



# The Job Quality Index from PIAAC – Singapore and International Comparisons

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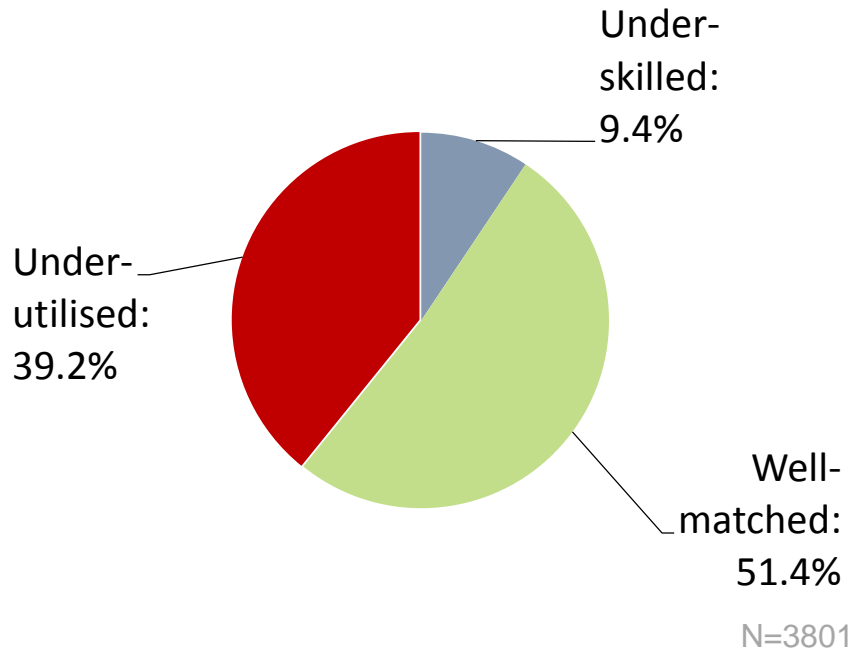
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Concluding Remarks

# The Motivation for Measuring Job Quality (JQ)

## The Importance of Skills Utilisation

The Business Performance Survey, 2016



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Skills well-matched	% of existing staff who are currently <b>able to perform the job adequately</b> but not beyond.
Skills under-skilled	% of existing staff who are <b>unable to cope with their existing duties</b> .
Skills under-utilised	% of existing staff who are currently able to cope with <b>more demanding duties</b> than they currently have.

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Source: Business Performance and Skills Survey (BPSS), 2016

# The Motivation for Measuring Job Quality (JQ)

## The Policy Perspective

- The policy dilemma between the need for job growth and jobs that are useful for social progress

Having a job remains the best safeguard against poverty and exclusion.

However, recent employment increases have not sufficiently reached those furthest away from the labour market, and jobs have not always succeeded in lifting people out of poverty.

European Commission. (2009). Growth, Jobs and Social Progress in the EU: A contribution to the evaluation of the social dimension of the Lisbon Strategy. P. 4

# The Motivation for Measuring Job Quality (JQ)

## The Policy Perspective

- The policy dilemma between the need for job growth and jobs that are useful for social progress

The development of precarious forms of employment, often characterised by a strong gender dimension has contributed to persistently high levels of in-work poverty.

European Commission. (2009). Growth, Jobs and Social Progress in the EU: A contribution to the evaluation of the social dimension of the Lisbon Strategy. P. 4

# The Motivation of Measuring Job Quality (JQ)

## The Policy Perspective

- The policy dilemma between the need for job growth and jobs that are useful for social progress
- During the recovery period after the ‘financial crisis’, ‘in-employment’ appears to be not all ‘positive’

“ ... The crisis has also deepened ... inequalities. Job creation has disproportionately taken the form of fixed-term or temporary jobs in many advanced economies, while in emerging economies new jobs tend to be in the informal, unregulated economy.”

OECD Year Book 2015  
<http://www.oecd.org/els/more-better-jobs-inclusive-recovery.htm>

# The Motivation of Measuring Job Quality (JQ)

## The Policy Perspective

- The policy dilemma between the need for job growth and jobs that are useful for social progress
- During the recovery period after the 'financial crisis', 'in-employment' appears to be not all 'positive'
- In Singapore, the two major policies that are relevant to skills. But for them to be effective, they need 'better jobs', and not just any jobs:
  - The SkillsFuture Policy
  - The Industry Transformation Policy

“ ... Clearly, there is a need to promote the creation of not just more jobs, but also better jobs.”

OECD Year Book 2015  
<http://www.oecd.org/els/more-better-jobs-inclusive-recovery.htm>

# The Motivation of Measuring Job Quality (JQ)

## The Job Perspective

- Research has identified that if a job is required to use very few skills, it often coincides with very little job autonomy, involving very few tasks (which may well also be repetitive), poor working hours and little career prospect and job security (Form, 1987; Lloyd, 2008)

“ ... Almost one-fifth of American workers have bad jobs. They endure low wages, poor benefits, schedules that change with little—if any—notice, and few opportunities for advancement. The conventional wisdom is that many companies have no choice but to offer bad jobs—especially retailers whose business models entail competing on low prices.”

