



### ASSESSING THE VALUE OF WORK

A Goldschmeding Foundation – OECD Wise Centre Workshop

Wednesday, December 6th 2023



### PETER BROUWER

Program Manager

Goldschmeding Foundation





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### PROF. DR. JANKA STOKER

Member of the Board
Goldschmeding Foundation





### ASSESSING THE VALUE OF WORK

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#### **PROGRAM**

10:00 – 10:10	Prof. Dr. Janka Stoker Goldschmeding Foundation
10:10 – 11:00	<b>Dr. Fabrice Murtin</b> OECD WISE Centre
11:00 – 11:50	Prof. Dr. Paul de Beer University of Amsterdam
11:50 – 13:00	Networking Lunch
13:00 – 13:50	<b>Dr. Jessie Koen</b> TNO/University of Amsterdam
13:50 – 14:40	Vincent Siegerink OECD Wise Centre
14:40 – 15:00	Break
15:00 – 16:00	<ul> <li>Paneldiscussion guided by Peter Brouwer, with:</li> <li>Antoine Reijnders, VNO-NCW/MKB NL</li> <li>Margaretha Buurman, UWV</li> <li>Jaap Jongejan, Stichting SBI</li> <li>Bas ter Weel, SEO Economisch Onderzoek</li> </ul>



# QUALITY OF THE WORKING ENVIRONMENT AND EMPLOYEES WELL-BEING

**Fabrice Murtin** 

Head of Research and Modelling, OECD Centre on Well-being, Inclusion, Sustainability and Equal Opportunities (WISE)





# MEASURING QUALITY OF THE WORKING ENVIRONMENT



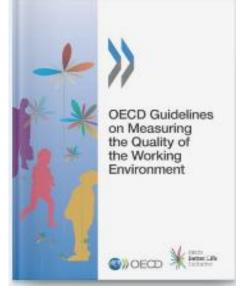
#### Why look at job quality?

- Job quality is important for people's well-being (for their health, competencies, identity, sense of worth)...
- .. but also for firm's productivity (lower absences from work, more engagement on the job)
- Job Quality is the new feature in 2018 "OECD Job Strategy" (from '10 commandments' of labour market flexibility to more balanced & flexible blueprint for labour market reforms)
- How does the OECD defines 'job quality'
  - **✓** Earnings quality
  - **✓** Labour market security
  - **✓ Quality of the working environment (QWE)**



#### The OECD Guidelines on Measuring QWE

✓ **Designed for NSOs**, other data producers and businesses interested in fielding surveys on this topic



- **✓ Contain prototype modules** 
  - **Extended module**: 25 items, several qs on each job characteristics, based on questions from a variety of sources, 5 item response scales, ~6 ½ minutes to complete
  - **Condensed module**: 13 questions focusing on 11 key job characteristics (~3mn of survey time)
  - *Core module*: 4 questions on 4 job characteristics, ~60 seconds in total



#### **Some Key Job Characteristics**

- > Focus on **objective** and **observable** features of the work environment, most commonly available through **workers' self-report** (surveys)
- > OECD Guidelines define QWE as combination of **job characteristics** (17) pertaining to (6) broader **dimensions** relevant to all jobs
  - **Physical and social environment** (physical risks, physical demands, intimidation/discrimination, social support)
  - Job tasks (work intensity, emotional demands, task discretion)
  - Organisational characteristics (participation/voice, managerial practices, task clarity/performance feedback)
  - Working time arrangements (unsocial work schedule, flexible hours)
  - Job prospects (job insecurity, learning & promotion opportunities)
  - Intrinsic aspects (intrinsic rewards, opportunities of self-realisation)



# Mapping job characteristics with the job demands-resources model

- > Theoretical model used in the Guidelines (Demerouti et al., 2001)
  - Balancing demands of the job (-) and resources available to workers (+)
  - Counting job demands and resources allows measuring overall "job strain"

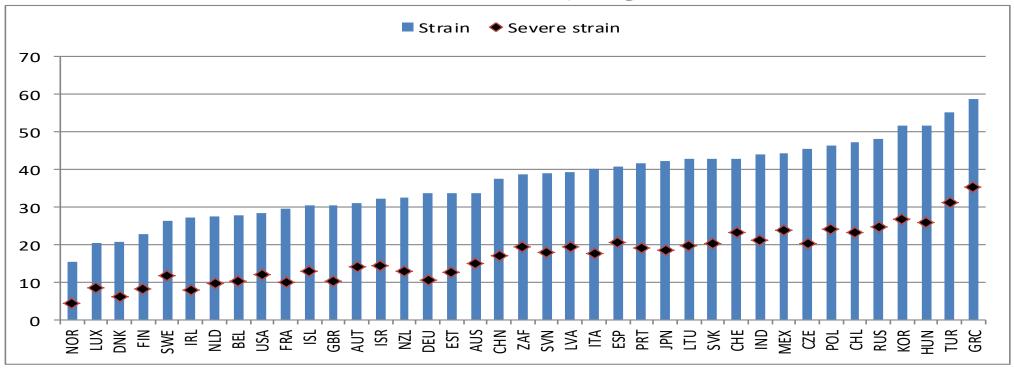
Job dimensions	Job s	train as a result of
JOD dimensions	too many job demands	too few job resources
A. Physical and	Physical demands	
social	Hard physical work (ISSP)	
environment	Carrying or moving heavy loads (EWCS)	
	Work intensity	Task discretion and autonomy
B. Job Tasks	Long working hours (ISSP and EWCS)	Free to organise daily work (ISSP)
B. JOD Tasks		Change order of tasks/methods of work, set working
		arrangements (EWCS)
	Inflexibility of working hours	
D. Worktime	Hard to take hours off (ISSP)	
arrangements	Hard to take a break when you wish (EWCS)	
		Training and learning opportunities
		Training over the past 12 months (ISSP)
E. Job		Training or on-the-job training over the past 12 months (EWCS)
prospects		Opportunity for career advancement
		High opportunities for advancement (ISSP)
		Good prospects for career advancement (EWCS)



# The OECD Job Strain Index: $\frac{\sum (R_i < D_i)}{\sum (R_i < D_i)}$



- Official version: 3 job demands, 3 job resources
- Strain: more demands than resources
- Severe strain: 2 demands & 0 resource, or 3 demands & 1 resource



Note. Data on Korea are based on results of the 2005 International Social Survey Programme (ISSP). Source: OECD Job Quality database (2017) based on the 6th European Working Conditions Survey (Forthcoming) and International Social Survey Program Work Orientations Module III.



# A more comprehensive analysis: EU+US+KOR 2010-2015

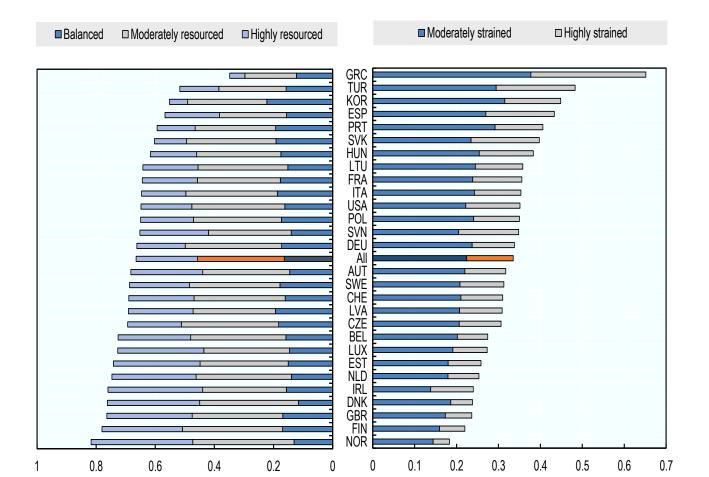
- ✓ OECD working paper: 7 job demands, 7 job resources
- ✓ (Almost) identical questions

Job dimensions	Job demands	Job resources
A. Physical and social environment	i) Physical risk factors ii) Physical demands iii) Intimidation and discrimination at the workplace	i) Social support at work
B. Job Tasks	<ul><li>iv) Work intensity</li><li>v) Long working hours</li></ul>	ii) Autonomy to organise daily work
C. Organisational characteristics	-	iii) Organisation participation and workplace voice
D. Worktime arrangements	vi) Unsocial work- schedule	iv) Flexibility of working time
E. Job prospects	-	v) Training and learning opportunities
		vi) Opportunity for career advancement
F. Intrinsic aspects	vii) Perception of job insecurity	vii) Opportunities for self- realisation



