Measurement of job satisfaction: Italian experiences
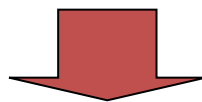
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4-6 October 2017, Geneva
EG meeting on Measurement Quality of Employment

Quality of employment and Well-being

Italy's approach: measuring the quality of employment within the conceptual framework of well-being

As recommended by the OECD and the **Stiglitz Commission**, this approach will give to countries a shared perspective on the evolution of primary economic, social and environmental dimensions

Work motivation

Quality of employment
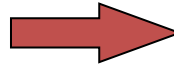
Well-being

Topics are strictly related

Quality of employment and Well-being

2011   Statistics Italy (ISTAT) and the *National Council of the Economy and Labour* set up a "*Steering Group on the Measurement of Progress in Italian Society*", including representatives from entrepreneurs, trade unions and civil society

2013   First Report on the measurement of "equitable and sustainable well-being (BES)"; multi-dimensional approach, combining GDP with other measures, such as indicators of inequality and sustainability

2016   BES indicators officially included in Italy's National Reform Programme

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Quality of employment and Well-being

It was defined a list of 12 dimensions:

1) **Environment**
2) **Health**
3) **Material well-being**
4) **Education and training**
5) **Work and life balance**
6) **Interpersonal relationship**
7) **Personal security**
8) **Subjective well-being**
9) **Landscape and cultural heritage**
10) **Research and innovation**
11) **Quality of services**
12) **Politics and institutions**

A suitably paid job, offering **reasonable security** and corresponding to the **skills** acquired through training and **educational choices**, represents a **universal aspiration** and makes a major contribution to individual wellbeing.

The lack of a "good job" has a **negative effect** on well-being.

Work commitments hindering work and life balance also negatively impact on well-being.

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Well-being: Work and life balance

The BES Scientific Commission, based on international literature and evidence on **Decent Work** *and* **Quality of employment** selected **14 indicators**, addressing:

- ✓ Job security
- ✓ Bargaining issues
- ✓ Temporary work
- ✓ Wages and Skills
- ✓ Involuntary part-time
- ✓ Work and family/personal life balance
- ✓ Safety of employment and job satisfaction

Concerning **LFS,** we lacked information about two important indicators:

- ❑ Job **satisfaction**
- ❑ Perception of **insecurity** in employment

→ **11 new questions** were added to the current LFS questionnaire, starting first quarter 2013

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Job satisfaction: new questions

Several studies have adopted **job satisfaction** as an indicator on the overall **quality of employment**. However, job satisfaction draws on different aspects. The items surveyed include:

1. **Job satisfaction** *(general question)*
2. Earnings
3. Working relationships
4. Opportunities of past and future career (*employees*)/ business and extend opportunities (*self-employed*)
5. Number of working hours
6. Stability of work
7. Distance home-work
8. Type of work
9. How much is interesting the work you are doing?

On each item, respondents were asked to provide a **score from 0 to 10**, where 0 indicates "no satisfaction at all" and 10 "full satisfaction":
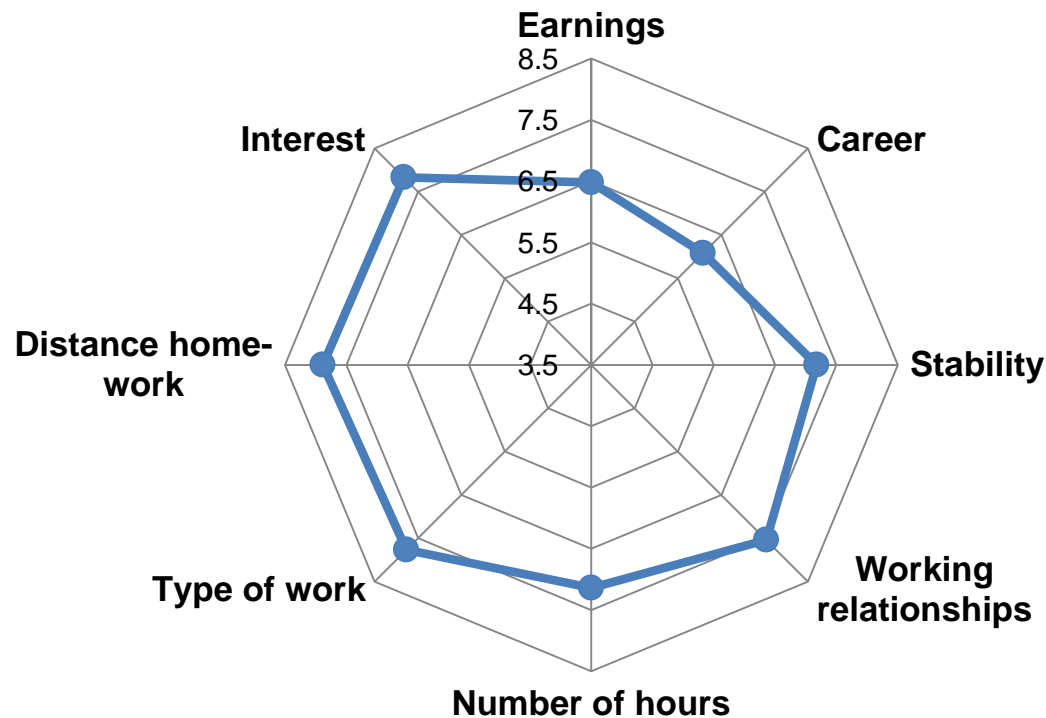
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New questions in LFS Italy