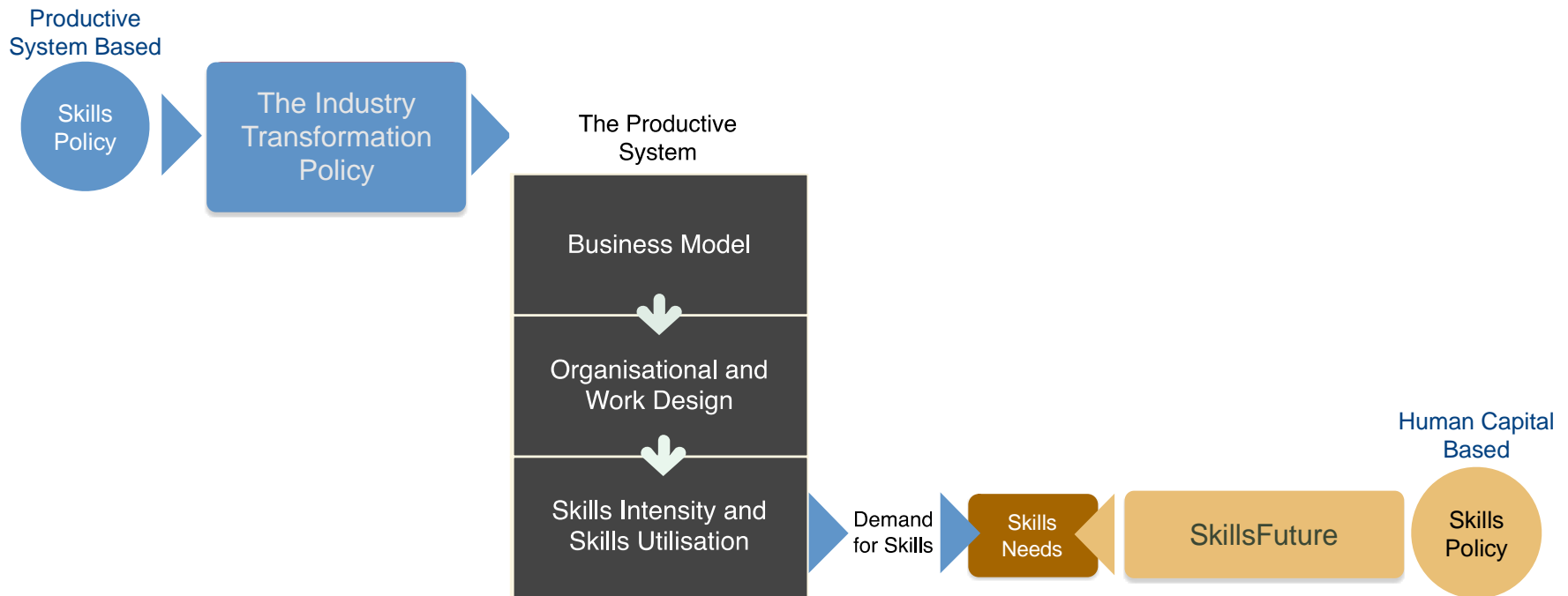
Ton, Z. (2012) 'Why "Good Jobs" Are Good for Retailers'. Harvard Business Review, Jan-Feb Issue.



# The Connection between Business Model, JQ and Skills

The job and organisation perspective of JQ

- So what brings about 'bad jobs'?



# Business Model and Impact of Skills Utilisation

Inside the 'black box'



# Business Model and Impact of Skills Utilisation

Inside the 'black box'

*Value Add Strategy (VA)*



Customisation/  
Differentiation

**High VA, Low SS**  
*Customised Product,  
Task-Focused*

**High VA, High SS**  
*Customised Product,  
People-Focused*

Standardisation/  
Mass Production

**Low VA, Low SS**  
*Standard Product,  
Task-Focused*

**Low VA, High SS**  
*Standard Product,  
People-Focused*

Task-Focused

People-Focused

Increasing Focus on People and Their Skills

*Skills Strategy (SS)*

# Business Model and Impact of Skills Utilisation

Inside the 'black box' – some results from BPSS

% of establishments reporting 'increased profit'

<b>25.3%</b> <b>High VA, Low SS</b> <i>Customized Product, Task-Focused</i>	<b>40.1%</b> <b>High VA, High SS</b> <i>Customized Product, People-Focused</i>
<b>22.0%</b> <b>Low VA, Low SS</b> <i>Standard Product, Task-Focused</i>	<b>30.5%</b> <b>Low VA, High SS</b> <i>Standard Product, People-Focused</i>

Discretionary effort mean scores

<b>- 0.15</b> <b>High VA, Low SS</b> <i>Customized Product, Task-Focused</i>	<b>0.26</b> <b>High VA, High SS</b> <i>Customized Product, People-Focused</i>
<b>- 0.29</b> <b>Low VA, Low SS</b> <i>Standard Product, Task-Focused</i>	<b>0.20</b> <b>Low VA, High SS</b> <i>Standard Product, People-Focused</i>

% ... reporting 'increased revenue'