### **QWE in 2015**

- ✓ 1/3 of employees are strained (10% are severely so)
- ✓ 50% of employees are well-resourced (20% highly so)



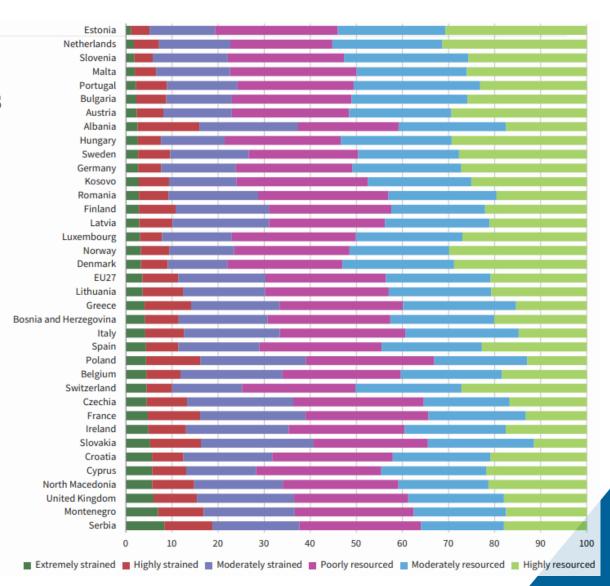


#### **QWE in 2021 - EU**

According to the 2021 European Working Conditions Survey:

 About one third of workers in the EU, on average, experiences job strain with more job demands than job resources

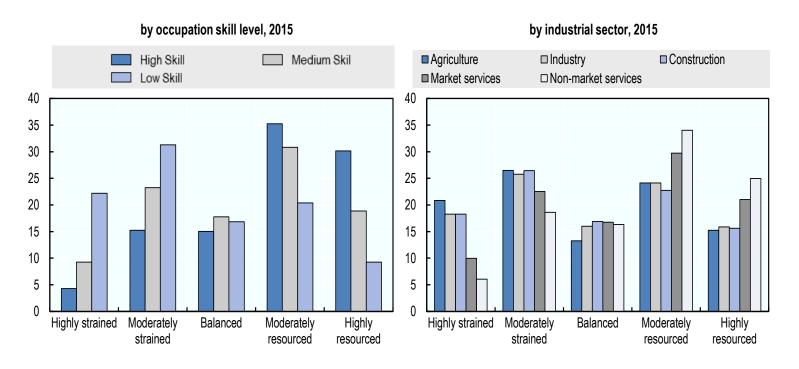
Source: Eurofound (2022), Working conditions in the time of COVID-19: Implications for the future, European Working Conditions Telephone Survey 2021 series, Publications Office of the European Union, Luxembourg.





### QWE by group

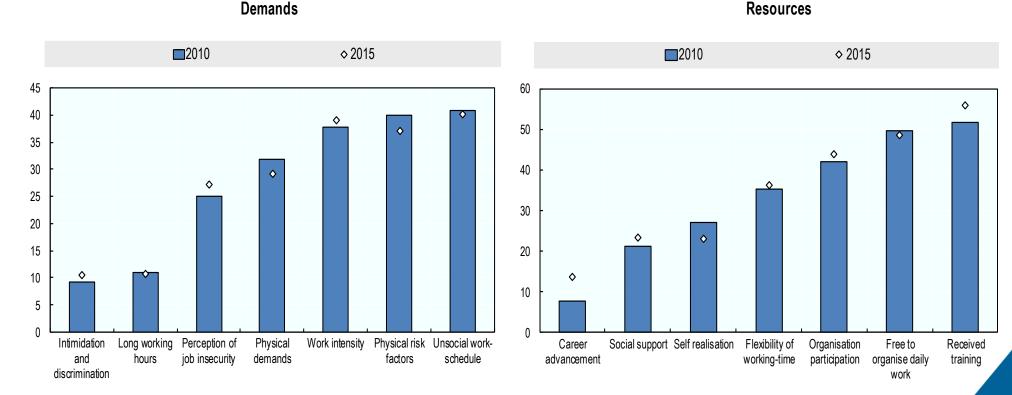
- ✓ The largest differences in QWE are observed across education/skills and sectors
- ✓ Slight differences by age, contract type, gender (females having higher QWE) and size of worksite





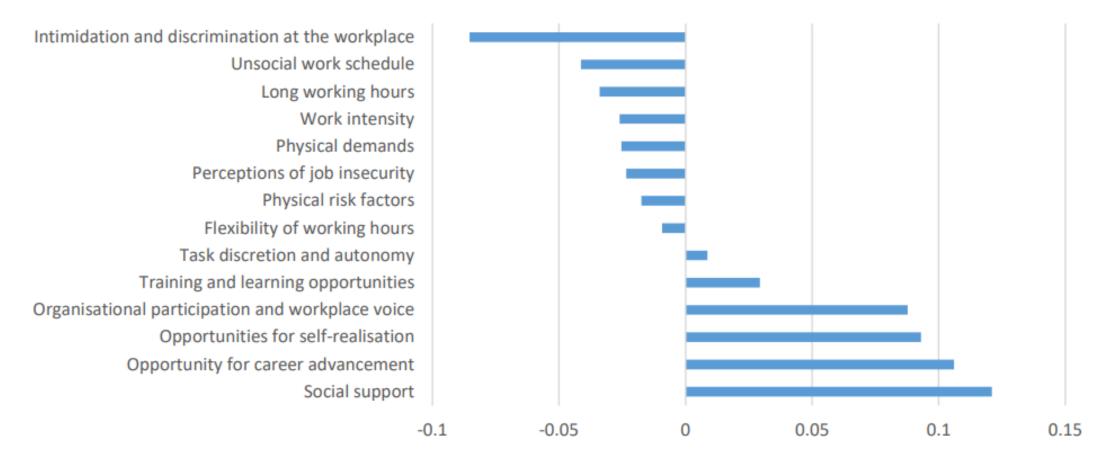
### Change in QWE over 2010-2015

- ✓ QWE has improved in a majority of countries
- ✓ Better prospects of career advancement, higher take-up of training, stronger social support and organisation participation at work, higher flexibility of working time, as well as lower exposure to physical risk factors, hard physical demands and unsocial work schedule.
- ✓ On the other hand, perceptions of job insecurity, intimidation and discrimination and work intensity have been on the rise.





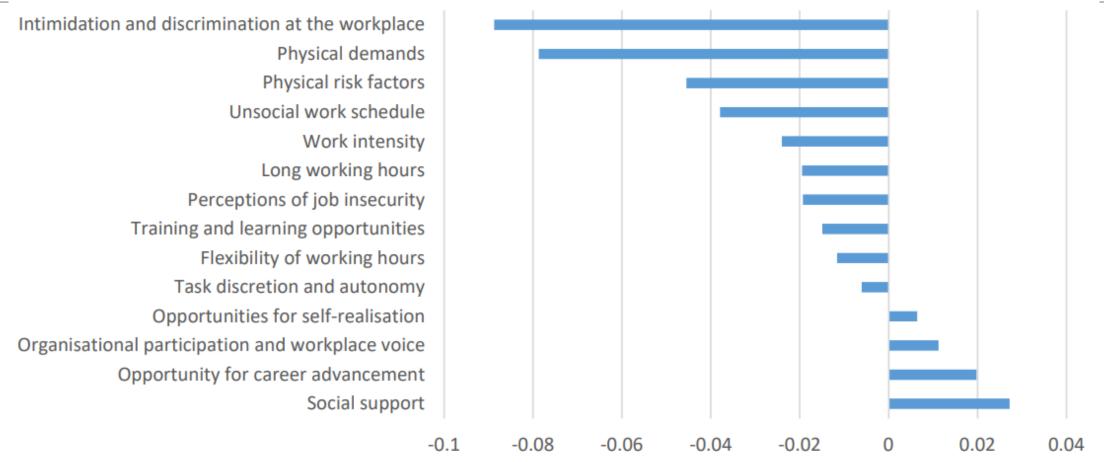
# Working conditions are significantly correlated with mental health...



