

**Measuring quality of employment in Germany**  
**Experiences with the UNECE/ILO/Eurostat indicator framework<sup>1</sup>**

## **1 Background**

This paper summarises the experiences made at the Federal Statistical Office Germany with the application of the indicator framework proposed by the joint UNECE/ILO/Eurostat Task Force on the measurement of the quality of employment that was endorsed by the 58<sup>th</sup> plenary session of the Conference of European Statisticians, 8-10 June 2010. As shown by the numerous publications issued in the last two years, one can clearly state that the work of the Task Force stimulated the developments in Germany a lot.

In particular, the experiences gained during the compilation of the country report for Germany in 2009 (Körner/Puch 2009) proved as an excellent basis for building up a reporting framework on quality of employment. The focal point of this framework is the indicator report “Quality of Employment – Earning money and what else counts”, which was first published in September 2010 (Körner/Puch/Wingerter 2011).<sup>2</sup> The aim of the indicator report was to present the entire set of indicators on quality of employment in an accessible form and to inform about the most important trends in the last decade. The first publication of the indicator report was accompanied by a press release regarding persons with excessively long working hours.<sup>3</sup> An update is planned for mid 2012.

Additionally, two background papers on the indicator framework were published in two journals (Körner/Puch/Wingerter 2010; Körner/Puch 2011). Furthermore, the topic was covered in a number of conference contributions relating quality of employment to the concept of well-being as defined in the report of the Commission on the Measurement of Economic Performance and Social Progress (Stiglitz-Sen-Fitoussi commission; Körner 2010) the development in the types of standard and non-standard employment (Körner 2011) as well as the problem of international comparability (Puch 2011).

## **2 Experiences made with the indicator report “Quality of Employment – Earning money and what else counts”**

The production of the indicator report on quality of employment was a very instructive exercise in several respects. First of all, the situation to have to communicate the results to the general public revealed some imbalances of the indicator framework, but also made clear that the relevance of some indicators seemed to be limited while others proved to be quite difficult to

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<sup>1</sup> Paper prepared for the UNECE/ILO/Eurostat Meeting on Measuring Quality of Employment, Geneva, 31 October – 2 November 2011 by Thomas Körner and Katharina Puch.

<sup>2</sup> An English version of the indicator report was published in April 2011. It is available at <http://www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/EN/Content/Publikationen/SpecializedPublications/Arbeitsmarkt/QualityEmployment,property=file.pdf>

<sup>3</sup> See [http://www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/EN/press/pr/2010/09/PE10\\_\\_347\\_\\_132,templateId=renderPrint.psml](http://www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/EN/press/pr/2010/09/PE10__347__132,templateId=renderPrint.psml)

communicate. Secondly, the necessity to actually calculate the indicators showed that the guidance provided by the indicator list in the annex of the CES document was rather weak. Many points, like the choice of the data source, but also definitions and operationalisations (e.g. the age boundaries) were still to be determined.<sup>4</sup> Thirdly, the sheer number of indicators turned out to be very difficult to be tackled in one publication, at least in an accessible way. In the case of our indicator report the number of pages, due to technical reasons, was limited to 70, so a selection of indicators was unavoidable. But still with this selection it has to be admitted that it is difficult to get the overall picture on quality of employment.

**Table 1: Indicators chosen for the indicator report “Quality of Employment – Earning money and what else counts”**

Indicators proposed by the Task Force	Additional indicators
<b>Safety and ethics of employment</b>	
Fatal occupational injury rate	Employed women as share of total employment
Non-fatal occupational injury rate	Occupational segregation by sex
Share of employed persons who feel significant levels of stress due to employment activities	Gender Pay Gap
<b>Income and benefits from employment</b>	
Average hourly earnings of employees	Average number of days paid annual leave used in the previous year
Low pay rate (Share of employed with below a percent of median hourly earnings, e.g., two thirds)	
Share of employees entitled to paid annual leave	
Average number of days of annual leave employees are entitled to use per year	
Share of employees entitled to sick leave (and annual days of sick leave per employee)	
<b>Working time and balancing work and non-working life</b>	
Average actual hours worked per week per person	Share of parents working part time
Share of employed persons working long hours per week (e.g., 49 hours or more per week)	
Share of employed persons working few hours per week involuntarily (e.g., less than 30)	
Percentage of employed persons who usually work at night, evening, weekend or bank holiday	
Ratio of employment rate for women with children under compulsory school age to the employment rate of all women aged 20-49	
Average duration of commuting from home to work	

<sup>4</sup> For most indicators, e.g., reference was made to the population in private households without conscripts and persons obliged to render alternative civil service aged 15 to 64 years.

