinant of job satisfaction. This echoes Clark's (1998) finding that good relations at work were the most important determinant of job satisfaction. Lowe and Schellenberg (2001) found that strong employment relationships were associated with employees having more opportunities to develop and use their skills, reduced employee turnover and absenteeism, and better workplace morale. Structural approaches which defined 'good' and 'bad' jobs through employment status, labour market location, hours, firm size and industry did not explain variations in these outcomes. While standard jobs generally offered better wages and benefits than non-standard jobs, these economic criteria were by themselves insufficient for defining a good job. The enabling conditions for strong employment relationships were found among 'non-standard' part-time, self-employed and temporary employees, and were not necessarily universal among full-time, permanent employees. Hence, the authors found that analysing the quality of employment through employment relationships was useful (Lowe and Schellenberg 2001).

Lowe and Schellenberg (2001) asserted that their research highlighted the links between work environments, employment relationships, the quality of work life and organisational performance, as illustrated below:

Figure 1 Linking Work Environments, Employment Relationships, Quality of Work Life, and Organizational Performance (Lowe and Schellenberg 2001:64)



4. ENHANCED ORGANIZA
improved productivity thro
retention, morale, time at

‘These components are mutually reinforcing in ways that create “good jobs” – the kind that people are enthusiastic about doing and in which they can be highly productive’ (Lowe and Schellenberg 2001:65). Because employment relationships influence so many aspects of the work environment, the authors suggested that it would be more accurate to distinguish between ‘good and bad workplaces’ rather than ‘good and bad jobs’ (Lowe and Schellenberg 2001).

3. QUALITY OF WORK LIFE:
more satisfied, skilled and effective
employees

9.1.2.4. Summary

The quality of employment has been measured using an indicator which serves as a proxy for it, such as income, job satisfaction and employment relationships. Income data is readily available, so was the most commonly studied characteristic of employment; however, job satisfaction is increasingly taking over this status because it is a broader indicator. Income is unidimensional, and does not take account of workers’ subjective views. By itself, it could be a suitable proxy for the quality of employment only to the extent that it is positively correlated with other aspects of employment quality.

2. EMPLOYMENT RELATIO
high levels of trust, commit
and influence

In contrast, job satisfaction and employment relationships capture a range of characteristics and take account of workers' personal values and subjective opinions. They can also capture characteristics which are difficult to measure, such as job interest. Of these two indicators, job satisfaction is more useful because employment relationships is a key determinant of it.

Whichever indicator is used, it is important to consider how it varies by characteristics such as age, gender, education, occupation, etc and what its limitations are.

9.1.3. Measurement approaches using a range of indicators

As mentioned above, some researchers argue that it is impossible to measure the quality of employment using a single measure, so instead they collect and compare statistics on a range of characteristics of employment. This method precludes the need to weight the characteristics, which is a step in combining numerous characteristics into an index. Statistics can be useful for identifying jobs by region, economic activity, occupation and other characteristics where quality needs to be improved, as well as for making comparisons. Because the various dimensions of the quality of employment are related, these characteristics would need to be analysed using multivariate analysis methods (van Bastelaer and Hussmanns 2000).

What's happening in Europe?

The European Foundation for the Improvement of Living and Working Conditions (the 'European Foundation') has developed a range of indicators for measuring the quality of employment. The European Foundation is an autonomous tripartite body of the European Union (EU) created to assist in formulating future policy on social and work-related matters. It 'hopes to contribute positively to the debate on the best ways to anticipate and manage' labour market changes (e.g. the structure of employment, the profile of the working population and the nature of work) and changes to the EU (e.g. its enlargement) and their possible consequences on the quality of employment (European Foundation 2002:26). Through its research, it aims to share information in the EU member states.

The European Foundation believes that indicators used to measure the quality of employment in the past, e.g. occupational accidents and illnesses, reflected 'male-dominated traditional industrial work' (European Foundation 2002:30). Not only did they oversimplify reality, but also they gave a poor indication of the extent and complexity of the changes and problems affecting work. Such changes include feminisation of work and an ageing population (European Foundation 2002). The European Foundation aims to inform work in this area by monitoring the quality of working life by regularly surveying workers. While data on working conditions was being collected in different countries, comprehensive, comparable quantitative data across Europe was lacking (Paoli 1992). To remedy this gap, it developed a survey, based on the following analytical model:

Figure 2 A model of quality of work and employment (European Foundation 2002:6)



The survey aims to provide an overview of working conditions in Europe based on which changes and trends affecting work can be measured (European Foundation 2002). The most recent survey, The Third European Study on Working Conditions 2000 (ESWC), had data from interviews with almost 22,000 workers from EU member countries. It allows comparisons with the previous surveys in 1990/91 and 1995/96, and is due to be repeated in 2005. It was conducted via face-to-face interviews outside the workplace, with a representative sample of 'persons in employment', as defined by the Eurostat Labour Force Survey, whether employees or self-employed workers (Weiler 2005a).