Source: Murtin, F., Arnaud, B., Le Thi, C., and Parent-Thirion, A. (2022), "The relationship between quality of the working environment, workers' health and wellbeing: Evidence from 28 OECD countries", OECD Papers on Well-being and Inequalities, https://doi.org/10.1787/51837366-en



# Average effects of resources and demands on physical health



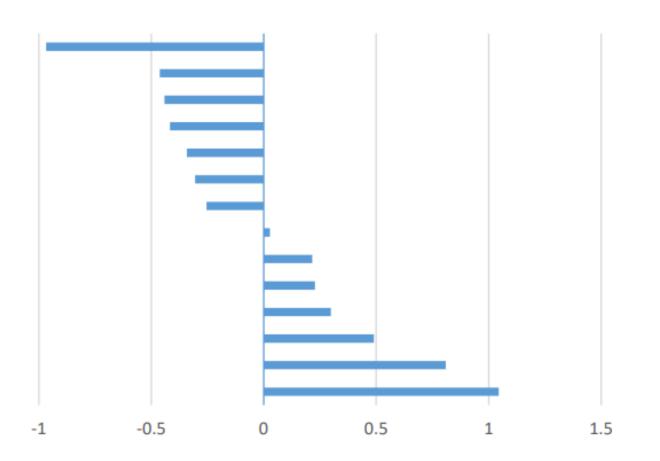
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# Average effects of resources and demands on job satisfaction

Intimidation and discrimination at the workplace Physical risk factors Physical demands Long working hours Work intensity Unsocial work schedule Perceptions of job insecurity Flexibility of working hours Task discretion and autonomy Opportunities for self-realisation Training and learning opportunities Organisational participation and workplace voice Social support Opportunity for career advancement

-1.5





# VALUING THE QUALITY OF THE WORKING ENVIRONMENT



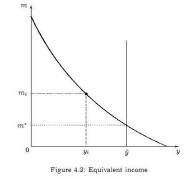
### **Shadow prices: how it works**

 A shadow price is the monetary equivalent of one unit of a non-monetary good (e.g. working conditions)

• 'Monetary equivalent' in the sense of equal preference for people (same

utility): no ethical judgement ('the price of life')

$$U(y,m) = U(y - \delta, m^*)$$
$$w = \frac{\delta}{m^* - m}$$



 We use hedonic regressions to estimate impact of working conditions on subjective well-being, and use the coefficient on income to compute shadow prices



### Monetising 3 job characteristics

We use the European Quality of Life Survey, which contains data on:

- life satisfaction (proxy for utility)
- household income (to compute equivalent income)
- working conditions (variables of interest, below):

Variable	Description
Working hours	Respondent works more than 49 hours per week
Tensions with management	Respondent reports a perception of severe tensions between management and workers in the country they live in
Job insecurity	Respondent believes it is very likely they will lose their job in the next 6 months
Unemployment or inactivity	Respondent is unemployed or inactive.



### **Hedonic regression**

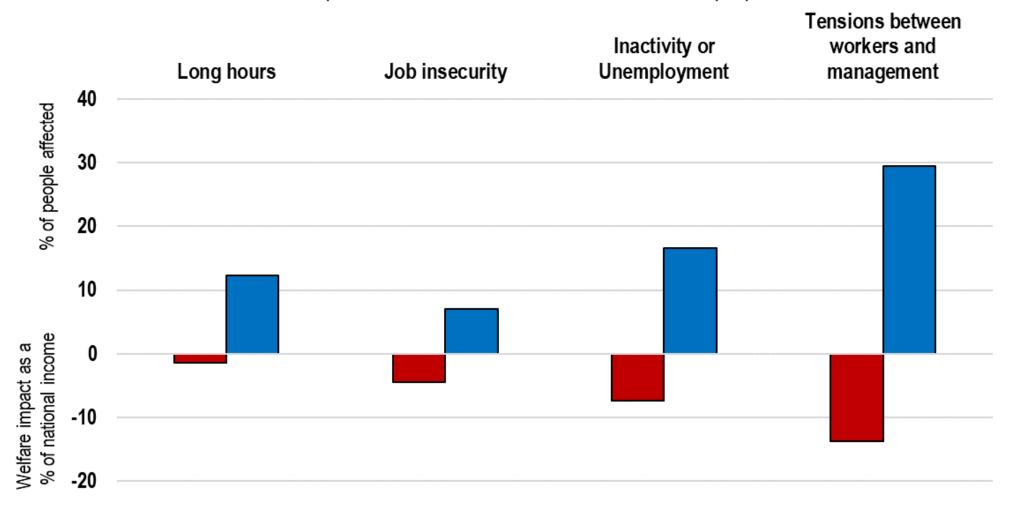
	(6)		
Log income	0.770***		
	(0.111)		
Working hours > 49	-0.074*		
	(0.037)		Emissalantin anno.
Tension with management	-0.372***	0 111	Equivalent income:
_	(0.046)	0.111	— = <b>14</b> % of income
Job insecure	-0.568***	0.770	per individual
	(0.039)		_
Employed	0.111**		
	(0.053)		
Unemployed	-0.847***		
	(0.106)		
constant	2.390***		
	(0.763)		
Country and time dummies	Yes		
R2	0.207		
N WISE Centre Note: Standard errors in parentheses. * p < 0.10	4.7e+04		



#### **Aggregate value**

■ Welfare impact as a % of national income

■ Share of people affected





#### Thank you!

fabrice.murtin@oecd.org





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# The quality of work after the Covid-19 pandemic

Paul de Beer

#### Value of Work Monitor

- Biannual survey among a representative sample of the Dutch population
- C. 5,000 respondents aged 18-69
- Three waves: 2019, 2021, 2023
- Basic questionnaire (a.o. work centrality, valuation and evaluation of work aspects)
- Varying questionnaire (in 2023 impact of technological change and transition to sustainable economy)

## Percentage of workers to whose work the following aspects apply (agree or strongly agree)

	2019	2021	2023	2021-	2019-
				2023	2023
Working with pleasant people	87,9	88,5	87,4	-1,2	-0,5
Nice work	83,8	81,3	82,2	0,9	-1,5
Good working hours	79,7	84,9	81,5	-3,4	1,8
Sufficient opportunity for initiative	76,6	77,1	77,4	0,3	0,7
Sufficient security	72,8	79,8	74,9	-4,9	2,1
Regularly proud of the work	75,1	74,1	73,1	-1,1	-2,0
Work in which you can help other people	69,6	71,8	72,4	0,6	2,8
Good holiday arrangement/many days off	68,2	72,1	69,3	-2,8	1,1
A job that is useful to society	66,1	69,6	69,2	-0,4	3,2
Good wages/salary	67,5	70,3	68,3	-2,0	0,7
Being able to decide for yourself how you do your work	72,4	72,1	68,0	-4,1	-4,4
Many social contacts		70,6	67,9	-2,6	
Work in which you can develop yourself		66,9	67,4	0,5	
Work that people generally appreciate	64,4	63,0	63,4	0,4	-0,9
Not too much pressure or stress	45,3	50,3	50,0	-0,4	4,7
Work in which you contribute to solving social, societal or environmental problems	43,2	46,4	44,2	-2,2	1,0
Good career opportunities	37,7	41,7	44,1	2,4	6,4
Mean percentage	67,3	69,4	68,3	-1,2	0,9

# Percentage of workers to whose work the following aspects do not apply

(disagree or strongly disagree)

	2019	2021	2023	2021-	2019-
				2023	2023
Work in which you contribute to solving social, societal or environmental	33,4	29,3	34,3	5,0	0,9
problems					
Not too much pressure or stress	31,2	22,9	26,9	3,9	-4,4
Good career opportunities	29,8	26,9	26,2	-0,7	-3,6
Work in which you can develop yourself		12,4	13,6	1,2	
Good wages/salary	12,7	11,1	13,4	2,4	0,7
Being able to decide for yourself how you do your work	8,9	9,6	12,8	3,2	3,9
Work that people generally appreciate	12,7	12,7	12,4	-0,3	-0,3
A job that is useful to society	11,2	9,4	11,9	2,5	0,7
Many social contacts		10,8	11,8	1,0	
Good holiday arrangement/many days off	11,7	11,0	11,6	0,7	-0,1
Sufficient security	12,2	10,2	11,3	1,1	-0,9
Work in which you can help other people	11,3	9,6	10,9	1,3	-0,3
Regularly proud of the work	7,3	8,1	8,9	0,8	1,6
Sufficient opportunity for initiative	7,9	7,2	7,5	0,3	-0,4
Good working hours	6,7	5,3	7,3	2,0	0,6
Nice work	6,0	5,6	6,0	0,4	0,0
Working with pleasant people	3,0	2,3	3,3	1,0	0,3
Mean	13,7	12,0	13,5	1,5	-0,2