- **C73.** How satisfied are you with your **current job**? (Give a score from 0 to 10 where 0 indicates "no satisfaction at all" and 10 "full satisfaction")
- **C74.** How satisfied are you with your **earnings**?
- **C75.** At work how satisfied are you with the **climate and social relations** (colleagues, clients, superiors, users, employees, etc.)?
- **C76.** α. In the current job how satisfied are you with the **opportunities** of past and future **career**? (employees)
- **C76.** β**.** How satisfied are you with your **job career** and **business**? Consider past and future opportunities (*employer-coordinated freelance work contract or an occasional work contract)*
- **C76.** γ**.** How satisfied are you with **your business** and extend opportunities? (Other self-employed)
- **C77.** How satisfied are you with **number of working hours**?
- **C78.** How satisfied are you with your **job security**?
- **C79.** How satisfied are you with your **type of job**?
- **C80.** How satisfied are you with **distances and times of journey**?
- **C81.** How much is **interesting the work** you are doing?

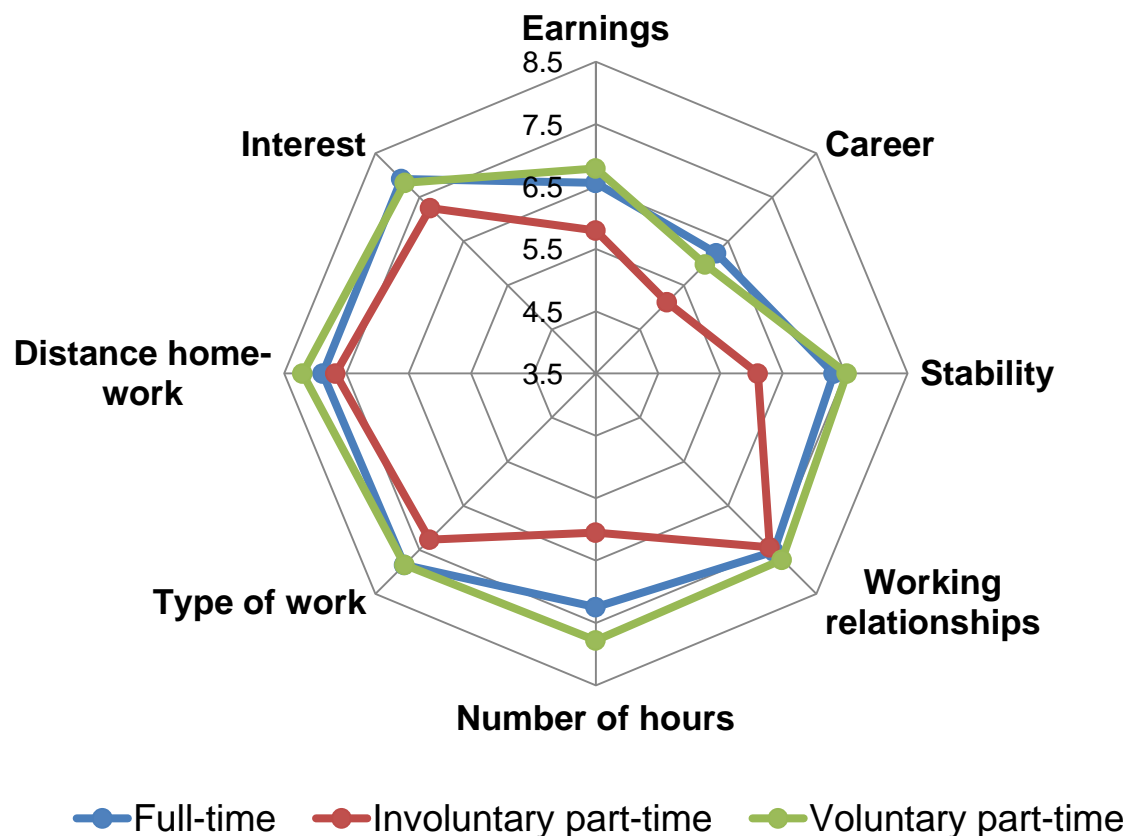**Also two questions about the perception of insecurity**

- **C82.** Do you consider likely **to lose** the current work/to cease the activity in the next six months? *(Yes/No/DK)*
- **C83.** Do you consider **easy to find/to start a job similar** to the current job? (Yes/No/DK)

- What is the **link between quality of employment and job satisfaction**?