<b>30.0%</b> <b>High VA, Low SS</b> <i>Customized Product, Task-Focused</i>	<b>44.7%</b> <b>High VA, High SS</b> <i>Customized Product, People-Focused</i>
<b>25.9%</b> <b>Low VA, Low SS</b> <i>Standard Product, Task-Focused</i>	<b>34.1%</b> <b>Low VA, High SS</b> <i>Standard Product, People-Focused</i>

N=3801

Source: Business Performance and Skills Survey (BPSS), 2016



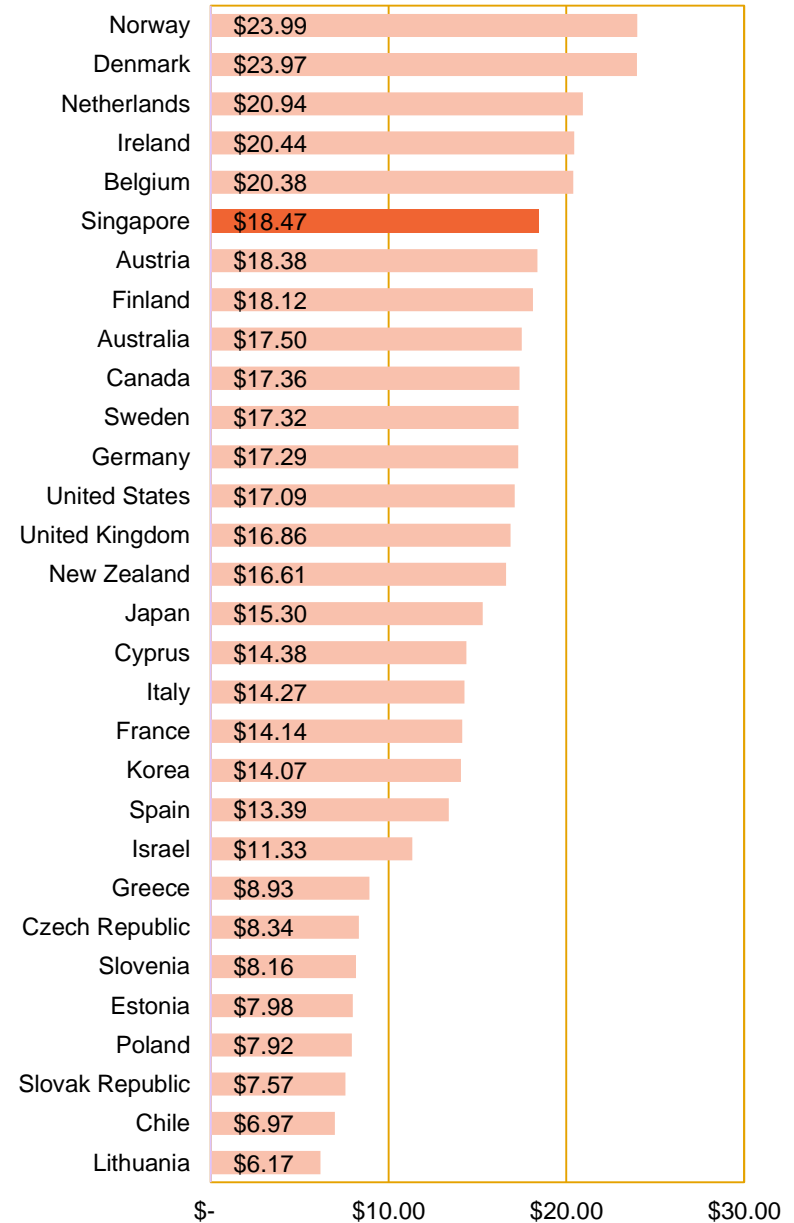
# Approaches to Measuring JQ

- Subjective vs Objective measurements
- Adopted a objective approach

Green's (2009) Dimensions	PIAAC Indicators for Job Quality
Pay	Level of hourly pay; equality of pay
Skills	Level and variety of skills use
Autonomy	Subjective level of discretion
Effort	Average working hours per week
Security	Type of contract