#### Summary indicators for quality of work (0-10)

	Mean			Stan	ation	
	2021	2023	2021- 2023	2021	2023	2021- 2023
Terms of employment	7,23	7,10	-0,13	1,80	1,88	0,08
Working conditions	8,05	7,86	-0,19	2,19	2,22	0,02
Labour relations	7,08	7,05	-0,04	1,56	1,59	0,03
Relaxed work	5,65	5,58	-0,07	1,80	1,87	0,08
Meaningful work	6,92	6,85	-0,07	1,83	1,88	0,04
Work engagement	7,21	7,27	0,06	1,64	1,65	0,01
Overall score	7,01	6,94	-0,07	1,06	1,11	0,05

#### Percentage of workers with low and high scores

		Score < 5	.5		Score > 8		
	2021	2023	2021- 2023	2021	2023	2021- 2023	
Terms of employment	13,5	17,2	3,6	32,2	31,9	-0,3	
Working conditions	15,8	17,1	1,4	56,5	52,8	-3,7	
Labour relations	15,3	16,3	1,0	26,3	26,7	0,4	
Relaxed work	50,9	52,6	1,6	11,8	12,4	0,5	
Meaningful work	19,5	21,9	2,4	28,7	29,2	0,4	
Work engagement	13,3	12,2	-1,1	37,2	38,5	1,3	
Overall score	8,1	7,8	-0,3	16,4	16,0	-0,3	

# Change of quality of work 2021-2023 by educational attainment

	Terms of employment	Working conditions	Labour relations	Relaxed work	Meaningful work		Overall score
Primary/lowere secondary education	-0,49	-0,27	-0,07	-0,39	-0,04	0,10	-0,20
Higher secondary education	-0,06	-0,09	-0,02	0,07	-0,13	0,05	-0,04
Teriary education	-0,05	-0,17	0,00	-0,11	0,01	0,07	-0,04





### **NETWORKING LUNCH**

#### ASSESSING THE VALUE OF WORK

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# WELCOME BACK

### ASSESSING THE VALUE OF WORK

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# The paradox of proactivity

dr. Jessie Koen - senior scientist Future of Work



#### **About me**

Work & Organizational Psychologist with a PhD (cum laude) on employability & career success

#### Research:

- 1. How do societal transitions (digitalization, technology (AI), energy, climate) impact work and careers?
- 2. How can we reorganize work and careers to cope with & contribute to these transitions?