- How to **measure job satisfaction**?
  – How many variables?
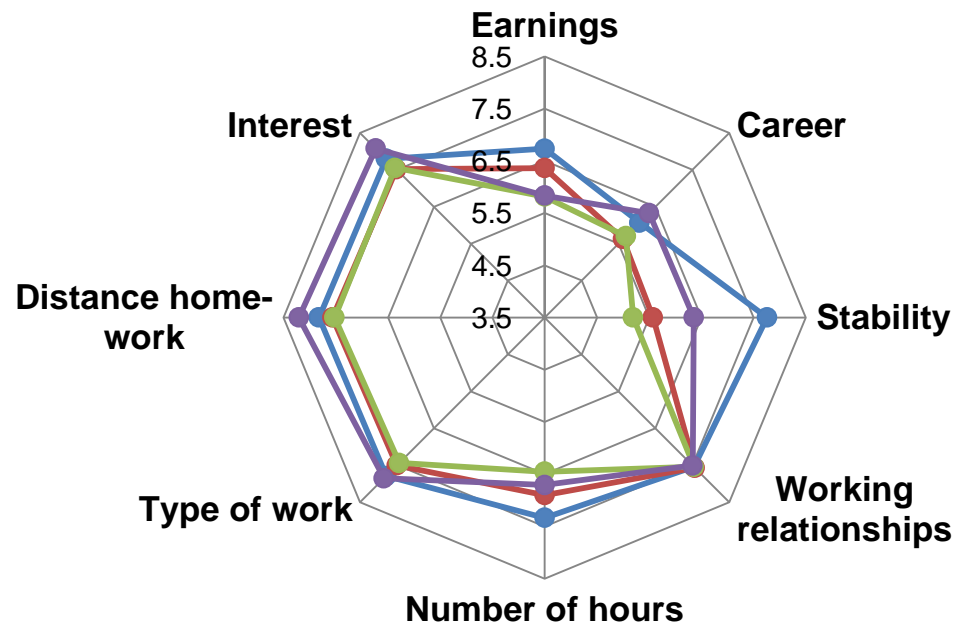 – Which measure is most suitable?

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- Data show a good level of satisfaction: in 2016, the mean equals a score of 7.2
- The highest scores were recorded for interest, type of work, distance home-work and working relationships
- The lowest scores were related to career and earnings

- Involuntary part-time workers experience lower levels of satisfaction across several dimensions
- Voluntary part-time workers are more satisfied with working time and earnings, also comparing with full time worker

- Permanent employees are the most satisfied, especially with respect to the stability of work
- Fixed-term employees and freelancers are slightly more satisfied than average with respect to working relationships
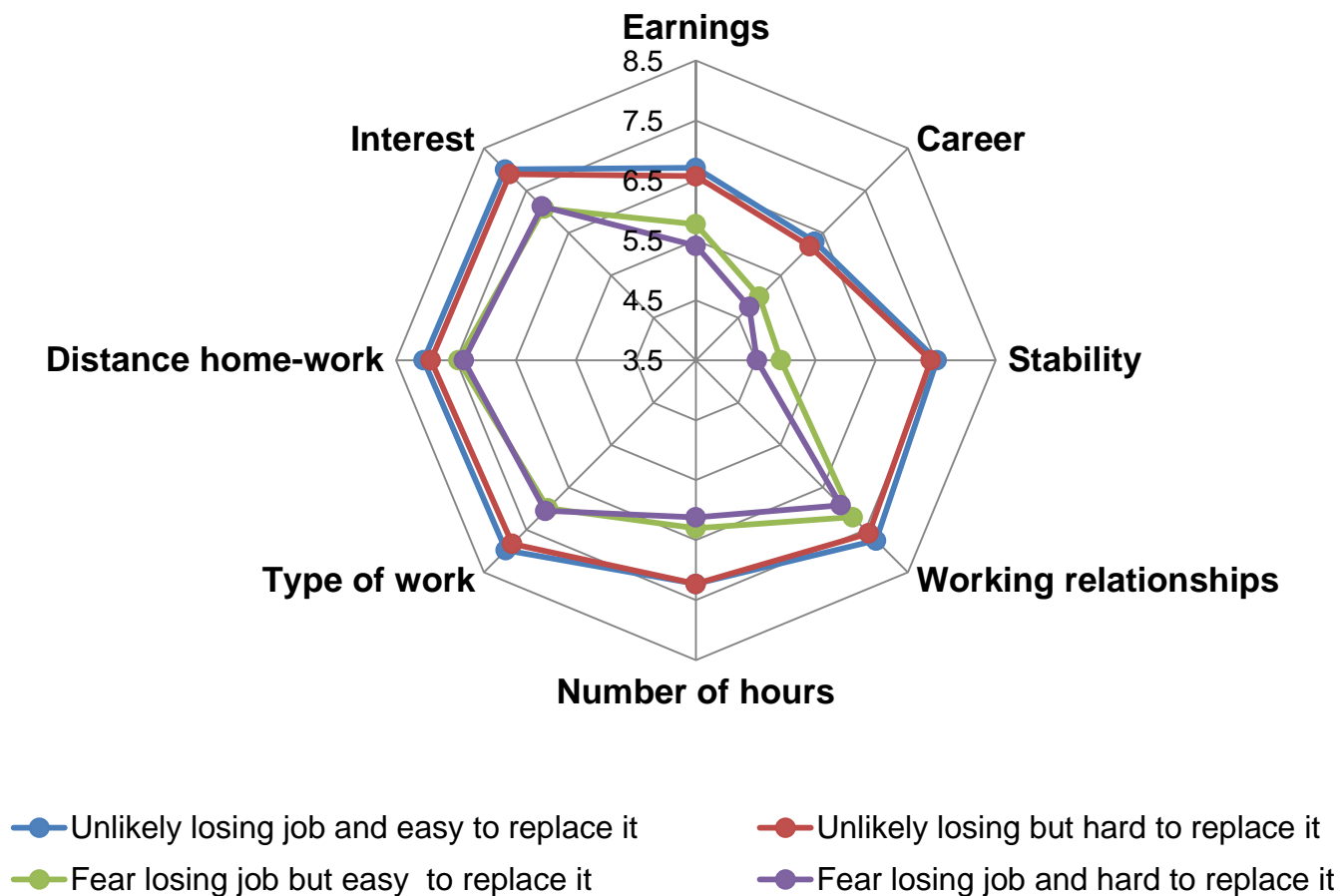- Self-employed are the most satisfied with respect to type of work, interest, and home-work distance