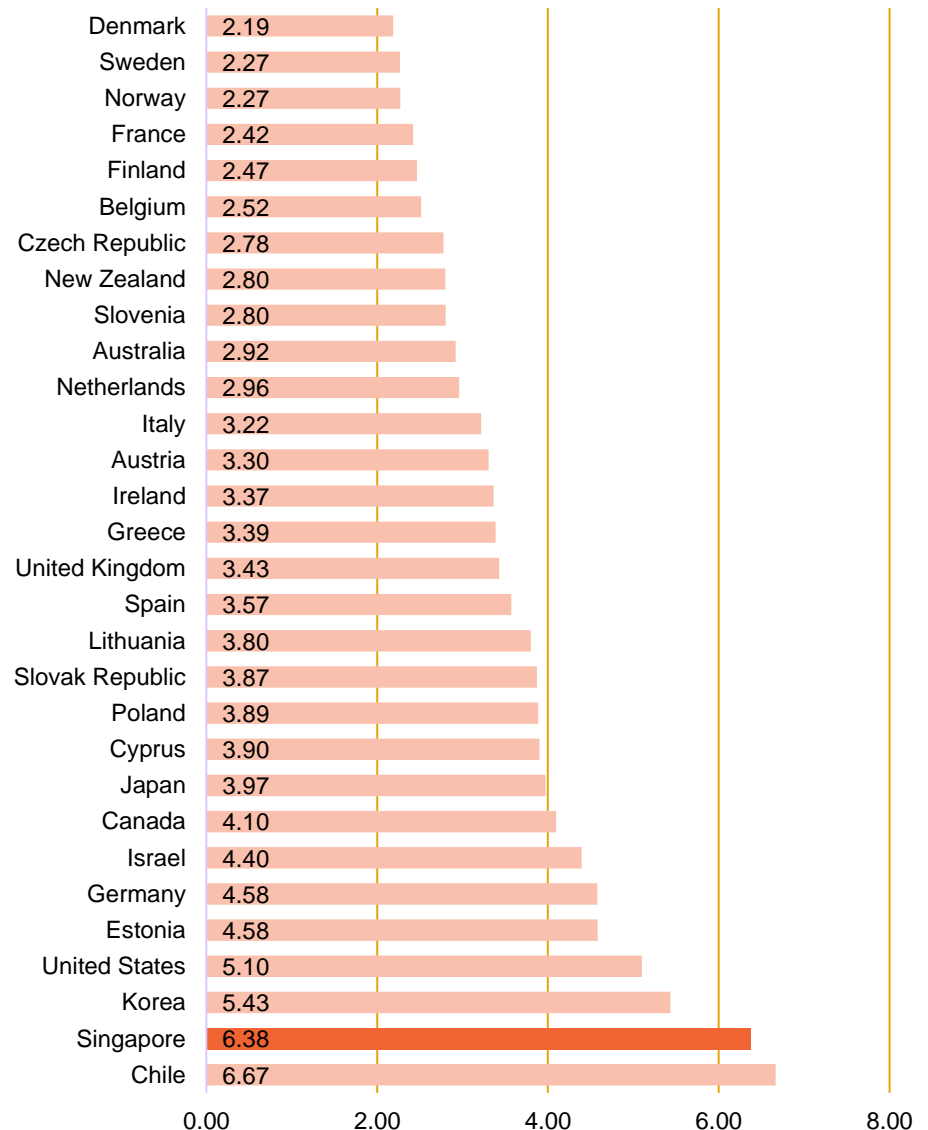
# JQ Comparison: Level of Pay

- We use median hourly wage (including bonuses) in \$US PPP as our indicator of level of pay.
- The level of pay is considered one of the central elements of Job Quality.
- Despite its obvious importance, pay is not always cited by employees as the most important factor.



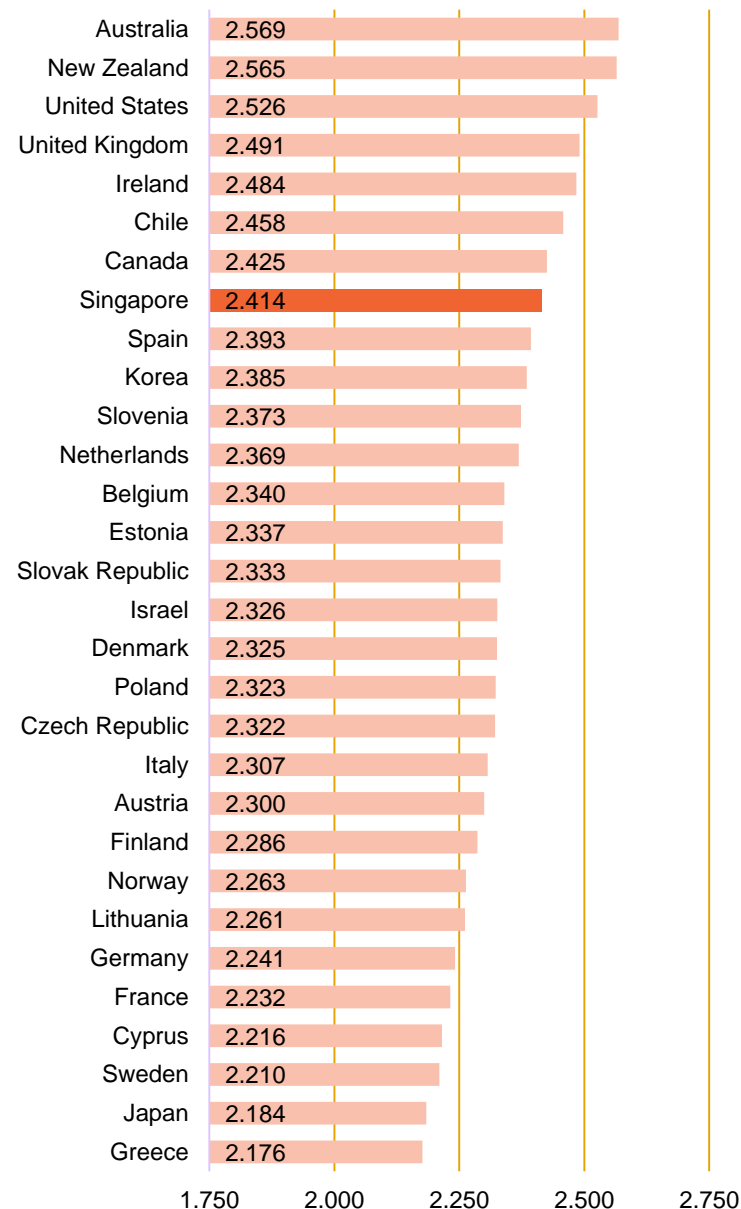
# JQ Comparison: Equality of Pay

- We use the ratio of the 90th percentile to the 10th percentile of hourly pay in US\$ PPP to measure equality.
- Equality of pay can be considered important as it is likely to impact the perceived fairness of the system as a whole.