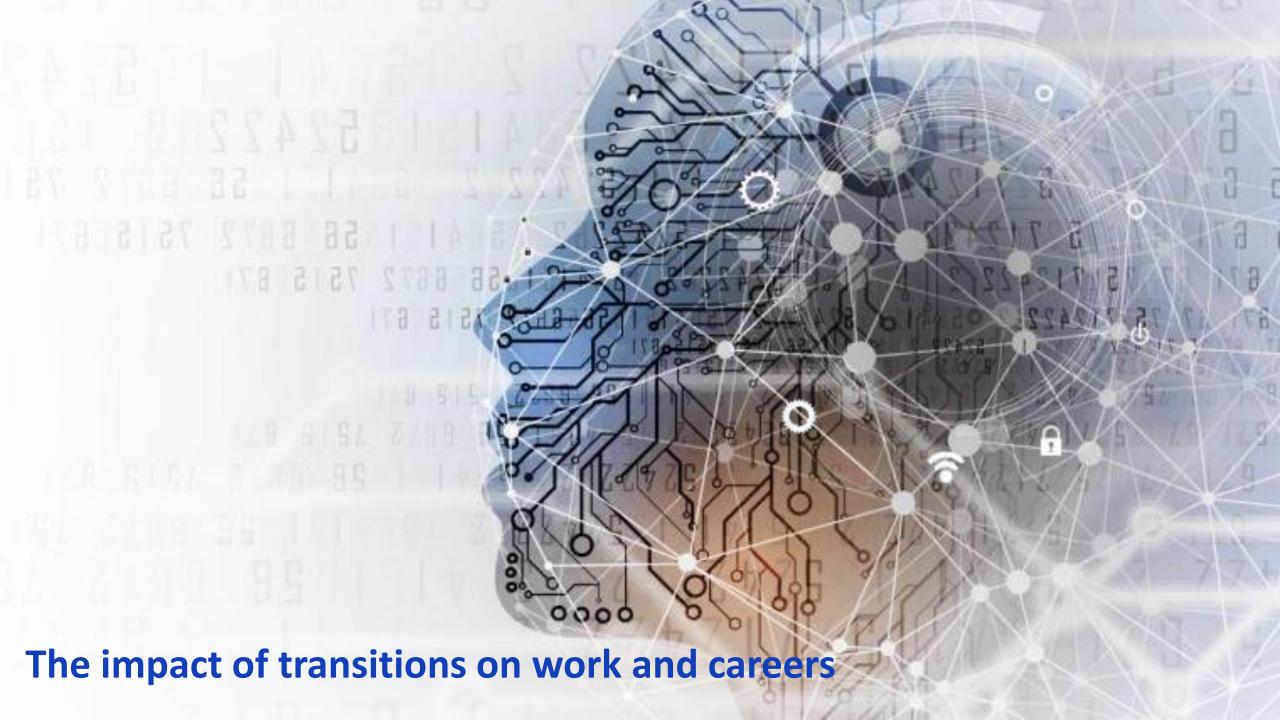


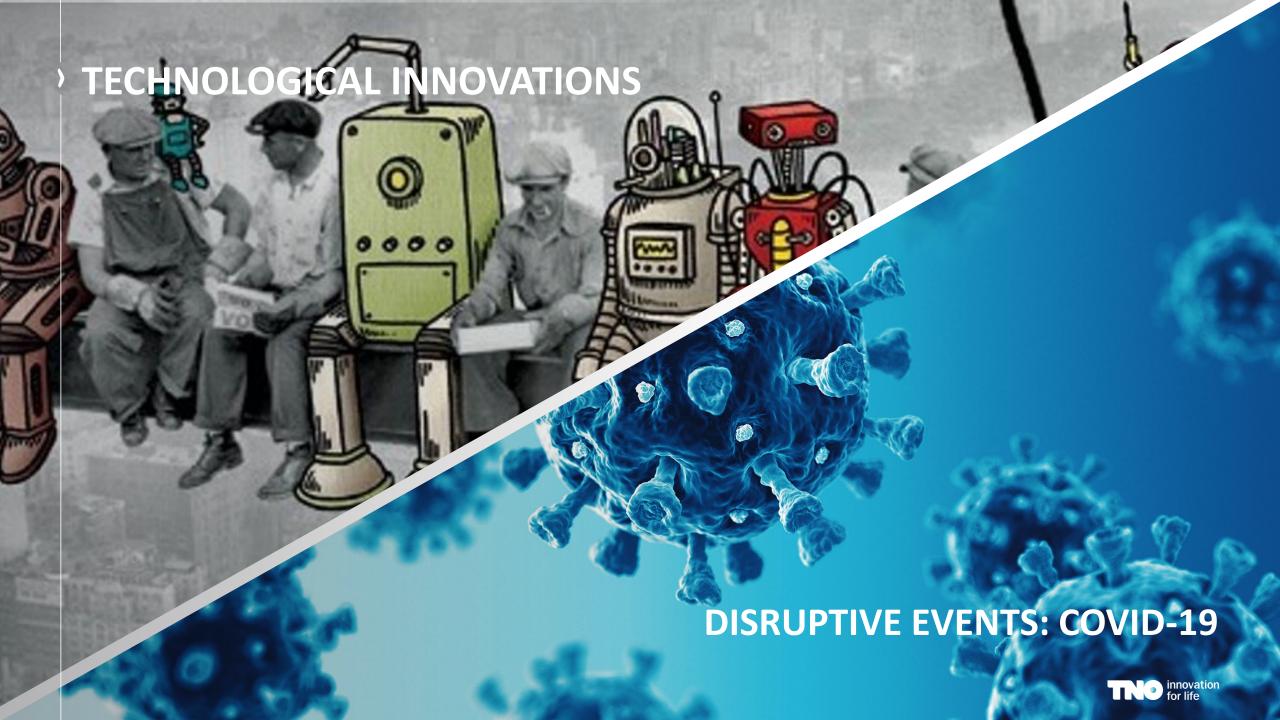


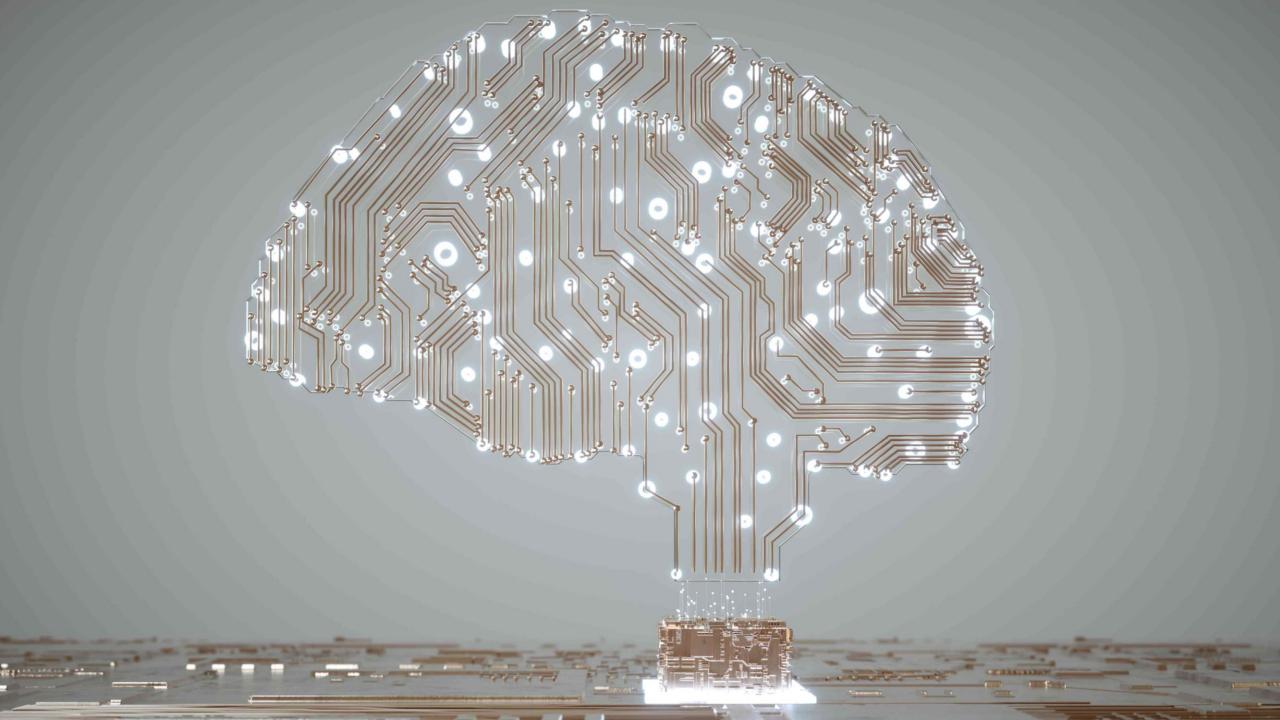
# **Today**

- The impact of transitions on work and careers
- How to cope with these transitions?
- The problem (or paradox) of proactivity
- Potential solutions: a system-level perspective









# The impact of transitions

#### Job insecurity

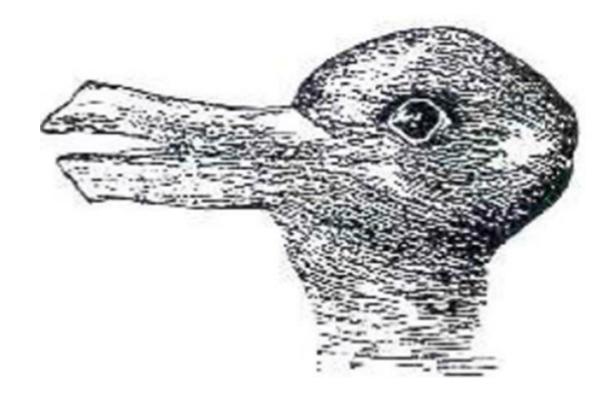
• "a threat to the continuity and stability of employment as it is currently experienced" (Shoss, 2017)

#### Many negative consequences

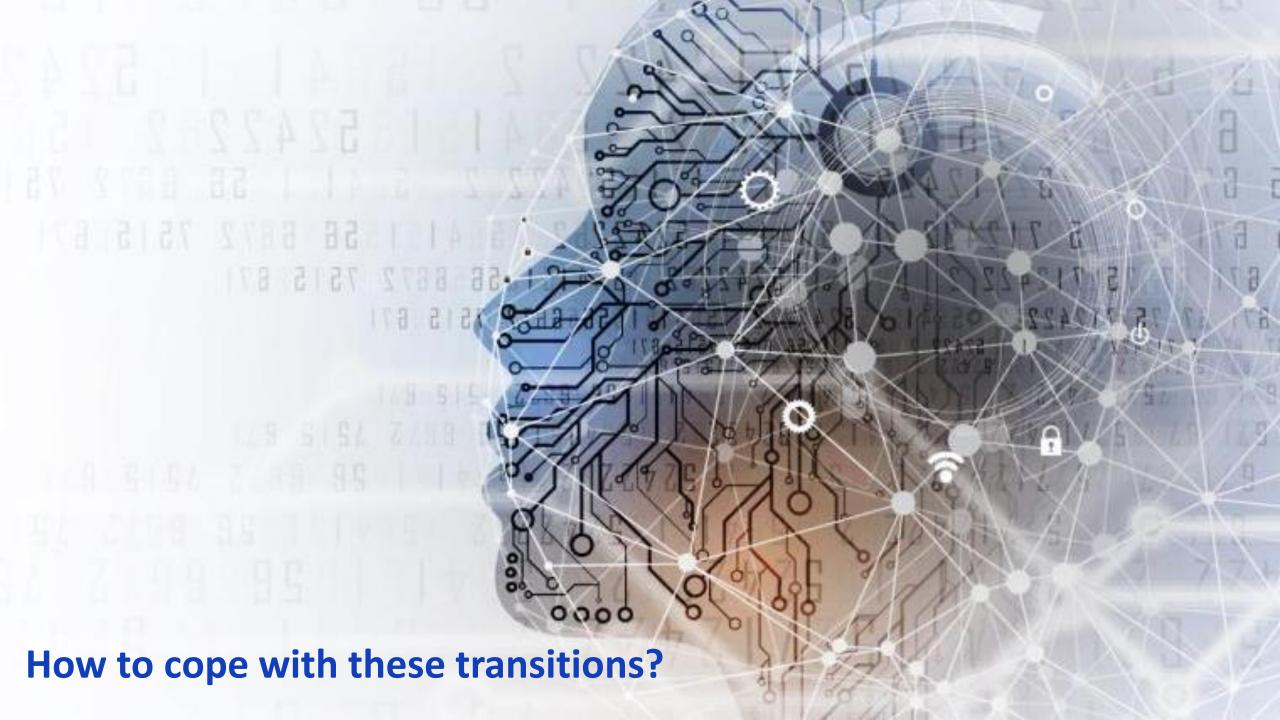
- Stress and burnout symptoms
- Lower career success
- Poor job performance
- Increased chance of unemployment & poverty