- Job insecurity is strongly related to job satisfaction
- The highest differences between "unlikely losing my job" and "fear of losing my job", irrespective of the ease of finding a similar job

■ **Two way to collect information**:

1. More questions in **ad hoc module**
2. Few questions in the survey in **core questionnaire**

What is the correlation between the variables?
Is mean of the score the best value to consider?

→ **Multivariate analysis**
→ **Scores in classes**

Matrix of correlation

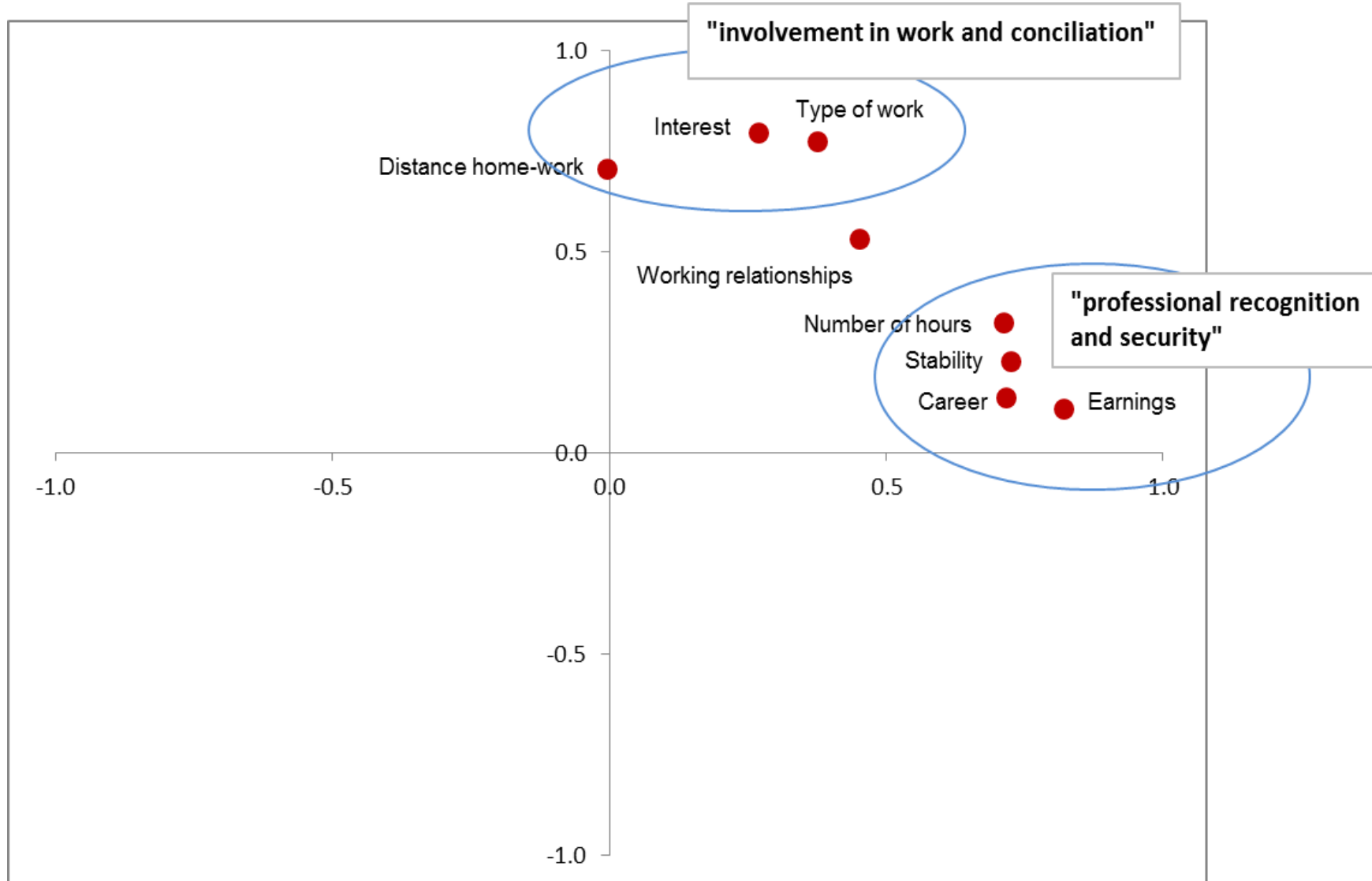|	Mean all	Job satisfaction	Earnings	Working relationships	Career	Number of hours	Stability	Type of work	Distance home-work	Interest
Mean all	-	0.74	0.71	0.67	0.67	0.74	0.71	0.75	0.49	0.70
Job satisfaction	0.74	-	0.58	0.57	0.44	0.54	0.48	0.63	0.26	0.56
Earnings	0.71	0.58	-	0.40	0.47	0.54	0.51	0.38	0.17	0.33
Working relationships	0.67	0.57	0.40	-	0.36	0.43	0.36	0.52	0.27	0.45
Career	0.67	0.44	0.47	0.36	-	0.39	0.38	0.37	0.14	0.35
Number of hours	0.74	0.54	0.54	0.43	0.39	-	0.54	0.48	0.25	0.41
Stability	0.71	0.48	0.51	0.36	0.38	0.54	-	0.42	0.22	0.36
Type of work	0.75	0.63	0.38	0.52	0.37	0.48	0.42	-	0.33	0.74
Distance home-work	0.49	0.26	0.17	0.27	0.14	0.25	0.22	0.33	-	0.34
Interest	0.70	0.56	0.33	0.45	0.35	0.41	0.36	0.74	0.34	-