The ESWC 2000 had over 80 questions, hence provides a comprehensive look at various dimensions of job quality from the model. Measures to assess job quality included exposure to physical hazards at work; intensity of jobs; working time; the pace of work; work-life balance; violence at work; and participation and consultation at work. However, there were no questions on the psychological dimensions of employment relationships such as trust, commitment, communication and influence (Brisbois 2003). The indicators used were grouped into 10 dimensions, including the four dimensions from the model. They covered a broad range of characteristics, from intrinsic job characteristics, to gender issues and labour market participation (see Appendix III for the indicators).

Using this model as a basis, the European Foundation monitors the quality of employment and working conditions. It uses data from the ESWC as well as other surveys and datasets such as the European Labour Force Survey (LFS), European Community Household Panel (ECHP), Continuing Vocational Training Survey (CVTS2), European Statistics on Accidents at Work (ESAW), Ad hoc

module on accidents at work and work-related health problems, General Population Survey (GPS), Adaptability of work arrangements index (AWAI) and European Occupational Diseases Statistics (EODS) (Weiler 2005a). For more details on these surveys, see Appendix I. The most recent analysis of quality concluded that:

In terms of career and employment, employment rates are consistently rising for women and older workers, at least in the EU15, but progress is currently too slow to achieve the Lisbon targets. In the area of health and well-being, improvements regarding safety at work are reflected in the significant decline of serious and fatal accidents at work. The European social partner agreement on work-related stress is a further step towards achieving quality of work and employment. Looking at skills development, participation rates in lifelong learning have increased, particularly for women, although there was a drop in IT-related training. Under work–life balance, progress has been slow, due to a complexity of factors involved in improving reconciliation of working and non-working life, such as work organisation, working time arrangements and provision of care facilities. (Weiler 2005b:1)

(Refer to Weiler 2005a and Weiler 2005b for detailed results).

The European Foundation also uses the model as a framework against which to examine relevant legislative and policy developments in EU countries annually. The overall conclusion of this exercise when done the first time was that the quality of employment had not been ‘effectively mainstreamed in policy approaches’ and there was untapped potential to improve working conditions and productivity (European Foundation 2004:33). The second review identified areas for further research and policy, such as achieving work-life balance, managing disabilities, anti-discrimination measures and the working poor, among others. This would ‘foster proactive concepts and prevention policies’, and was indicative of a shift away from a linear employment relationship, to the broader perspective of work and non-work, and activity and non-activity in the labour market (Weiler 2005b:57).

And what’s happening in Canada?

The European Foundation model has been used in Canada to compare its quality of employment to European countries and to the United States of America; to draw out policy implications for the government; and to identify areas for further research such as collecting data on additional indicators of quality (Brisbois 2003). Refer to Appendix IV for the indicators Brisbois used and Appendix I for the surveys he used.

Briefly, Brisbois (2003) found that Canadians worked more hours annually than the average (of Europe, Canada and the US), yet were happier than the average with the fit between work and

family life. Health and safety issues were of particular concern to Canadians, as they were for workers in southern Europe and the US. After US workers, Canadians were second most likely to feel overqualified for their jobs; and were ranked fourth for receiving employer-sponsored training. Temporary employment in Canada was close to the average, but higher than in the US. Canadian workers were satisfied 'above average' with their overall working conditions, but less than US workers. Canada did better than average on most indicators, and particularly well in skill development, but health and safety was singled out as a concern. The lower level of overall job satisfaction in Canada than in the US was an issue for attracting mobile, highly skilled workers to it (Brisbois 2003).

The Quality Employment Indicators Project of the Canadian Policy Research Networks (CPRN) provides information on the quality of employment in Canada. Its website (www.jobquality.ca) has results on indicators of employment quality from different surveys grouped according to the following themes: influence, rewards, security, job design, environment, schedules, relationships, job demands, pay & benefits, training & skills and special indicators. (Refer to Appendix V for the CPRN indicators). This information is available freely on the internet. In addition to monitoring the quality of employment in Canada, this website provides resources to guide employers in using these indicators for human resources and performance management.

9.1.3.1. Summary

Collecting data on a range of quality indicators may be cumbersome, but is useful for people wanting to focus on selected aspects of employment quality. The CPRN quality of employment indicators and the European Foundation model are two comprehensive models for measuring, monitoring and comparing the quality of employment using a wide range of indicators. The latter has been used more widely – in the EU – and has also been used for reviewing policy and legislative developments relating to the quality of employment, hence provides a wider basis for comparison.

9.1.4. Measurement approaches using an index

To measure the quality of employment, some researchers have attempted to develop a single indicator or an index incorporating multiple characteristics of employment. Of the three indices discussed here, one was developed to obtain an overall picture of the labour market in Chile, another one was used to analyse former female welfare recipients' transition from bad to good jobs in the US, and the final one was used to analyse the association between non-standard employment and bad characteristics based on objective economic criteria.

9.1.4.1. *An index based on the capability approach*⁴

Applying the capability approach to employment involves examining the influence of employment on the ‘functionings’ and ‘capabilities’ of individuals. (‘Functionings are what a human being can do or be with any given commodity, which in turn gives us the capability to live well’ [Sehnbruch 2004:1]). To do this, the author of this study asserted that it was necessary to look beyond the unemployment rate and income to the quality of employment (Sehnbruch 2004).