# The impact of transitions

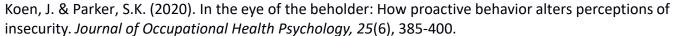






# How to cope with transitions





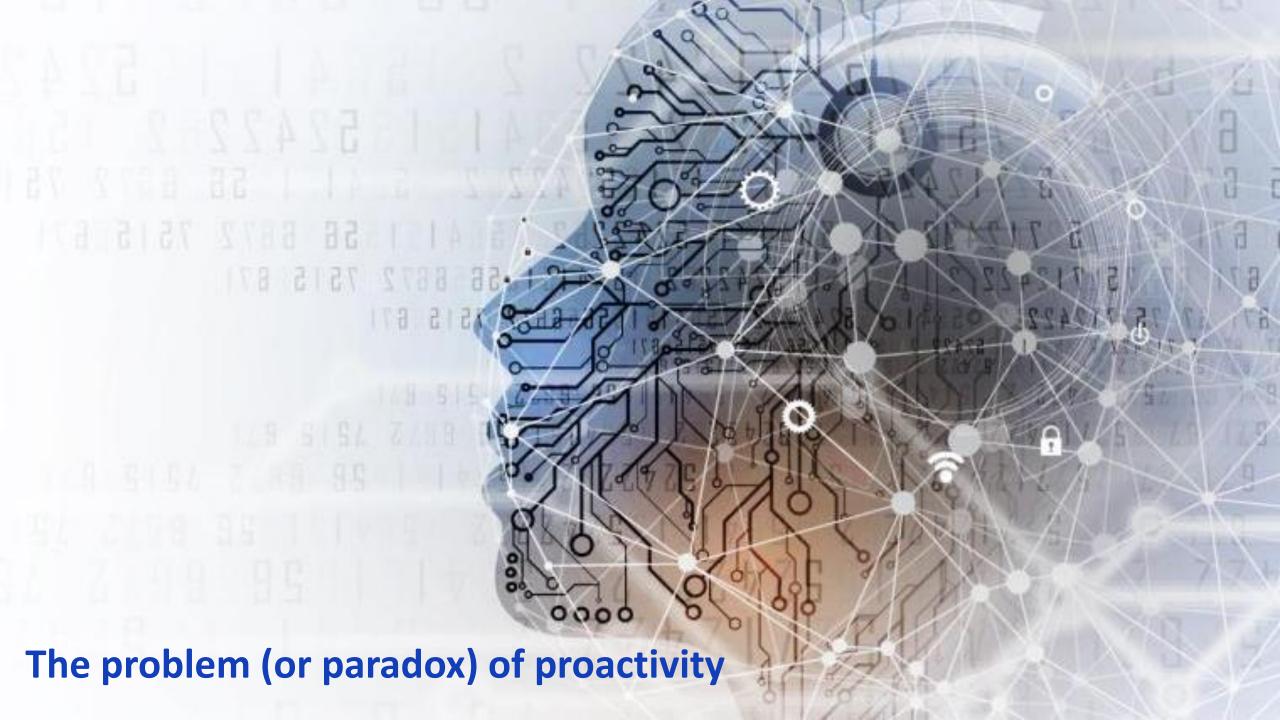


# How to cope with transitions

#### Proactive career behavior: Thinking forward, acting forward

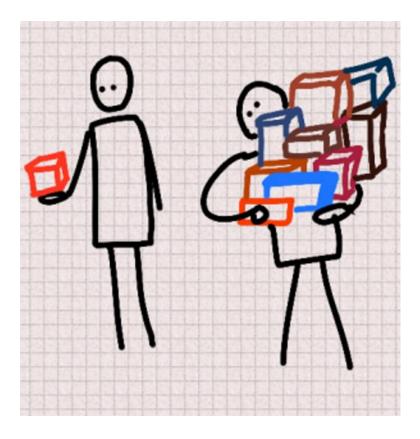
- Career planning
  - I am regularly thinking about what I want to do in the next few years of my career
- Networking
  - I am building a network (...) that will further my work chances
- Career consultation
  - I initiate talks with my supervisor/colleagues about the things I need to do to improve my future work prospects
- Lifelong development
  - I develop skills which may not be needed so much right now, but in future positions





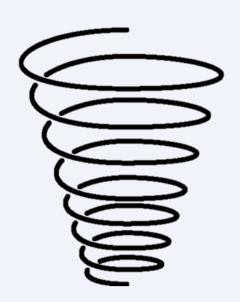
 Negative spiral: stronger threats are accompanied by less resources to overcome the threat

- "Matthew effect" of accumulated (dis-)advantage
  - the rich get richer while the poor get poorer
  - the insecure become more insecure while the secure become more secure



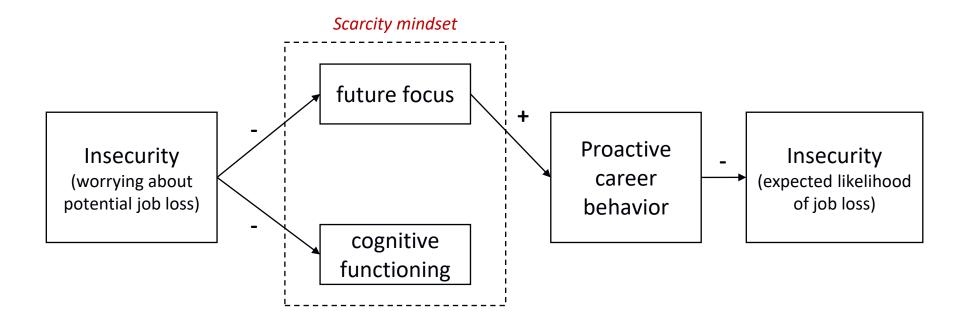






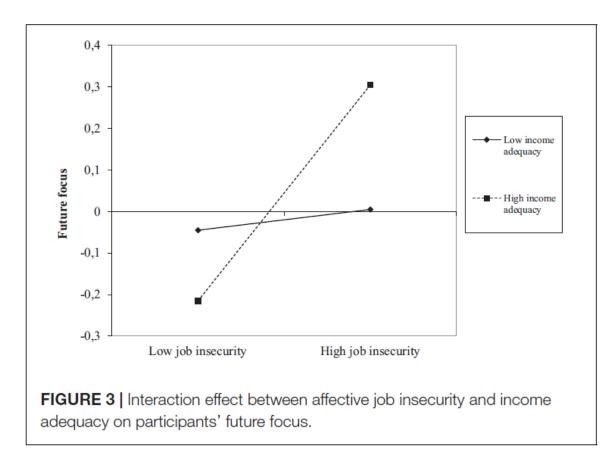
The situations that require proactivity are the same situations that obstruct proactivity





Koen, J. & van Bezouw, M.J. (2021). Acting proactively to manage job insecurity: how worrying about the future of one's job may obstruct future-focused thinking and behavior. *Frontiers in Psychology*.



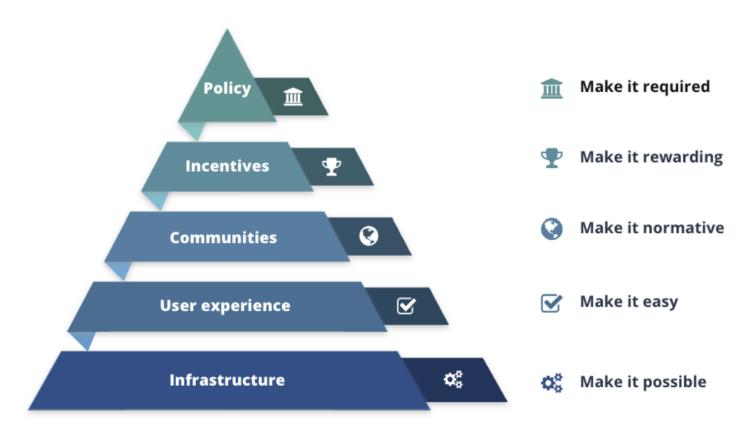


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# Potential solutions: a system-level perspective

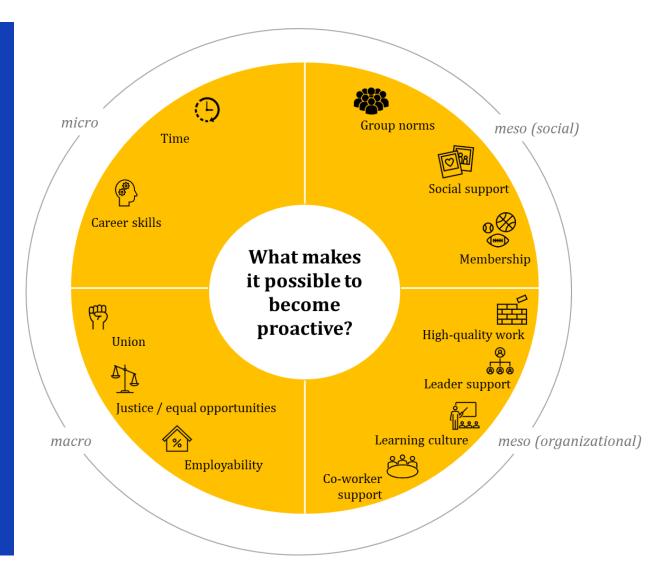


Inspired by the center for open science (cf. Brian Nosek and colleagues)