# JQ Comparison: Level of Skills Use

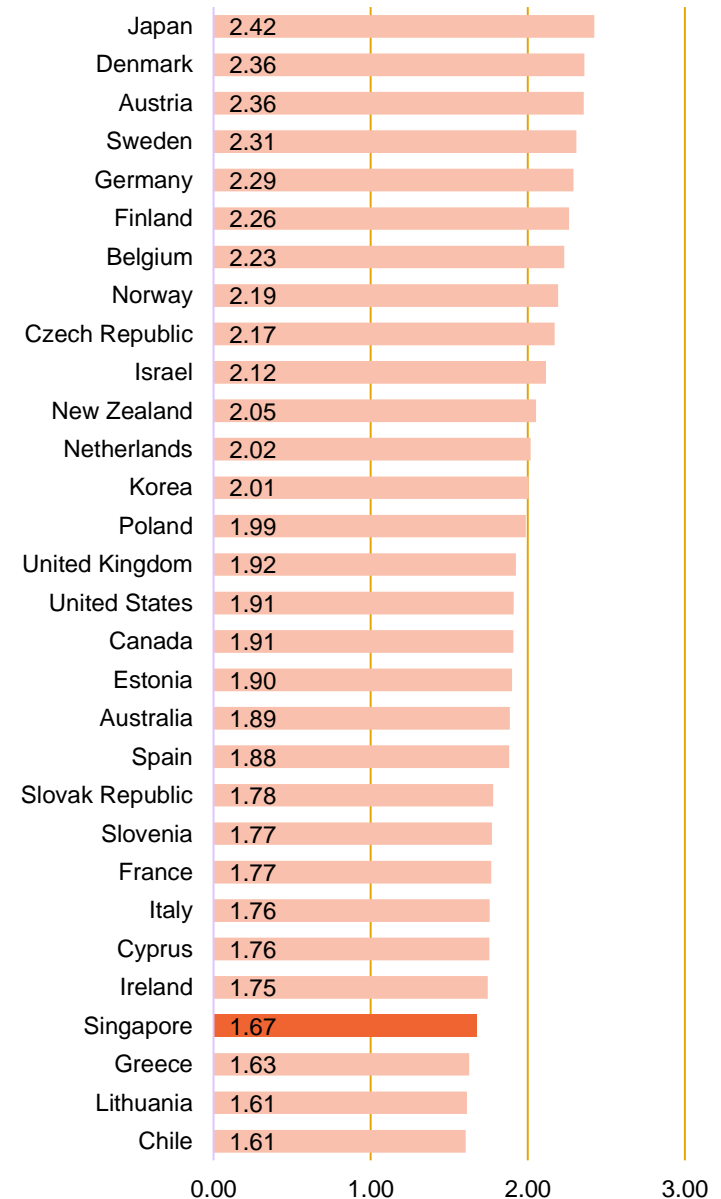
- We use the skills use variables covering: Numeracy; Reading; Writing; Influencing; Planning; ICT.
- The average overall level of the six skills groups is used as a measure of skills level of the job.
- ‘High skilled’ jobs are associated with higher levels of challenge, fulfillment and ownership.