Frustrated by the impracticality of coherently summarising statistics on a broad range of labour market characteristics to ‘get a quick impression of the situation of a labor market’, Sehnbruch (2004:18) developed an index to measure the quality of employment in Chile. Her objectives were to be simple, easily understandable and replicable. She argued that instead of attempting to be ambitious and faithfully capturing ‘all the characteristics of employment and the preferences and circumstances of the individuals employed’ (Sehnbruch 2004:19), it was more practicable yet useful to adopt a more simplistic approach.

The index was based on the following five characteristics of employment – income, social security coverage (whether the individual was contributing to a health insurance scheme), contractual status, employment stability (tenure) and professional training received. She chose these characteristics ‘for the impact they are likely to have on the functionings and capabilities of the individual, either due to the nature of the variable itself or due to the regulatory issues attached to it’ (Sehnbruch 2004:25-26). The data was obtained through a survey questionnaire. Responses were allocated to a sub-category and score related to each characteristic. For example, training was sub-categorised and scored as follows: none – 0, on the job – 1, training courses – 2. The scores for each person were added up and divided by 5. The resulting score was interpreted as follows: high quality job – 1.6-2 points, medium – 0.8-1.4, and low – 0-0.6 points.

⁴ Conceived by Amartya Sen, Nobel Laureate in Economics, some of the core ideas of the capability approach are:

‘The Objective of Economic Development:

Takes human beings as its end: Economic growth and utility or happiness maximization are not sufficient objectives for development. Rather development should be a means to improving human well-being and agency. Human beings form the “ends” of economic activity, rather than its means.

Is to expand capabilities or valuable freedoms. Economic, political, legal, and other social arrangements should be evaluated according to how they expand people's capabilities.

People’s capabilities are what they are actually able to do and to be, that is, their freedom to enjoy valuable beings and doings. This sounds confusing because it replaces one maximand (utility in theory, and income or economic production in practice) with a diverse set of the things people value such as the ability to be nourished, to learn, to be at peace, to travel, to go about without shame, to be friends, to contemplate higher matters, to take action on causes that matter, to have meaningful work.’ (http://www.fas.harvard.edu/~freedoms/capability_defined.cgi?page_builder=hdca)

The index weighted all the characteristics equally, on the basis that any method for calculating such an index would be subjective, and was a convenient solution in the absence of a consensus on how the variables should be weighted. During the pilot phase, she found that income was by far the most important characteristic but did not give it the most weight because if policy makers followed this priority, it 'would obscure the importance of other variables that in the long-term are more important to the development of the individual's capabilities, such as the provision of health care' (Sehnbruch 2004:35). By weighting all characteristics equally, she wanted to develop an index which was simple, useful for policy and analysis of labour markets, and replicable over space and time, allowing comparisons.

Sehnbruch (2004:33) conceded that the characteristics and their sub-categories 'are not as straightforward as they seem'. For example, in calculating the index, having a short term contract was considered to be of lower quality than having a long term contract and hence was lower scoring. However, some people may want a short term job, so this can be positive. The various characteristics of the index were expected to pick up and incorporate such individual preferences.

While Sehnbruch (2004:54) developed the index to measure the quality of employment, her ultimate goal was to shift the emphasis from unemployment to a broader, more inclusive concept in labour market analysis. See page 23 for her overall findings about the state of the Chilean labour market. She commented that:

The index and method proposed in this article are arbitrary and their elaboration is but a preliminary suggestion. However, it respects the overall objectives of an approach which consistently emphasizes that the functionings and capabilities of an individual depend on more than just income (or GNP/capita). While therefore not pretending to be a perfect summary measure of the labor market, it does broaden the basic criteria which the employment debate normally focuses on to include capability enhancing aspects. (Sehnbruch 2004:56-57)

9.1.4.2. An index analysing the work-first approach

To analyse the relationship between schooling, the skill content of work experience and job transitions with the quality of employment of less-skilled women in the United States who had been welfare recipients, Johnson and Corcoran (2003) developed an index of job quality. This index went beyond wages to include non-wage compensation and characteristics of a job that affect future earnings potential. It included wages, health benefits and hours of work and defined a 'good' job as one that was full-time (at least 35 hours per week), paid at least US\$7 per hour, and offered health benefits; or a full-time job that paid at least US\$8.50 an hour but did not provide health benefits. Part-time jobs fulfilling either of these definitions were also considered 'good' if the woman was

working part-time voluntarily. The wage rates were based on living wage laws (wages above the level required by the state and federal government) (Johnson and Corcoran 2003:621).

The authors acknowledged that ‘the spectrum of job quality is continuous, and thus, any definition of a good job is inherently somewhat arbitrary’ (Johnson and Corcoran 2003:621), hence they experimented with several unspecified alternative definitions of a ‘good’ job. Despite these variations, their findings remained qualitatively unchanged. The results were based on two longitudinal surveys (Women’s Employment Survey (WES) and Michigan Employer Survey (MES)) and showed that the quality of employment of the respondents improved over the duration of the survey, based on increased wages, work hours and health benefits (Johnson and Corcoran 2003).

