

UNECE indicators on quality of employment

Background

Why is quality of employment relevant?

Employment plays a central role in the life of most citizens of the European Union. It is not only important to *have work* but also *how we work*. We spend a lot of time at work and it is one of the activities that takes up the largest share of the day. Besides providing income, working affects our health, our self-perception in society, and self-esteem.

With employment conditions becoming ever more diverse, employment quality has become more important for policy makers and researchers. Looking at employment and unemployment figures alone is not sufficient, anymore. The question of the 'how' becomes more and more relevant. Several corresponding initiatives at the international level were started around the year 2000:

- 1) **The European Pillar of Social Rights** highlights employment quality with its main dimensions of equal access to employment and fair working conditions. A set of key indicators is provided to assess the progress on these dimensions.

With that the EU takes up and continues objectives from **Europe 2020** and the **European Employment Strategy**.

- 2) The **OECD Better Life Initiative** has its origins in the Stiglitz-Sen-Fitoussi Commission and embraces aspects of employment quality. This results in statistical approaches to measure earnings, labour market security and quality of the work environment.
- 3) The **Decent Work Agenda** is a result of the longstanding activities of the International Labour Organisation (ILO) in the field. Strategic objectives of the agenda are: employment creation, guaranteeing rights at work, extending social protection and promoting social dialogue. A set of indicators is provided in it, too, to allow countries to measure progress toward the Decent Work targets.

The UNECE initiative to measure quality of employment

Since 2000 there was a series of joint seminars of UNECE, Eurostat and ILO to address the topic of measuring quality of employment. National pilot studies were conducted, a report on potential indicators for measuring quality of employment produced and a meeting of international experts took place. Based on all this preparatory work, in 2012 the Conference of European Statisticians (CES), the governing body of UNECE, gave mandate to an expert group to:

- ✓ Review and revise the developed concept of measuring quality of employment;
- ✓ Finalise a set of indicators;
- ✓ Develop operational definitions and computation guidelines for the indicators.

The underlying rationale was the development of a statistical framework measuring relevant aspects, but leaving the evaluation to policy makers or researchers, with an approach not linked to a specific policy agenda.

The expert group had its final meeting in September 2014 and by then completed a handbook for measuring quality of employment. The handbook was endorsed by the CES in 2015 and published by UNECE the same year. Since then a part of that expert group takes care of the follow-up, to further discuss open issues and to promote the implementation of the framework.

Eurostat has been supporting the process actively from its beginning.

Objectives of the UNECE framework

- Provide a structured and **coherent system for measuring and assessing quality of employment**.
- Facilitate comprehensive coverage of the phenomenon – however, in practice the framework is to be used as a **toolbox for statistical institutes, policy makers and researchers**. They shall be able to compile data or calculate indicators depending on quality aspects of employment they are interested in.
- **Avoid judgements** whether a certain value of an indicator stands for "high" or "low" quality, following the UN Fundamental Principles of Official Statistics, and also the idea of a flexible instrument. Evaluation also depends e. g. on the national context, the target population, economic cycle, and especially the focus the analysis.
- Help **improve the availability of data** on employment quality on the national level, but also to promote international data collections and thus **facilitate international comparison**.

The framework consequently intends to be more flexible and comprehensive than the existing approaches; it is independent from a specific policy agenda.

Theoretical approach

The UNECE framework assesses quality of employment from the perspective of individuals in employment.

"Quality of employment can be defined as the entirety of aspects of employment that may affect the well-being of the employed person".

The focus is on the individual, even though employment conditions may be influenced from an institutional level like the enterprise, branch or the country. Objective conditions as well as subjective perceptions of the employment situation are covered.

The definition also implies that employment quality is understood as a multidimensional concept and the full range of characteristics relevant for well-being is reflected in the seven dimensions of

the approach. The structure reflects the theories on human motivation applied in the field of quality of work research, ensuring that the relevant aspects of quality of employment are broadly covered.

The indicators have been identified by their proven empirical relevance to the well-being of persons in employment. However, the framework suggests no weighting of the indicators (or dimensions) regarding their relative relevance for well-being. Existing empirical approaches have been used as the starting point for the development of the indicators. One more point for including indicators in the framework was that their production is empirically feasible.

The framework promotes the application of international statistical standards like classifications or concepts: employment defined according to the 19th International Conference of Labour Statisticians (ICLS) resolution prepared by the International Labour Organisation (ILO), and international classifications like ISCO or NACE are proposed for breakdowns. This ensures international comparability of correspondingly calculated indicators.