The variable "distance home-work" and "career" are lower correlated with all other variables; but also in other cases we find low correlation

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How many dimensions represent the variables?

With **principal component analysis** we can summarize the variability of correlation matrix in descending order:

- ✓ The **first two components** have eigenvalue greater than one and explain **60.4% of variance**

- ✓ The **first component** is related to "***professional recognition and security of job***" (47% of variance)

- ✓ The **second component** is related to "***involvement in work and conciliation work and personal life***" (13% of variance)

- ✓ The variable "**distance home-work**" is not related to the first component (correlation -0.004)

- ✓ The variable "**working relationships**" has a similar relationship with both components (about 0.5)

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Principal component analysis

Which indicator is better to use?

✓ In **Equitable and Sustainable Well-being** (BES) in Italy we used the **mean of the variables** rather than the single question about "job satisfaction"

✓ However, **correlation** between the general variable "job satisfaction" and the mean of the 8 underlying variables is **0.74** and the means are similar (7.2 the mean of 8 variables and 7.4 single question about job satisfaction)

✓ The **first component** of PCA explains more than **half of the variance**

✓ **Single question** has the **advantage** of being easier to collect but the **disadvantage** that we don't know what dimensions are taken into account by the respondents, reducing comparability

Moreover, are we sure to use the mean rather than the scores in classes?
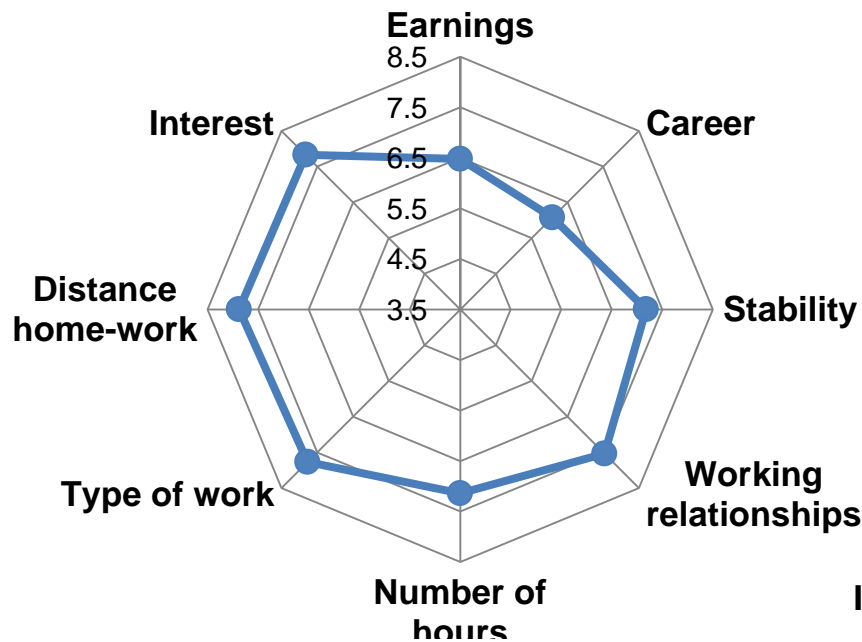
Which indicator is better to use?