To analyse the skills and experience enabling transition from a bad to a good job, the authors developed a model combining the following characteristics: qualifications, work experience, job skills, length of time in a job, job mobility, local unemployment rate, union membership, demographic variables, health-related characteristics and wages (Johnson and Corcoran 2003).

The findings based on this model were that the transition could be made either through pay rises, increased hours, promotion at the same job, or moving to a new and better job. Post-secondary schooling; years of work experience; using skills such as reading, writing, computing and supervising people; and unionisation were associated with moving from a bad to a good job. Problems with performance on the job, learning difficulties and increasing local unemployment rates decreased the chances of moving to a good job. Voluntary job mobility, rather than job instability, was associated with moving into a good job, based on the assumption that people voluntarily changed jobs expecting gains in their total compensation. The authors concluded that the work-first approach did not necessarily lead to improved quality of employment. Training in hard skills valued in the labour market, and using these skills on the job could improve the upward mobility of the women in their sample (Johnson and Corcoran 2003).

9.1.4.3. An index based on economic criteria

To test the hypothesis that non-standard employment (part-time, temporary and fixed term) increases workers’ exposure to bad job characteristics, McGovern et al (2004) developed an index based on four objective economic criteria, reflecting more on the job than the person. The increase in non-standard forms of employment during the late 20th century has led to concerns about the quality of employment associated with them because ‘the conditions that trade unions won under the standardized, mass-production factory regime cannot be maintained in a world of individualized, nonstandard arrangements’ (McGovern et al 2004:226). Non-standard employment has been

associated with lower wages, fewer fringe benefits, and limited training and promotion opportunities.

The authors conceptualised bad jobs as having low pay, no sick pay, no pension scheme (beyond the basic state scheme), and without a recognised career or promotion ladder. The index consisted of adding up the number of these characteristics that workers had, giving them a score of zero to four. The characteristics were all equally weighted on the basis that they were all equally important. The results were based on the *Working in Britain 2000* survey and showed that all forms of non-standard employment (even permanent part-time jobs) were significantly associated with the bad characteristics identified earlier (McGovern et al 2004).

McGovern et al's study shows that by measuring the quality of employment according to economic criteria solely, non-standard employment is associated with poor quality. This is the very approach and conclusion that Lowe and Schellenberg (2001) tried to get away from in measuring the quality of employment through employment relationships. The former also fails to recognise that some people choose non-standard employment as a way of achieving work-life balance.

9.1.4.4. Summary

The quality of employment has been measured using indices combining several dimensions or indicators. While using such indices can be simpler than monitoring the quality of employment through a range of indicators and can be useful for summary and comparative purposes, the perspective from an index is limited to the variables and indicators used in creating it. Hence, this approach is more useful for answering specific questions, such as Johnson and Corcoran's (2003) analysis of former female welfare recipients transitioning from a bad to a good job. Any index will be subjective because it fails to consider what is most important for the worker whose quality of employment it is measuring.

9.2. Summary – Measuring the quality of employment

The quality of employment has been measured in several ways – using an indicator which captures one or a range of characteristics; using a range of indicators; and combining a range of indicators into an index. Each of these methods has its strengths and weaknesses.

Using a range of indicators is the most comprehensive and least subjective method because it includes the widest range of indicators, and does not imply that any characteristic or state is better than another (e.g. different types of training are considered equal). However, its very comprehensiveness also means that this method can be relatively cumbersome and difficult to summarise. The European Foundation model, based on this method, has now been used throughout

the EU and Canada, so provides a good basis for comparison. It covers a wide range of indicators, from job characteristics such as income and training, to the labour market such as gender equality and access to jobs. It has also been used for reviewing related policy and legislative developments in the EU.

Using an indicator or an index, while much simpler, tends to provide a more limited and often subjective view of the quality of employment, depending on which indicator is used, and how the indicators or characteristics comprising the index are scored or weighted. An indicator like job satisfaction which captures a range of characteristics, as well as the workers' subjective views, is more comprehensive than a unidimensional indicator like income. Indices are better suited for specific analyses (e.g. the transition from bad to good jobs) rather than for measuring the quality of employment from the worker's perspective.

10. CONCLUSION: WHAT NEXT FOR NEW ZEALAND?

To keep up with changes in the workforce and work organisation not only in New Zealand, but also in the world, and to improve the quality of working life of New Zealanders, we need to consider what people value in employment, how high New Zealand's quality of employment is and how New Zealand's quality of employment stacks up internationally. This focus is particularly relevant in the current tight labour market with skill and labour shortages, as women's labour force participation increases and the workforce ages.

The match between people's expectations about work in general and about a job in particular, their work values, and what they actually encounter at work influences their job satisfaction, their commitment to the job, and their labour market behaviour. This raises the question – should people with low expectations be educated about their rights and be encouraged to change their expectations so that they are not exploited or disadvantaged with poor employment conditions?

Various research studies in New Zealand have considered what workers value in employment and what motivates them to remain in a particular job or to seek a new job. The results of all these studies are difficult to combine to get a comprehensive picture of what workers value in employment. A systematic study is needed of what people value in employment and how this varies in the population. New Zealand can learn a lot about relevant research areas and methods from work done overseas.