Indicators proposed by the Task Force	Additional indicators
<b>Security of employment and social protection</b>	
Share of all employed persons who are unincorporated self-employed without employees	Share of employees with fixed-term contracts wanting a permanent job
Percentage of employees over a certain age (e.g., 25 years) with temporary jobs and by job tenure	
Share of employees covered by unemployment insurance	
Average weekly unemployment insurance payment as a share of average weekly wage	
Share of economically active population contributing to a pension fund	
<b>Social dialogue</b>	
Share of employees covered by collective wage bargaining	Average number of days not worked due to strikes and lockouts
	Share of employees represented by a works council
<b>Skills development and training</b>	
Share of employed people who received job training within a period of time (e.g., the last 12 months)	
Share of employed people in high skilled occupations	
<b>Workplace relationships and work motivation</b>	
Share of employed people who feel they have a strong or very strong relationship with their co-workers	
Share of employed people who feel they have a strong or very strong relationship with their supervisor	
Share of employed people who feel they have been a victim of discrimination at work	
Share of employed people who feel they have been harassed at work	
Share of employed people who are able to choose order of tasks or methods of work	
Share of employed people who receive regular feedback from their supervisor	
Share of employed people who feel they are able to apply their own ideas in work	
Share of employed people who feel they do “useful” work	
Share of employed people who feel satisfied with their work	

We selected 42 indicators (34 proposed by the Task Force, 8 additional indicators) for our national indicator report. The basic idea of the indicator report was to present one indicator per double page. In practice, some flexibility was needed when applying this rule. In some cases, more space was required, in other, several indicators (like atypical working hours) could be grouped together under one heading.

Table 1 one shows the indicators that have been presented in the indicator report including additional ones not being part of the framework. The additional indicators not only had the purpose to better adapt the report to the requirements of the German labour market, but mainly tried to correct for some gaps in the framework that were considered to make the distribution among the seven dimension slightly imbalanced. In detail, three indicators were added regarding the equal opportunities of men and women. Although most other indicators were equally published in breakdowns by sex, gender aspects turned out to receive sufficient attention only with at least three dedicated indicators. Further additions concern the part-time work of parents (very wide-spread among German women), and the share of employees with fixed-term contracts wanting an open-ended contract. Finally, we felt some need to have additional indicators on the dimension of social dialogue in order to provide more than one indicator on this dimension.

As can be seen in table 2, 20 indicators proposed by the Task Force were not taken into account for the report. The main reason for not considering some of the indicators proposed by the Task Force was the need to limit the number of pages of the indicator report. This necessity emerged amongst others in discussions with the Federal Statistical Office's unit in charge of data dissemination, which saw the risk of producing an information overload that could only difficultly be taken in by a non-expert user. However, in the process of the selecting the indicators not to be included, further reasons applied: Some indicators were abandoned due to their low relevance in the context of Germany (like the indicators regarding child labour) others were not taken into account because of problems regarding the accuracy of measurement and still others could not be considered as the underlying data were not sufficiently up-to-date. Further reasons were that (in few cases) no data were available at all or the indicators were judged too difficult to be communicated to the general public.

Table 2 gives a detailed overview on the main reasons for not considering the indicators for the publication. The table is also informative for the future development of the indicator framework as it indicates possibilities to streamline the list of indicators, but also points out indicators for which the operationalisation was not considered sufficiently clear.