Considering the mean (0-10) or percentage of score? percent of "very satisfied" (% 8-10) could be better to highlight differences
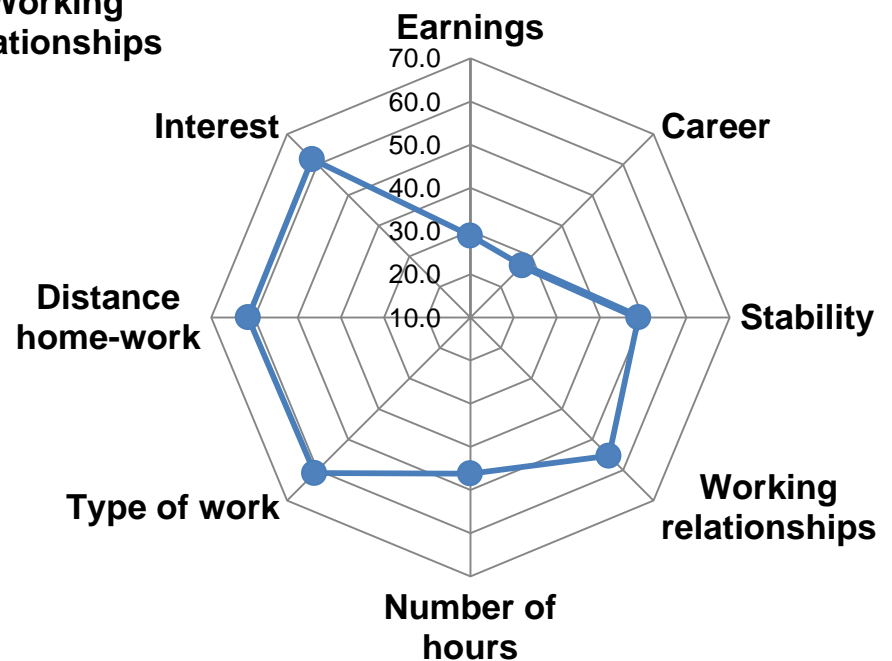
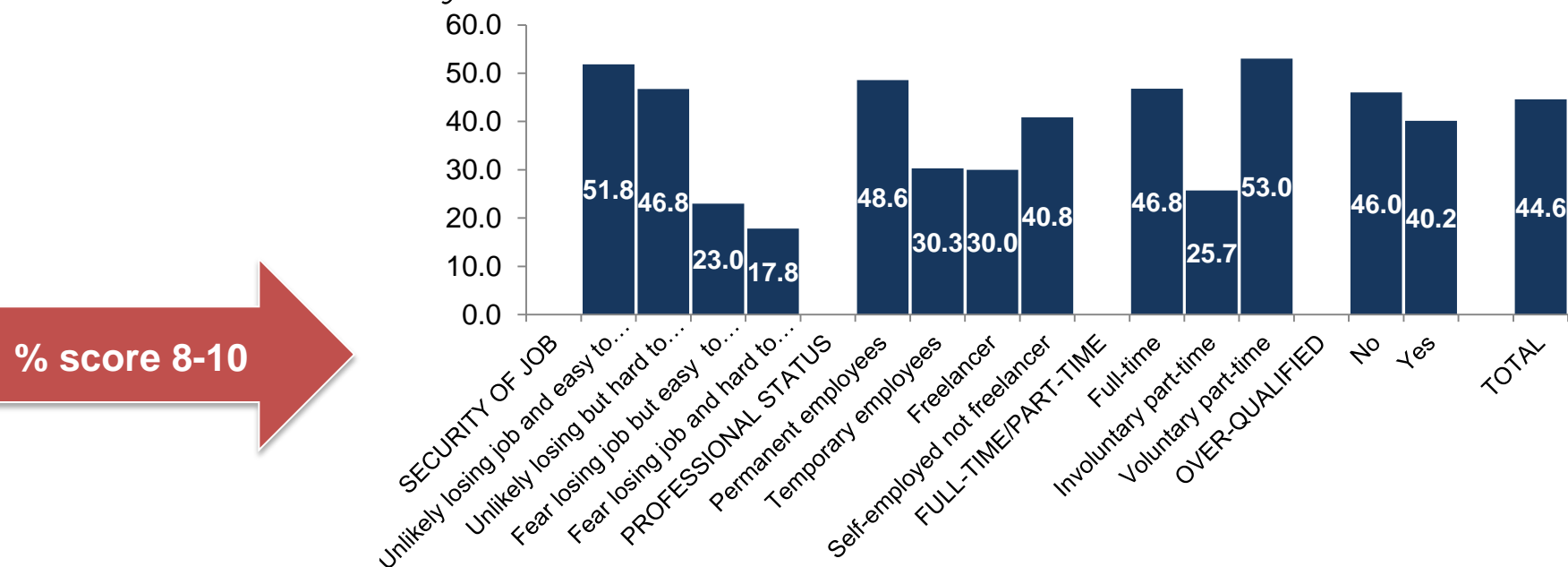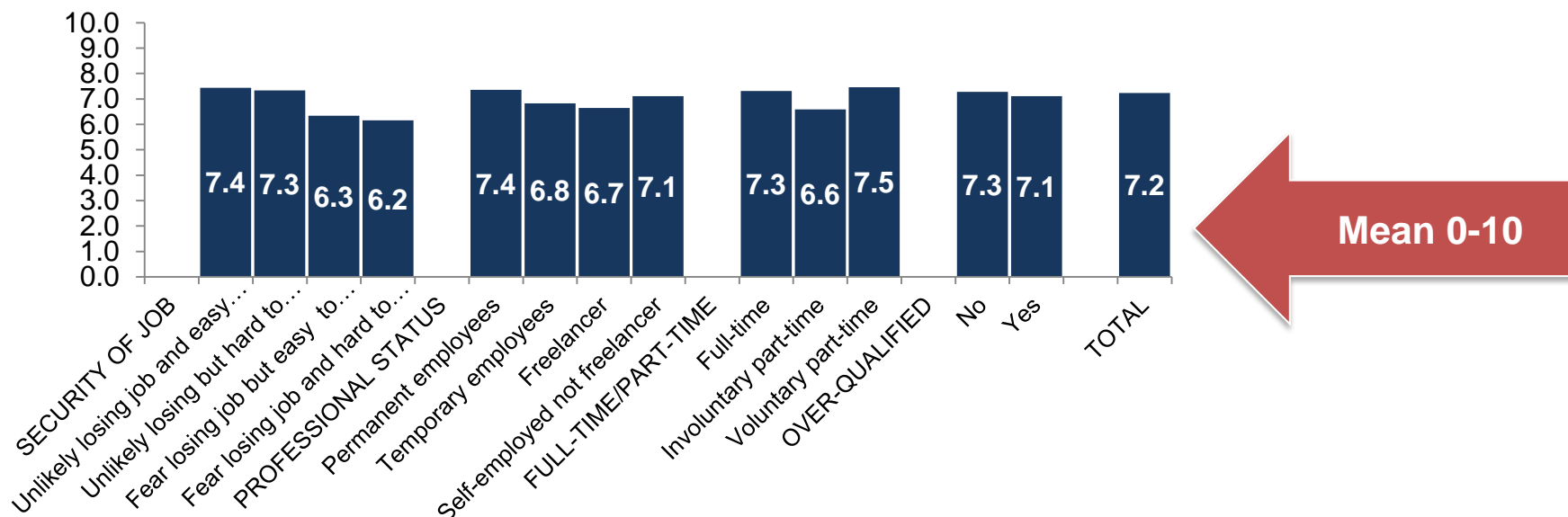**Mean of 8 variables or single question about job satisfaction?** the relationship between the two indicators is very strong