Gaps in New Zealand include answers to the following questions:

- What do people in New Zealand value in employment? And why?
- How does this vary by variables such as age, gender, ethnicity, education, work injury/illness, immigration status, geographical location, rural/urban location, stage in life cycle, etc?
- How do past work experiences influence these values?
- What trade-offs are people willing to make among the various characteristics of employment?

These research questions will enable us to find out what workers' preferences are in relation to employment, and what characteristics (individually and/or in combination) make any job or working situation low/medium/high quality for them. Attitudinal and value research has been used in the domain of organisational behaviour to understand issues such as labour turnover, productivity and corporate identity as well as to improve business practices and productivity within global markets. Overseas studies have used mostly quantitative methods like surveys to study values, however, qualitative methods like focus groups have yielded rich data when used (often in combination with surveys).

The next step will be to measure the quality of employment in New Zealand. The research questions here include:

- How high is New Zealand's quality of employment? And how does it vary by the variables identified above?
- Who has the good or high quality jobs and the bad or low quality jobs in New Zealand?
- To what extent are people's expectations and values met in their jobs? And how does this influence their labour market behaviour?
- How can the quality of employment be improved in New Zealand?
- How does New Zealand's quality of employment compare with that of other countries?

As documented in this paper, there are many ways of measuring the quality of employment. The most appropriate method seems to be monitoring the quality of employment based on statistics on a range of indicators. While this method may be somewhat cumbersome and does not provide an overall summary measure, it has the following advantages:

- It does not involve imposing anyone's subjective value judgements or conceptual frameworks on other workers. As this paper has noted, the quality of employment is highly subjective and any index fails to take this into account.
- A comprehensive range of indicators can capture the numerous dimensions associated with the quality of employment.

- This method is useful for people wanting to focus on a particular aspect of the quality of employment, as they can select the required data from the whole range monitored.

The European Foundation model is a comprehensive model based on the above method used to monitor the quality of employment, and to review relevant policy and legislation. Its dimensions cover the work of the Department of Labour, showing the important role of the DoL in the quality of employment. This model has been used for some years now in the EU countries and in Canada, hence it provides a sound basis for comparing New Zealand data.

Analysing the quality of employment can serve as the basis to measure and improve it; to monitor efforts to improve the quality of employment; to assess where, if any, value is being added; for employers to compare the costs and benefits of focusing on quality; and to make international comparisons on quality. In Europe it has been used to identify areas for research and policy, e.g. achieving work-life balance, managing disabilities. Employers would find it useful for human resources and performance management.

To use the European Foundation model in New Zealand, we would need to begin with the following questions:

- Which indicators should be used to measure the quality of employment in New Zealand?
- What sources of information on the quality of employment currently exist or are planned in New Zealand?
- Where are the gaps in data, and how do we fill them?

Because of the wide ranging effects of high quality employment, attempts to improve quality will be felt by more than just the workers concerned. They will be felt by workers' families, employers, and society as a whole in a better quality of working life and measuring the quality of employment would allow us to monitor this.

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<http://www.jobquality.ca> The Quality Employment Indicators Project of the Canadian Policy Research Networks

http://www.fas.harvard.edu/~freedoms/capability_defined.cgi?page_builder=hdca The Human Development and Capability Association

1. APPENDIX I. SURVEYS AND DATASETS

The following are the main surveys and datasets used in analysing values and measuring the quality of employment.

Europe

The sources include Clark 1998, Vecernik 2003 and Weiler 2005a - refer to the electronic version of the latter for direct links to documents on survey methods and results.

The World Values Survey

The World Values Study has been conducted four times now and consists of national surveys of basic values and beliefs in more than 65 societies, containing 80% of the world's population. It has a broad scope, including religion and family values, the evaluation of work in general and in its various dimensions. It includes the European Values Study (EVS) and the New Zealand Values Study, the latter conducted in 1998, 2001-2002 and 2005. www.worldvaluessurvey.org

The International Social Survey Programme (ISSP)

This has a different survey focus each year. In 1989, the focus was 'Work Orientations' with data on opinions and beliefs about a wide range of job attributes; perceptions of working conditions and job stability; workers' sense of loyalty to employers and their willingness to stay in their present job or intention to seek another job. Respondents evaluated nine different aspects of a job on a five point scale from 'not at all important' to 'very important'. The nine aspects were income, leisure time, working hours, opportunities for advancement, job security, interesting job, working independently, helping other people and usefulness to society. The 1989 survey had information from nine OECD countries.

The Households, Work and Flexibility Survey (HWF)

This survey looked at the relationship between home, work and the impact that flexibility has in various countries of eastern and western Europe. The survey focused on the objective characteristics of employment, multiple jobs, and their conditions in terms of hours, location and contract arrangements. This survey was innovative in using hypothetical situations to explore under what circumstance people would invest in jobs. E.g. one question asked respondents to 'imagine that you had no job and could get a new one only under certain conditions. Would you be willing to work more than 40 hours per week; move (migrate) to another settlement; accept less attractive work conditions; retrain for another occupation; learn a new foreign language'. Respondents answered yes, no or maybe to each of these conditions.