The paradox of proactivity

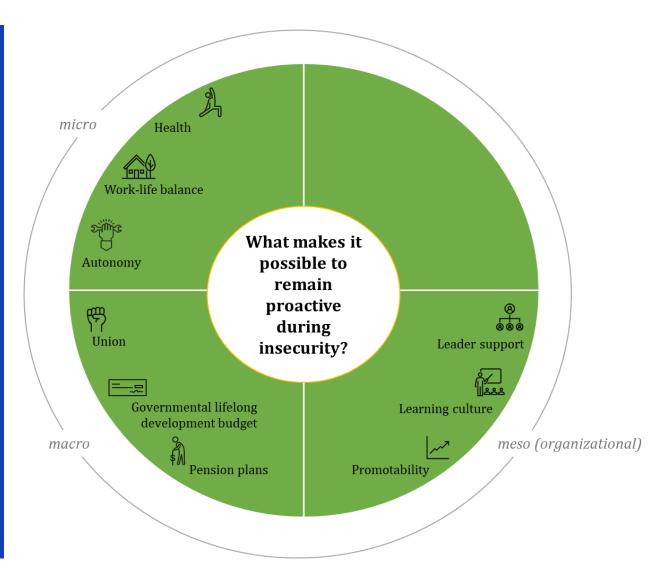
- Make it possible
- Make it easy
- Make it normative
- Make it rewarding
- Make it required





The paradox of proactivity

- Make it possible
- Make it easy
- Make it normative
- Make it rewarding
- Make it required





The paradox of proactivity

- Make it possible
- Make it easy
- Make it normative
- Make it rewarding
- Make it required





# Potential solutions: a system-level perspective









- Make it possible
- Make it easy
- Make it normative
- Make it rewarding
- Make it required



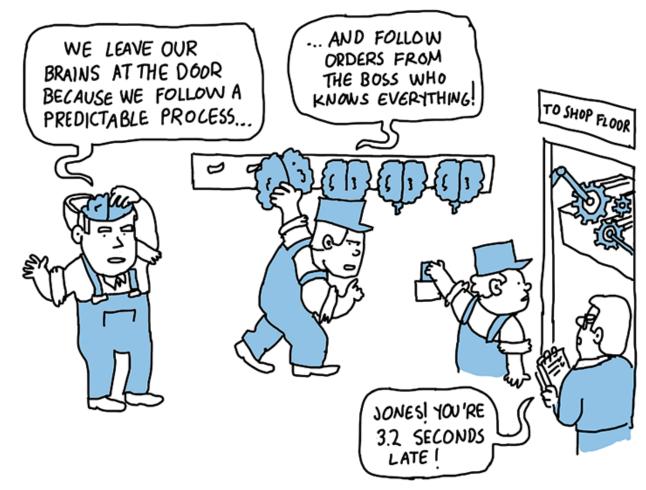


#### Beware of:

- Taylorism
- Job insecurity

#### Human-centered design

- Worker participation
- Allow lifelong development
  - within resourceful workplaces



BUSINESSILLUSTRATOR. COM/CONFUSED-CEO



The paradox of proactivity

## **Potential solutions**

- Make it possible
- Make it easy
- Make it normative
- Make it rewarding
- Make it required



Copuright KnowledgeBrief



# Potential solutions: a system-level perspective

Stimulating proactivity requires a different approach in different situations:

#### **Relatively secure**

direct social context stimulate proactive behaviors (family, co-workers, leader, learning culture)

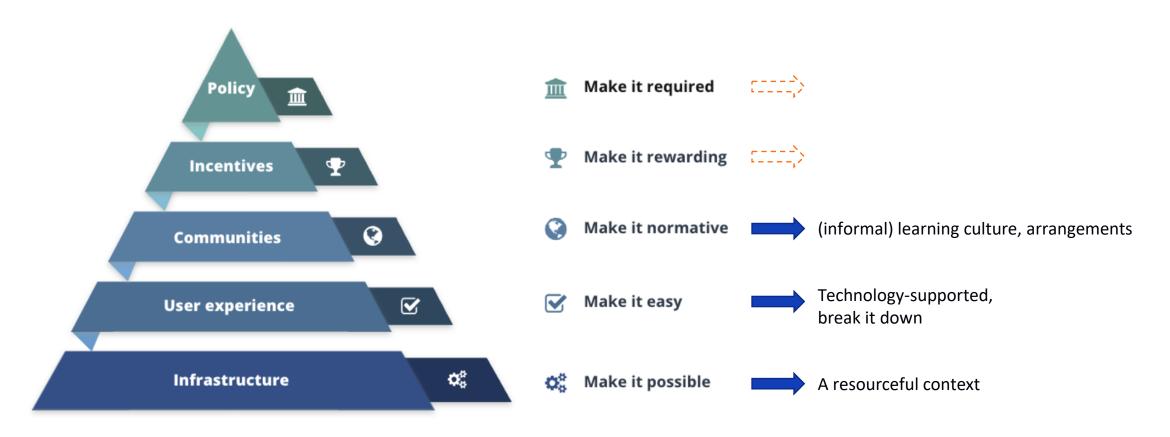
#### **Relatively insecure**

indirect social context signals importance and usefulness of proactive behaviors

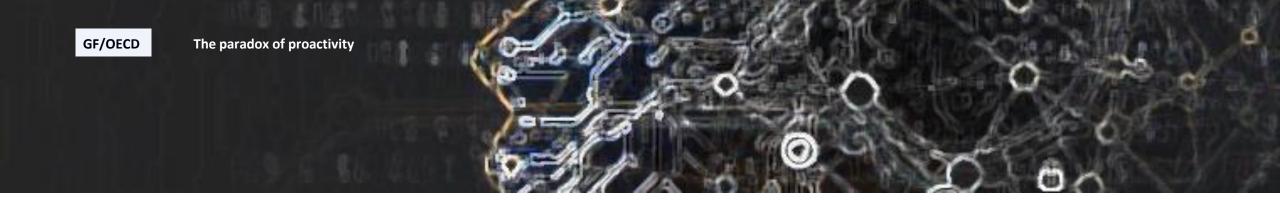
(institutions, official arrangements -governmental budget-, labor market policy)



# Potential solutions: a system-level perspective







# www.toekomstvanwerkzekerheid.nl

jessie.koen@tno.nl









# **PROGRAM**

10:00 – 10:10	Prof. Dr. Janka Stoker Goldschmeding Foundation
10:10 – 11:00	<b>Dr. Fabrice Murtin</b> OECD WISE Centre
11:00 – 11:50	Prof. Dr. Paul de Beer University of Amsterdam
11:50 – 13:00	Networking Lunch
13:00 – 13:50	<b>Dr. Jessie Koen</b> TNO/University of Amsterdam
13:50 – 14:40	Vincent Siegerink OECD Wise Centre
14:40 – 15:00	Break
15:00 – 16:00	<ul> <li>Paneldiscussion guided by Peter Brouwer, with:</li> <li>Antoine Reijnders, VNO-NCW/MKB NL</li> <li>Margaretha Buurman, UWV</li> <li>Jaap Jongejan, Stichting SBI</li> <li>Bas ter Weel, SEO Economisch Onderzoek</li> </ul>



Measuring the non-financial performance of firms through the lens of the OECD Well-being Framework

Vincent Siegerink, Economist/Policy Analyst
OECD Centre for Well-being, Inclusion, Sustainability and Equal Opportunities