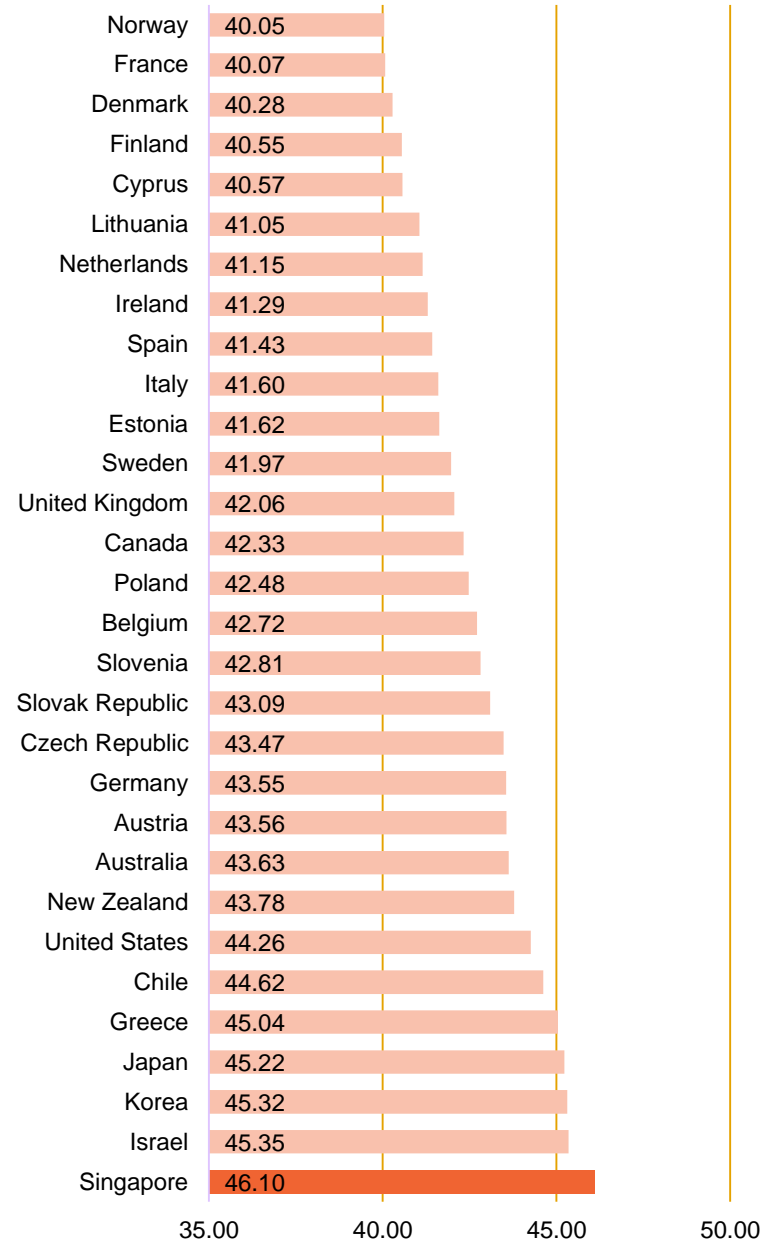
# JQ Comparison: Job Autonomy

- We use task discretion as the proxy from from PIAAC.
- Task discretion provides a sense of ownership which then affect skills utilisation.
- It is a longstanding feature of job quality throughout most studies.



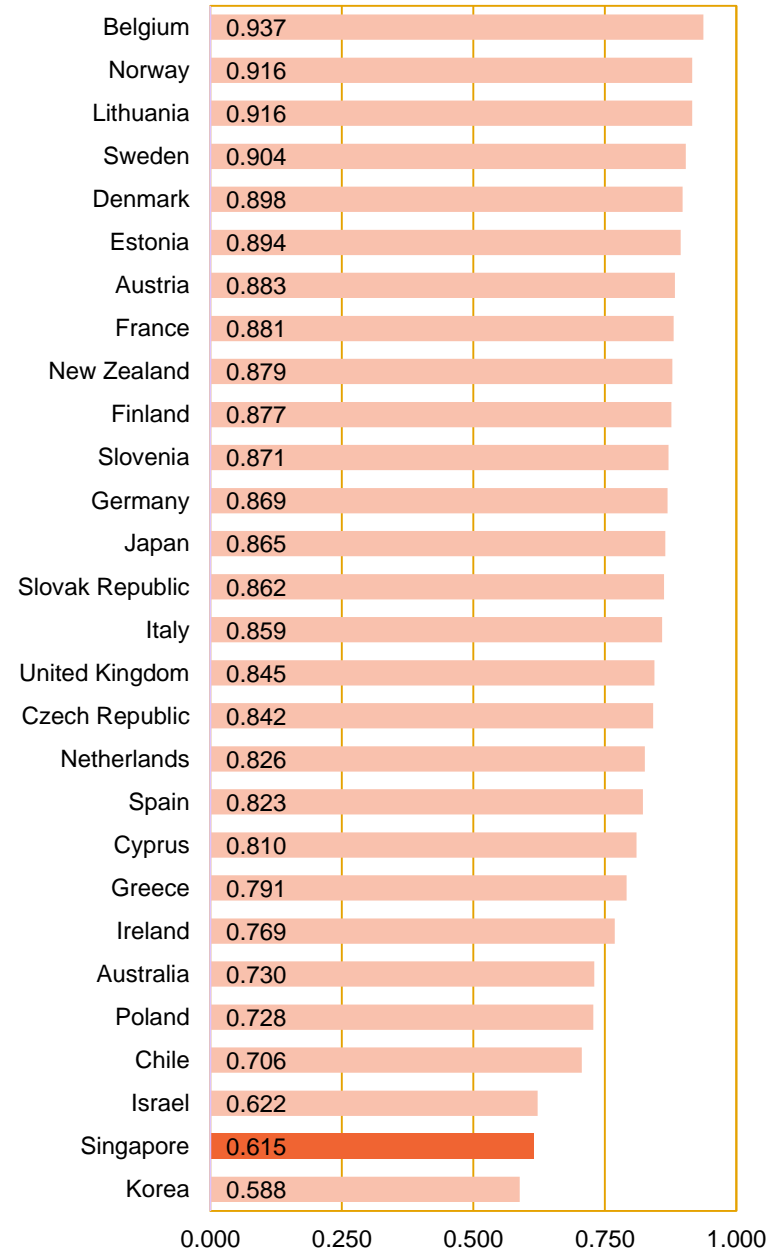
# JQ Comparison: Job Intensity

- Effort, or intensity, is measured here by the average working hours of full-time employees in PIAAC.
- There is an assumption that the longer the working hours the lower the quality of the job.