European Labour Force Survey (LFS)

The 2003 LFS was conducted by Eurostat in the 25 Member States of the EU, three EFTA countries and two candidate countries. The LFS is a large household sample survey, providing quarterly results on labour participation of people aged 15 and over, and on people outside the labour market. From 2003 on, the LFS provides both quarterly and annual results. Specific ad-hoc modules were carried out on work-related health problems in 1999 and working overtime in 2001.

European Community Household Panel (ECHP)

The European Community Household Panel (ECHP) is an annual survey of representative panel households and individuals, carried out by Eurostat. It is based on a standardised questionnaire, covering a wide range of topics including income, health, education, housing, demographic and employment characteristics, etc. It was initiated in 1994 in the then 12 Member States. The first survey covered 60,500 nationally represented households, i.e. approximately 130,000 adults, aged 16 years and over. Key features of the ECHP are multidimensional and simultaneous coverage of a range of topics; standardised methodology and procedures across the countries; and longitudinal or panel design in which information on the same set of households and persons is gathered, to study changes over time at a micro level.

European Working Conditions Surveys (EWCS)

The European Working Conditions Surveys (EWCS) are carried out by the European Foundation for the Improvement of Living and Working Conditions. Surveys were carried out in 1990/1, 1995/6 and 2000. In 2001/2, a survey was conducted in the then acceding and candidate countries. The next survey will take place in 2005. For the third survey (2000), 21,703 workers (1,500 in each Member State, except Luxembourg: 527) were interviewed in face-to-face interviews, conducted outside the workplace. A representative sample of the total active population was sought, i.e. persons who were, at the time of interview, either employees or self-employed workers. The target group was 'persons in employment', as defined by the Eurostat Labour Force Survey. The survey on working conditions in the acceding and candidate countries is similar in method and content to the third European Working conditions survey, conducted in the EU15 in 2000. All the data in the ESWC are statistically weighted to ensure the sample's region, city, size, gender, age, economic activity, and occupation reflect the actual population according to the Europe 1997 Labour Force Survey (LFS).

Continuing Vocational Training Survey (CVTS2)

The Eurostat Continuing Vocational Training Survey (CVTS2) focuses on continuing vocational training in enterprises. The survey was conducted in 1999 in the EU15, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Norway, Poland, Romania and Slovenia. The survey covered enterprises with 10 or more employees in selected sectors.

European Statistics on Accidents at Work (ESAW)

The European Statistics on Accidents at Work (ESAW) are based on administrative data, collected by Eurostat each year since 1994 (after a pilot data collection in 1993). The data are based on the declarations of accidents at work, either to public (social security) or private insurance or to the Labour Inspectorate, according to Member State schemes. The ESAW methodology is in accordance with the International Labour Organisation resolution of 1998 concerning ‘Statistics of occupational injuries: resulting from occupational accidents’. The ad hoc module on accidents at work and work-related health problems in the 1999 Labour Force Survey (LFS) provided a complementary data source to the ESAW.

General Population Survey (GPS)

The survey was conducted in 2002 in the EU15, and in Switzerland and the US, using computer-aided telephone interviews. The survey was coordinated and executed by INRA Deutschland GmbH, Mölln. The population included all persons aged 15 and over, living in private households in the respective countries, and speaking the respective national language(s). Some 11,832 interviews were successfully completed. The survey was conducted in 2003 in the 10 newly associated states, Bulgaria, the Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Romania, Slovenia and Slovakia, using personal-aided personal interviews (PAPI). The survey was coordinated and executed by NFO AISA Prague, the Czech Republic. The population for this study included all persons aged 15 and over, living in private households in the respective countries, and speaking the respective national language(s). Some 10,379 interviews were successfully completed.

Adaptability of work arrangements index (AWAI)

The AWAI index distinguishes between worker-centred and company-centred flexibility. For each of these sub-indices, a number of key indicators were identified. Component indicators were selected using consensus, involving experts and policymakers at EU and national level, taking the Statistical Indicators Benchmarking the Information Society (SIBIS) model of changes in work relationships as a starting point. Data sources are the SIBIS surveys plus the Community Labour Force Survey, the European Working Conditions Survey, the European Continuing Vocational Training Survey and the OECD.

European Occupational Diseases Statistics (EODS)

The EODS collects statistical data on recognised occupational diseases. Data were provided by 12 Member States (Austria, Belgium, Denmark, Italy, Luxembourg, Finland, Portugal, Spain, Sweden, and the UK) on incident, non-fatal cases. Six countries submitted data on fatal occupational diseases (Austria, Belgium, Denmark, Finland, Italy and Luxembourg). The data were collected in 2001 for the first time, under the new annual European Occupational Diseases Statistics, which is currently being implemented in the new Member States. The data include only those 68 occupational disease items that are covered by all national systems. An occupational disease was defined as a case that

was recognised by the national compensation or other competent authorities. Only incident cases were included, i.e. cases that were recognised for the first time during the reference period. All cases of fatal occupational diseases were included where the death occurred during 2001.