Structure of the framework - seven dimensions

Quality of employment is assessed through seven dimensions which are partly divided into sub-dimensions. Each (sub-)dimension contains a set of corresponding indicators. The handbook contains a detailed description of each indicator including its definition, recommendations for data source, computation and breakdowns, as well as interpretation guidelines.

1. Safety and ethics of employment

a) Safety at work

b) Child labour and forced labour

c) Fair treatment in employment

This dimension covers, on the one hand, safety at the workplace, specifically risks of injury or even death, and on the other hand physical and mental health in relation to work. The second sub-dimension addresses the application of internationally accepted human rights and labour conventions referring to child labour and forced labour. The third sub-dimension considers fair treatment in employment, mainly from a gender perspective, but also by looking at discrimination at work.

2. Income and benefits from employment

a) Income

b) Non-wage pecuniary benefits

The level of income from employment but also its relative magnitude as regards earnings distribution is important for making a living and societal participation. Here the comparison of sub-

groups of employed persons becomes especially relevant. These aspects are covered by sub-dimension (a).

Non-pecuniary benefits from work are also relevant; these are covered by sub-dimension (b), e. g. paid sick leave is an insurance against payment loss during sickness.

3. Working time and work-life balance

a) Working hours

b) Working time arrangements

c) Work-life balance

Working hours are addressed by this dimension, very long ones but also involuntary part-time work. Other indicators cover atypical working hours, flexibility or work arrangements, and the reconcilability of working hours with private life and care responsibilities.

4. Security of employment and social protection

a) Security of employment

b) Social protection

This dimension assesses a wide range of indicators regarding the security and stability of employment relationships, like the prevalence of fixed-term employment, the situation of the self-employed, or subjective perception of job security. Information on social security nets complements this information.

5. Social dialogue

The workers' possibility to influence their working conditions plays an important role in employment quality. The grade of institutionalisation of industrial relations as well as the degree of conflict in them is covered by this dimension.

6. Skills development and training

The skills of the person in employment, the autonomy they have at work and the degree to which they can be used in the job play a crucial role in employment quality. Job skills have to be trained also during employment and such training should be appropriate. A good skill level also increases the employability. All these aspects are covered in this dimension.

7. Employment-related relationships and work motivation

a) Employment-related relationships

b) Work motivation

Social and motivational factors directly affect the well-being of employed persons and indirectly influence job satisfaction because these conditions also have an impact on the work results. The quality of the relationships with colleagues as well as with the supervisor is a key factor. Work

motivation is related to the possible autonomy at work, usefulness of work, work under stress, or organisational involvement. These aspects are covered by this dimension.

Data sources used for the Eurostat Online-Database

Data from the EU countries, the United Kingdom and EFTA countries is available from all the sources listed below. All except for EWCS are part of the European Statistical System.

1) *EU Labour Force Survey (EU-LFS)*

A household survey providing quarterly and annual results mainly on labour market participation, employment, unemployment, education, and regularly changing topics in this context. It is the largest household survey in Europe, also allowing for differentiated analysis.

For more information, see <https://ec.europa.eu/eurostat/web/lfs>

2) *European Working Conditions Survey (EWCS)*

A household survey conducted by Eurofound every five years (latest in 2015), collecting information on various conditions at work, workplace relationships, but also focussing on the subjective perception of the person's employment. The content of EWCS is developed in close cooperation between Eurofound, an EU agency, and the EU Commission.

For more information, see <https://www.eurofound.europa.eu/surveys/european-working-conditions-surveys>

3) *Structure of Earnings Survey (SES)*

It is an enterprise survey conducted every four years (latest in 2018, results published in 2020) providing information specifically on earnings of employees in combination with a comprehensive set of data on the employment relationship, the employees' demographic and educational background, and information about the employer.

For more information, see <https://ec.europa.eu/eurostat/web/labour-market/earnings>

4) *Statistics on Income and Living Conditions (SILC)*

A household survey conducted yearly and as a panel, where households are interviewed in consecutive years (at least four). It collects information on the income and expenditure of households, but also e. g. on housing or health of the respondents.

For more information, see <https://ec.europa.eu/eurostat/web/income-and-living-conditions/overview>

5) *European Statistics on Accidents at Work (ESAW)*

The data for this collection is assembled in collaboration with national statistical offices, social security institutions (Worker's Compensation or similar) and Ministries of Labour Affairs. They provide data on accidents at work, work-related health problems, and exposure to risk factors with a yearly frequency.

For more information, see <https://ec.europa.eu/eurostat/web/health/health-safety-work> or <http://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-RA-12-102>