Mean 0-10
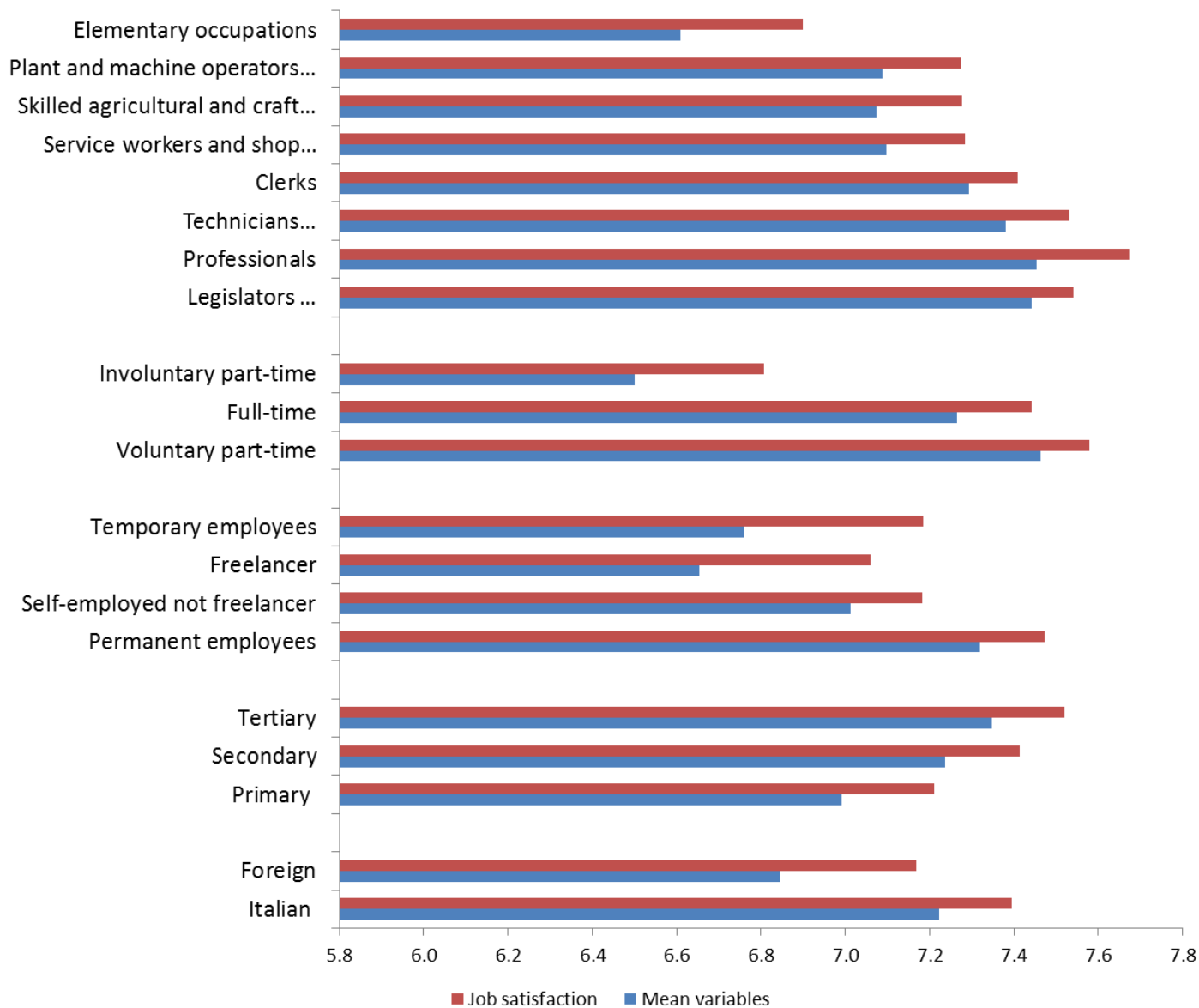
	Mean 0-10
Unlikely losing job and easy…	7.4
Unlikely losing job but hard to…	7.3
Fear losing job but easy to…	6.3
Fear losing job and hard to…	6.2
Permanent employees	7.4
Temporary employees	6.8
Freelancer	6.7
Self-employed not freelancer	7.1
Full-time	7.3
Involuntary part-time	6.6
Voluntary part-time	7.5
No	7.3
Yes	7.1
TOTAL	7.2