Canada

Brisbois (2003) used the following sources:

The EKOS Rethinking North American Integration Survey

The EKOS Rethinking North American Integration Survey (ERNAIS) took place in 2002. The survey contains data on questions around identity, belonging, and values from interviews with 5,004 respondents in Canada, the U.S., and Mexico. All the data are statistically weighted to ensure that the sample's regional, gender, and age composition reflect that of the actual population according to Census data. The original survey sample includes all persons who were 18 years of age and over. Only data for persons who were employees (full or part-time) or self-employed at the time of the interview were included in Brisbois' study. Six identical questions from the ESWC were replicated on the Canada and U.S. portions of the ERNAIS, providing the opportunity to compare results across 17 countries.

Changing Employment Relationship Survey

The CPRN-EKOS Changing Employment Relationships Survey (CERS) contains data collected in 2000 from telephone interviews with 2,500 employed Canadians who were 18 years of age and older. The survey collected data on issues relating to employment relationships such as trust, commitment, communications, and influence, as well as data on respondents' sociodemographic characteristics, labour market status, and individual and workplace outcomes. The data are weighted for gender and age to ensure the sample accurately reflected the population according to Statistics Canada's Labour Force Survey. Data for this report were compiled or cited from other research from the following sources:

Organization for Economic Co-operation and Development (OECD) On-line Database

The OECD On-Line Labour Force Statistics database has both raw data and derived statistics for OECD member countries. The on-line Labour Force Statistics database contains detailed statistics on the working-age population (15-64), labour force, employment and unemployment broken down by age and sex as well as employment/population ratios, participation rates, and unemployment rates by age and sex.

Workplace and Employee Survey

The Workplace and Employee Survey (WES) was first fielded by Statistics Canada in the summer and fall of 1999. It contains information collected from just over 6,300 business establishments (excluding public administration (i.e. government) and selected primary industries) in Canada and

approximately 23,500 paid employees who worked in those establishments, weighted to reflect the population of business establishments and employed workers in Canada.

Current Population Survey (U.S.)

The Current Population Survey (CPS) is a monthly survey of about 50,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics. The CPS is the primary source of information on the labor force characteristics of the U.S. population. The sample is scientifically selected to represent the civilian non-institutional population. In most cases, data from the CPS are from the 2001 survey; however exceptions are noted where applicable. Respondents are interviewed about the employment status of each member of the household 15 years of age and older. However, published data focus on those aged 16 and over. Data collected from the CPS include employment, unemployment, earnings, hours of work, and other indicators. They are available by a variety of demographic characteristics including age, sex, race, marital status, and educational attainment. Additional questions are often added to the questionnaire on topics including computer use, previous work experience, health, employee benefits, and work schedules.

New Zealand

Several surveys and datasets in New Zealand collect information on various aspects of employment. However, these are not systematically compiled or analysed to obtain a picture of the quality of employment in New Zealand. Some sources are detailed below.

The Quality of Employment survey

The Quality of Employment survey, recently scoped by the Department of Labour, is expected to be the most comprehensive data source on employment characteristics. This survey will run as a supplement to the Household Labour Force Survey (HLFS) from 2007 at the earliest.⁵ In addition to being a repeating survey (approximately every 3 years), this survey has the advantages of including a big nationwide sample, allowing analysis by variables such as region, gender, age, ethnicity, etc. However, the disadvantages include a long wait before it begins and a small risk it will not proceed.

The survey design is yet to be finalised. At this stage, the survey is expected to collect high level information on the following characteristics of employment: hours worked; the employment relationship; tenure; childcare; earnings; type of employment agreement; union membership; leave entitlement; formal job-related training; occupational health and safety; work-life balance; benefit status; job satisfaction; and other forms of compensation. The survey has similar or comparable

⁵ The HLFS is introducing computer-assisted telephone interviewing (CATI) progressively in 2005-06. Adding a supplement during this time would mean developing electronic and paper surveys, making the exercise very expensive. Hence, it is unlikely the supplement will be introduced prior to 2007.

items to the ESWC in some areas from the European Foundation model, but not on risk exposure; work organisation; time spent on working and non-working activities; skills and career development; employment programme participation; and issues related specifically to vulnerable employment.

Decent Work Action Plan (DWAP)

As stated earlier in this document, the quality of employment is associated with the concept of decent work. The ILO is promoting decent work, with the following four broad objectives:

- promote fundamental principles and rights at work
- create employment opportunities incorporating decent employment and income
- enhance social protection for all
- strengthen tripartism and social dialogue

The New Zealand government is currently developing a Decent Work Action Plan (DWAP), led by the Department of Labour (DoL 2003b). This Decent Work project has four objectives parallel to the ILO objectives.

The Government believes that economic and trade partnership agreements need to promote decent work if they are to improve living standards in the countries whose governments have negotiated them. Decent work means opportunities for work in which minimum standards are protected and adequate income is generated within an infrastructure which ensures social protection (DoL 2003b). The objectives of DWAP include providing a tool to assist the Government to realise decent work in New Zealand, by assessing progress against the government's outcomes and allocating resources to achieve them where they are aligned with the ILO's decent work programme.

The DWAP team has recently undertaken a stocktake of activities in New Zealand that contribute to the objectives of Decent Work. This information will be used to ascertain what the Government still needs to do in this area and will give us some indication of activities and initiatives which can provide information relevant to the quality of employment.