**Table 2: Indicators proposed by the Task Force, but not considered for the indicator report “Quality of Employment – Earning money and what else counts”, by main reason for not considering the indicator**

Indicators proposed by the Task Force that were not considered	Main reason for not considering the indicator (apart from lack of space)
Occupational disease contraction rate	Difficult to interpret
Share of employed persons working in hazardous industries and occupations (as defined by ILO)	Operationalisation unclear / not available
Share of employed persons who are below the minimum age specified for the kind of work performed.	Low relevance in Germany
Share of employed persons below a certain age (e.g., 18 years) in “hazardous” industries and occupations (as defined by ILO)	Low relevance in Germany/ Operationalisation unclear/ not available? / low case numbers
Share of employed persons below a certain age (e.g., 18 years) working hours which exceed a specified threshold.	Low relevance in Germany / low case numbers
Share of children working in household chores which exceed a specified threshold of hours.	Low relevance in Germany / not available?
Share of employed or recently-employed migrant population who were deceived during recruitment to/by an employer	Data not available
Share of employed or recently-employed migrants who felt they were forced or coerced during their employment	Data not available
Distribution of weekly earnings (quintiles)	Redundant information
Average number of days of sick leave employees are entitled to use per year	Low relevance in Germany
Share of employees with supplemental medical insurance plan	Low relevance in Germany
Distribution of actual hours worked (quintiles)	Redundant information
Share of employed persons working more than one job	Measurement problems in LFS, no reliable source that covers all persons in employment
Share of employees with flexible work schedules	Data too old according to Destatis policy (2004)
Share of people receiving maternity/ paternity/family leave benefits	Numerator and denominator unclear
Average actual hours worked per week per household	Operationalisation unclear
Public social security expenditure as share of GDP	Low relevance for quality of employment / difficult to interpret for laymen
Share of employers belonging to employer organisations	Data not available
Share of employed people who received job training by type of job training (e.g. job-related, on one’s own initiative,...)	Results difficult to interpret
Share of employed people who have more education than is normally required in their occupation	Results difficult to interpret
Share of employed people who have less education than is normally required in their occupation	Results difficult to interpret

### 3 Lessons learnt for the further development of the indicator framework

The first conclusion from the production of the indicator report is that many problems related to the framework only become apparent when you have to explain the indicators to an external user. This section presents three general findings that should be considered for the further development of the framework.

In many respects, the list of indicators leaves a high degree of freedom regarding its practical implementation. Only very few operationalisations are given, definitions (like age boundaries to be applied) are missing and no preferences regarding the preferable data sources are mentioned. When applied in different countries, this will lead to much heterogeneity which does not only hamper international comparisons but also means extra work for the agencies working with the indicator framework. Therefore we suggest using the development process to develop a list of recommendations on how to calculate the indicators and which data sources to use. Examples of such proposals would recommend to use the Labour Force Survey as data source wherever possible and to refer to the resident population in private households aged 15 to 64 years as default population boundary.

The proposal of the Task Force to cover the issue of fair treatment in employment generally by providing the indicators in several socio-demographic breakdowns (by sex, ethnic groups, migration background, disabilities, age, and geographic regions) did not prove to be a satisfactory solution. Key aspects of discrimination, like the one of women, tend to get overlooked. Furthermore, it turned out that the breakdowns suggested by the Task Force are available for a limited number of indicators only. For the publication of our indicator report we saw the need to include a number of key gender indicators (Share of women in total employment, gender pay gap, occupational segregation by sex) in order to be transparent about the gender aspect of quality of employment. Having breakdowns by sex for all the indicators would not help to achieve the same clarity. Therefore, for the further development of the framework, we suggest to (re-)introduce a limited number of indicators focussing on fair treatment of men and women.

In general, the indicator report was received very well by the general public as well as the key users to whom the report was sent via postal delivery immediately after its publication. Nevertheless, at least regarding the coverage in the press, the focus was regularly on individual indicators and not so much on quality of employment as a whole. The reason seems to be that the number of indicators suggested by the Task Force is too large. Therefore we see a need to spend further work on the question of how to improve the presentation of the indicators. Possible options include the identification of a set of key indicators that aim to represent the situation regarding the entire dimension, the graphical presentation (e.g. as a dashboard or cobweb diagram) and the calculation of composite indicators or indices for each of the dimensions or sub-dimensions. All these options have their pros and cons and should be subject to further research.

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