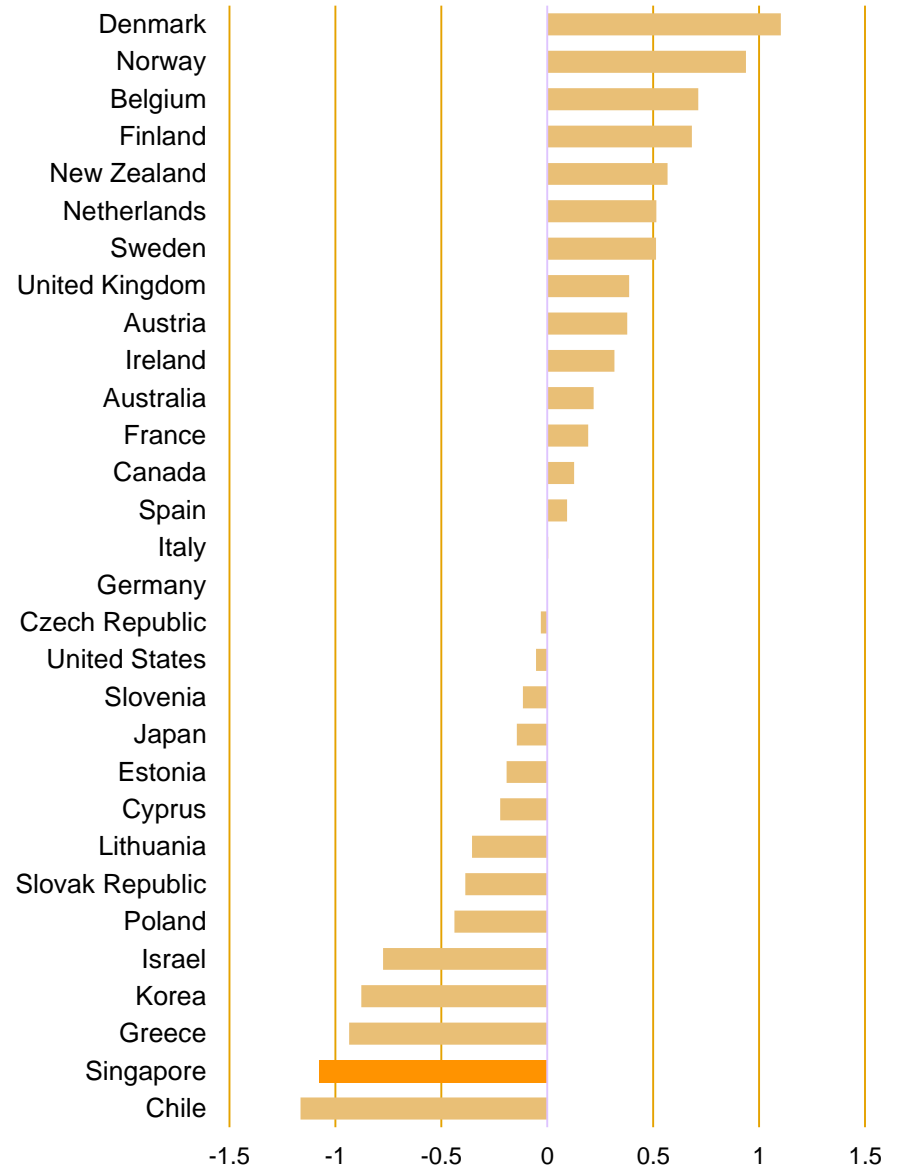
# JQ Comparison: Job Security

- Security is one of the most important aspects of job quality.
- In the absence of no better indicators, we use the percentage of the workforce that are in permanent employment.



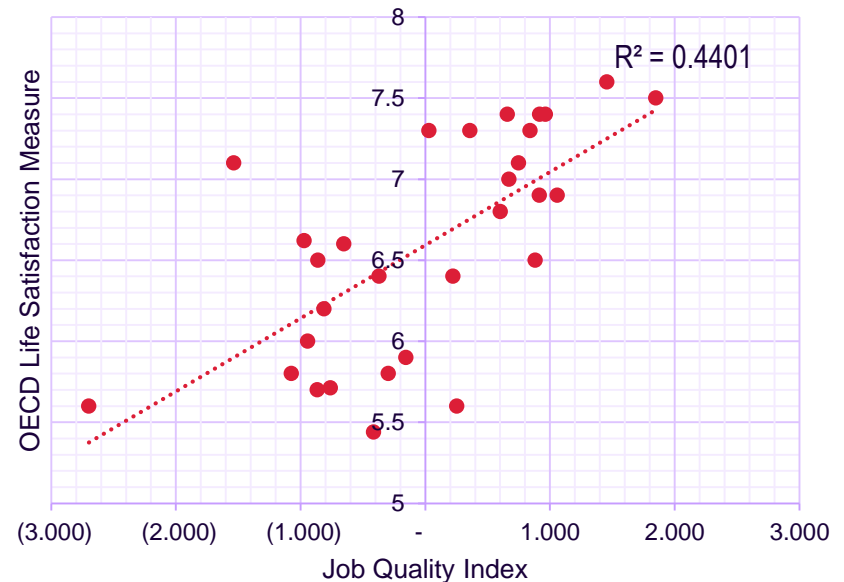
# JQ Comparison: The JQ Index

- By standardising the individual items and combining into a single standardised score, we can get a sense of where Singapore sits in terms of the overall quality of jobs.