% score 8-10

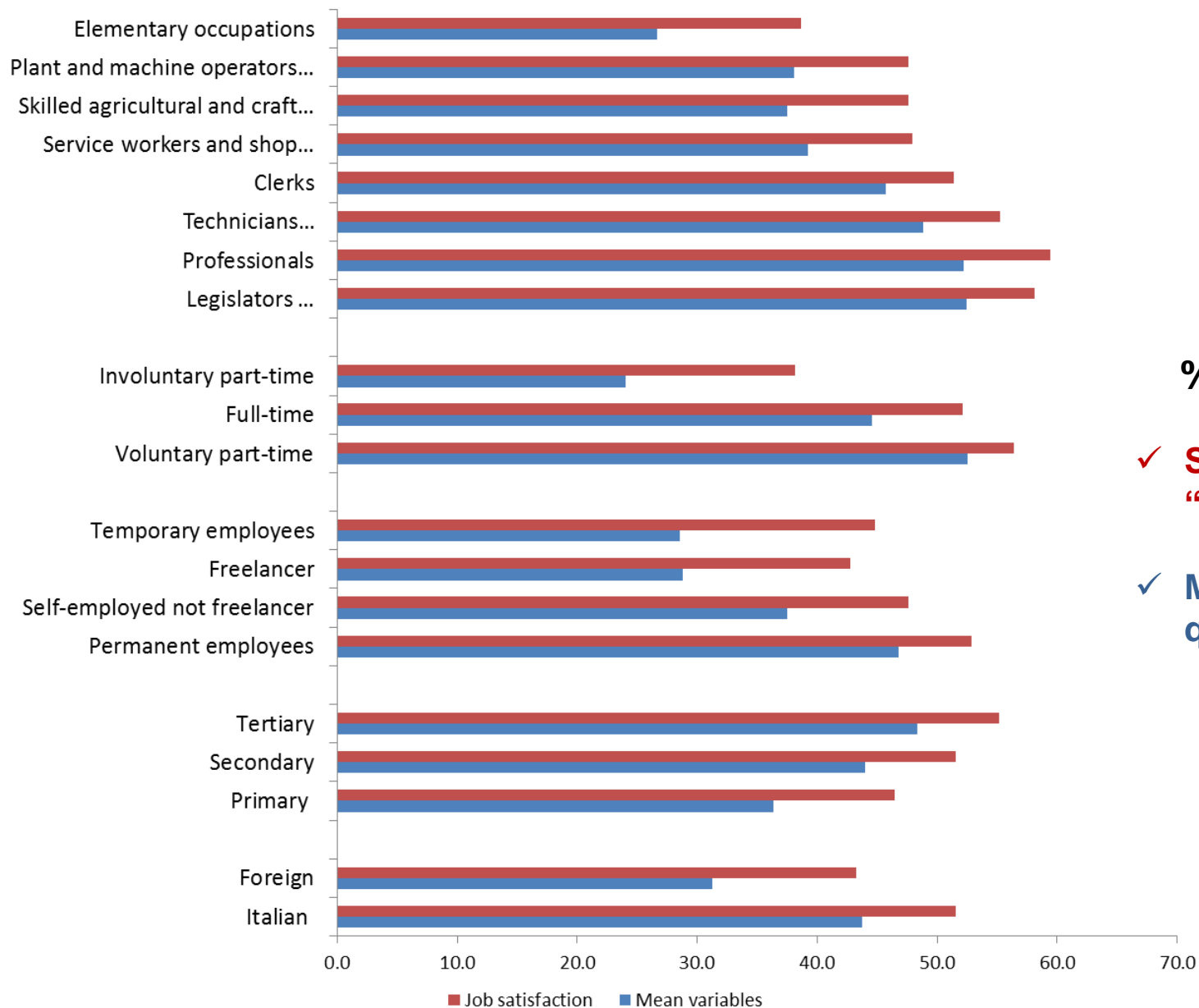|	% score 8-10
Unlikely losing job and easy to…	51.8
Unlikely losing job but hard to…	46.8
Fear losing job but easy to…	23.0
Fear losing job and hard to…	17.8
Permanent employees	48.6
Temporary employees	30.3
Freelancer	30.0
Self-employed not freelancer	40.8
Full-time	46.8
Involuntary part-time	25.7
Voluntary part-time	53.0
No	46.0
Yes	40.2
TOTAL	44.6

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Mean 0-10

✓ **Single question "job satisfaction"**

✓ **Mean of 8 questions**

% scores 8-10

✓ **Single question "job satisfaction"**

✓ **Mean of 8 questions**

Which indicator is better to use?

✓ Job satisfaction is higher with single question comparing with the mean of 8 questions

✓ Value in class ("very satisfied" % score 8-10) highlights wider differences than mean of scores

■ **Conclusions:**

1. **Disposing of several (8) questions is the first choice. However, to simplify data collection the single "job satisfaction" variable represents a good proxy**

2. **The percentage of "very satisfied) (% score 8-10) is more significant than mean of the scores**

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Conclusions

1) Do we add indicator/s of job satisfaction in the framework?

2) Do we use one o more variables?

3) Do we use the mean of the scores or percentage of very satisfied?

THANK YOU FOR YOUR ATTENTION