2. APPENDIX II. QUALITY OF EMPLOYMENT INDICATORS USED FOR THE NON-PROFIT SECTOR IN CANADA

Extrinsic rewards <ul style="list-style-type: none"> - Earnings - Benefits - Job Security 	Intrinsic rewards <ul style="list-style-type: none"> - Interesting work - Sense of accomplishment - Use of creativity and initiative
Employment relationships <ul style="list-style-type: none"> - Respect - Communication - Trust and commitment - Fairness 	Hours and Scheduling <ul style="list-style-type: none"> - Work hours, including overtime - Flexibility - Work-life balance
Organizational structure <ul style="list-style-type: none"> - Employee influence - Participation in decision-making - Information sharing 	Skill use and development <ul style="list-style-type: none"> - Training and learning opportunities - Opportunities for promotion - Use of technology
Job design <ul style="list-style-type: none"> - Autonomy and control - Feedback - Resources 	Health and safety <ul style="list-style-type: none"> - Physical work environment - Physical demands of job - Psychological demands of job

Source: McMullen and Schellenberg 2003:9

3. APPENDIX III. QUALITY OF EMPLOYMENT INDICATORS OF THE EUROPEAN FOUNDATION

(from Commission of the European Communities 2001)

1. Intrinsic job quality

- Job satisfaction among workers, taking account of job characteristics, contract type and hours worked, and level of qualification relative to job requirement
- Proportion of workers advancing to higher paid employment over time
- Low wage earners, working poor, and the distribution of income

2. Skills, life-long learning and career development

- Proportion of workers with medium and high levels of education
- Proportion of workers undertaking training or other forms of life-long learning
- Proportion of workers with basic or higher levels of digital literacy

3. Gender equality

- Gender pay gap, appropriately adjusted for such factors as sector, occupation and age
- Gender segregation – extent to which women and men are over or under-represented in different professions and sectors
- Proportion of women and men with different levels of responsibility within professions and sectors, taking account of factors such as age and education

4. Health and safety at work

- Composite indicators of accidents at work – fatal and serious – including costs
- Rates of occupational disease, including new risks e.g. repetitive strain
- Stress levels and other difficulties concerning working relationships

5. Flexibility and security

- The effective coverage of social protection systems – in terms of breadth of eligibility and level of support – for those in work, or seeking work
- Proportion of workers with flexible working arrangements – as seen by employers and workers
- Job losses – proportion of workers losing their job through redundancies, and proportion of those finding alternative employment in a given period
- Proportion of workers changing the geographical location of their work

6. Inclusion and access to the labour market

- Effective transition of young people to active life
- Employment and long-term unemployment rates by age, educational level, region
- Labour market bottlenecks and mobility between sectors and occupations

7. Work organisation and work-life balance

- Proportion of workers with flexible working arrangements
- Opportunities for maternity and parental leave, and take-up rates
- Scale of child-care facilities for pre-school and primary school age groups

8. Social dialogue and worker involvement

- Coverage of collective agreements
- Proportion of workers with a financial interest/participation in the firms where they are employed
- Working days lost in industrial disputes

9. Diversity and non-discrimination

- Employment rates and pay gaps of older workers compared with average
- Employment rates and pay gaps of persons with disabilities, and persons from ethnic minorities –compared with average
- Information on the existence of labour market complaints procedures, and of successful outcomes

10. Overall work performance

- Average hourly productivity per worker
- Average annual output per worker
- Average annual living standards per head of population – taking account of the rate of employment and the dependency ratio

4. APPENDIX IV. QUALITY OF EMPLOYMENT INDICATORS USED IN CANADA BY BRISBOIS (2003)

1. Heath and Well-Being

- Work continuously at rapid rate
- Work affects health

2. Skills Development

- Skills match
- Received training
- Work with computers

3. Career and Employment Security

- Incidence of involuntary part-time employment
- Incidence of temporary employment

4. Reconciliation of Working and Non-Working Life

- Annual hours worked
- Incidence of long hours worked
- Work-life balance

5. Satisfaction with Working Conditions

- Overall satisfaction with working conditions

5. APPENDIX V. QUALITY OF EMPLOYMENT INDICATORS DEVELOPED BY CPRN

(www.jobquality.ca)

1. **Communications and influence**

- employee participation
- employee influence as a workplace strategy
- information sharing
- receiving feedback on your work

2. **Personally rewarding work**

- what workers want
- job satisfaction
- interesting work

3. **Security**

- temporary employment
- job security

4. **Job design**

- job rotation
- work teams

5. **Environment**

- workplace health
- fear of job loss
- fear of occupational injury
- stress and hours of work
- stress and workplace relationships

6. **Schedules**

- shift work
- compressed workweek
- flexible hours
- work hour preferences

7. Relationships

- relationship with supervisor
- trust

8. Job demands

- workload
- long hours of work
- unpaid overtime
- work-life balance

9. Pay & benefits

- profit sharing
- merit
- satisfaction with pay
- working for low wages

10. Training & skills

- skill use
- opportunities for skill development
- workplace training
- do workers get the training they need?

11. Special indicators

- union indicators
- PCs at work