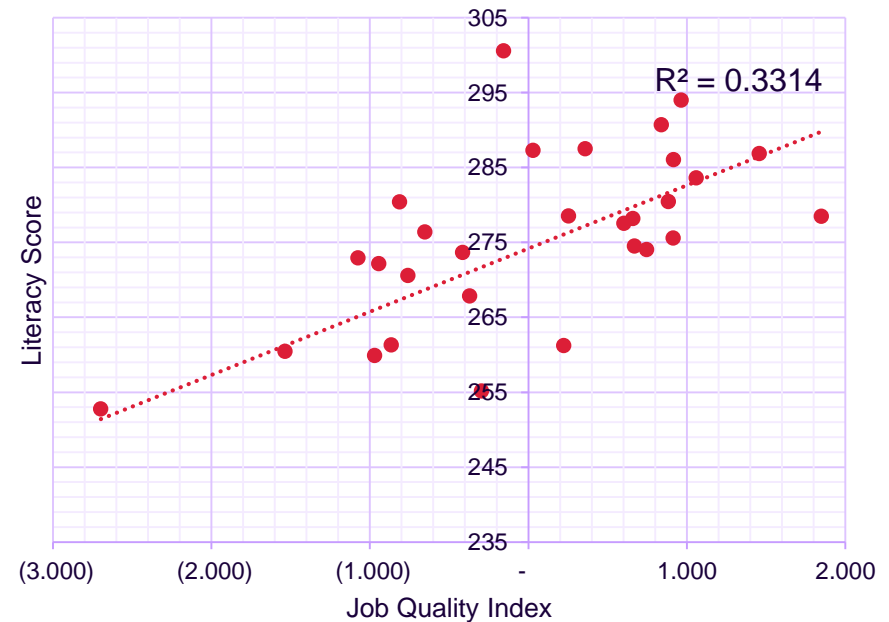
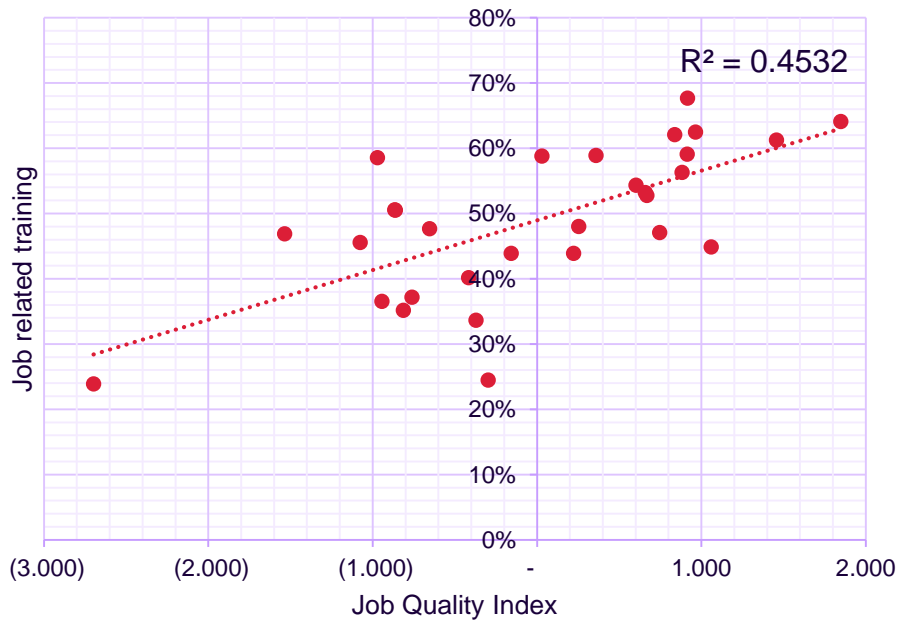
# Comparisons with Auxiliary Measures

- Given that job quality is positioned as being strongly associated with life satisfaction and economic performance, we would hope to see an association between overall job quality and measures of life satisfaction and performance. The scatter plots below show good examples of this.



# Comparisons with Auxiliary Measures

- We also correlate job quality with the skills proficiency and skills development metrics.



# Concluding Remarks

- Despite the rising importance of job quality in the policy debate, it has not yet translated into concrete policy action in many countries.
- Also despite our effort, job quality is in general hard to define and quantify.
- What aspects of job quality are most important for workers' well-being and how can they be measured?
- How does job quality vary across countries and socio-economic groups?
- What can policy makers do to promote job quality and help to create jobs at the same time?
- There is a need for good JQ research data (in countries outside Europe).



Thank You