# How do companies and sectors contribute to sustainable development, and well-being?

			3 COOR HEALTH					8 ECOROTIVARY AND ECONOMIC GROWTH		10 REDUCED  HEQUILITIES							
	SDG 1	SDG 2	SDG 3	SDG 4	SDG 5	SDG 6	SDG 7	SDG 8	SDG 9	SDG 10	SDG 11	SDG 12	SDG 13	SDG 14	SDG 15	SDG 16	SDG 17
All sectors	0.8	0.6	1.2	0.9	1.2	0.8	0.9	1.3	1.2	0.9	0.9	1.1	0.9	0.4	0.5	0.7	1.0
By mega sector:																	
Energy, natural resources and basic materials	0.7	0.6	1.1	0.7	1.0	0.8	1.0	1.3	1.2	0.8	0.8	1.1	1.0	0.4	0.6	0.6	0.8
Financial services	0.8	0.6	1.3	1.0	1.3	0.7	1.0	1.4	1.2	1.0	0.8	1.0	1.0	0.3	0.5	0.8	1.1
Food, beverage and consumer goods	0.9	0.8	1.3	0.9	1.2	0.6	0.6	1.3	1.0	1.0	0.7	1.1	0.7	0.4	0.6	0.6	1.1
Healthcare and life sciences	0.7	0.7	1.7	1.0	1.3	0.8	1.0	1.6	1.2	1.1	0.7	1.2	0.9	0.2	0.5	0.8	1.1
Industrial manufacturing	0.8	0.6	1.2	0.9	1.1	0.8	1.0	1.3	1.3	0.9	0.9	1.1	1.0	0.4	0.5	0.7	0.9
Mobility and transportation	1.0	0.9	1.2	0.9	1.0	0.7	0.8	1.5	1.3	1.0	1.3	1.3	1.1	0.7	0.6	0.5	1.1
Telecommuni- cations and technology	0.6	0.4	1.1	1.0	1.3	0.5	0.7	1.3	1.3	1.1	0.9	1.1	0.9	0.3	0.4	0.7	1.0
Other	0.8	0.7	1.1	0.9	1.2	8.0	8.0	1.3	0.9	0.9	8.0	1.0	0.7	0.4	0.5	0.7	1.0

Notes: SDG = Sustainable Development Goal. The original question was: "From your perspective, what would you say is your company's current impact on each of the Global Goals?". A higher score corresponds to a more positive impact. On a scale of -2 to 2, where -2= Significant negative impact, -1= Somewhat negative impact, 0= No impact or not aware of the impact that our company has on this goal, 1= Somewhat positive impact and 2= Significant positive impact. The colours in the cells vary from blue (the largest value) to white (the value at the 50th percentile) to red (the lowest value).

Source: OECD calculations based on the 2020 UNGC survey (not publicly available).



# Which companies, and industries, add value to our economy and society?

The Danish business sector and the Sustainable Development Goals: industry progress against SDGs

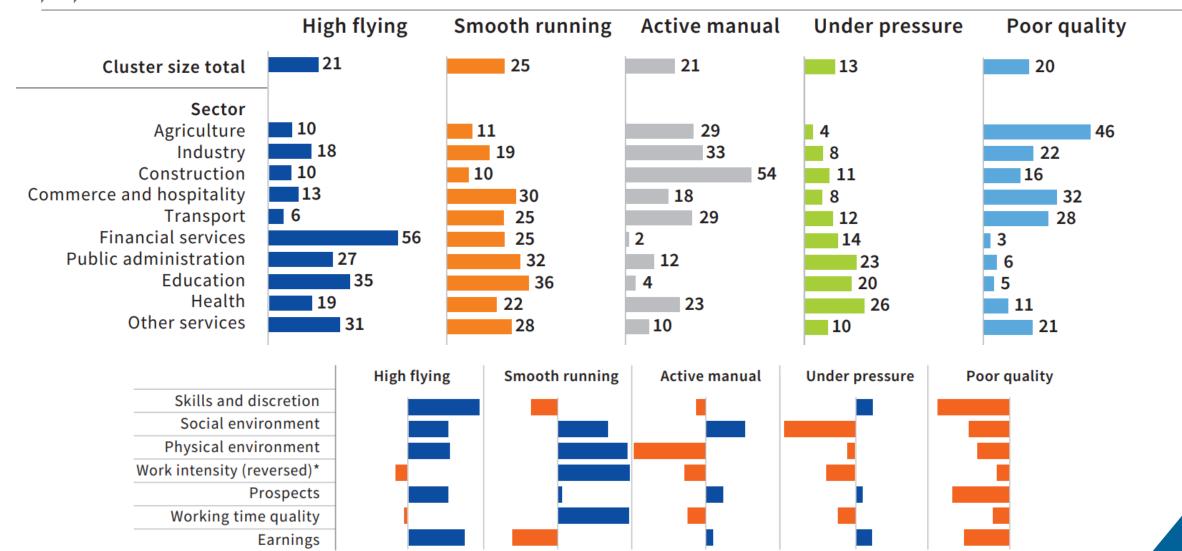
	Total	sulture, forestry and fishing	Mining and quarrying	Manufacturing	Energy supply	later, sewerage and waste	Construction	Wholesale and retail trade	Transportation	immodation and food serv.	nation and communication	Financial and insurance	Real estate activities	(nowledge-based services	Business services
Indicator															
Employment	t	$\rightarrow$	1	t	1	1	t	t	$\rightarrow$	t	t	$\rightarrow$	t	t	t
Value added	t	$\rightarrow$	1	t	1	$\rightarrow$	t	t	t	t	1	1	1	1	1
Research expenditure	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	t	$\rightarrow$	$\rightarrow$	1	t	$\rightarrow$	$\rightarrow$	$\rightarrow$
Environmental goods and serv.	t	1		1	1	Ť	1							1	-
Donations	t					-									-
Greenhouse gases/value added	t	$\rightarrow$	1	1	1	1	1	1	1	1	1	t	t	1	1
Energy consumption/value added	1	1	1	t	1	1	1	1	1	1	1	1	1	1	1
Water consumption/value added	t	1	1	1	1	1	1	1	t	1	1	t	t	1	t
Volume of waste/value added	t	1	t	1	t	Ť	1	t	t	1	t	$\rightarrow$	Ţ	Ť	t
Accidents at work, frequency	t	Ť	1	1	1	Ť	1	1	Ť	Ť	Ť	t	Ť	Ť	1
Sickness absence, men	1		$\rightarrow$	1	$\rightarrow$	$\rightarrow$	1	1	t	Ť	1	1	t	1	1
Gender distribution, reg. jobs	1		1	t	t	Ť	$\rightarrow$	$\rightarrow$	1	1	1	1	t	1	1
Gender distribution, senior management	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	$\rightarrow$	<b>→</b>
Equal pay, regular jobs	t	-	$\rightarrow$	t	t	$\rightarrow$	1	t	t	t	$\rightarrow$	t	ţ	t	t

<sup>1:</sup> Positive tendency 1: Negative tendency 1: Neutral/uncertain -: No information.

Note: The overview does not cover all indicators. More information and details in the individual chapters.



# Which companies, and industries, add value to our economy and society?





# Lack of clarity around how to measure sustainability remains Much more variance in ESG ratings than in credit ratings



Note: Sample of public companies selected by largest market capitalisation to represent different industries in the United States. The issuer credit ratings are transformed using a projection to the scale from 0 to 20, where 0 represents the lowest rating (C/D) and 20 the highest rating (Aaa/AAA).

Source: OECD, 2020 Business and Finance Outlook. Staff calculations using data from Refinitiv, Bloomberg, MSCI, Yahoo finance, Moody's, Fitch, S&P



# Business frameworks have limited coverage of well-being dimensions, especially in measurement

Well-Being Dimension	Address the dimension	Quantitative measures of the dimension
Environment	91% (31)	47% (16)
Sovernance	91% (31)	38% (13)
Jobs and Earnings	79% (27)	38% (13)
Health	71% (24)	32% (11)
Education and skills	65% (22)	32% (11)
Social connections	53% (18)	21% (7)
Income and wealth	38% (13)	18% (5)
Work and life balance	38% (13)	15% (5)
Personal security	21% (7)	6% (2)
Subjective well-being	21% (7)	0% (0)
	3% (1)	0% (0)



## An OECD WISE Centre framework for measuring business social performance



Framework: A common measurement framework for "Scope 1" Social performance", OECD Papers on Well-being and Inequalities, No. 03, OECD Publishing, Paris, https://doi.org/10.1787/28850c7f-en.



## **An OECD Employee Well-being Survey**

#### Information about:

- Well-being outcomes
  - Working conditions
- Job characteristics
- Personal characteristics





#### **OECD Employee Well-being Survey**

096

This survey is currently not active. You will not be able to save your responses.

#### Welcome!

The Organisation for Economic Co-Operation and Development (OECD) invites you to participate in a survey that aims to collect information on the well-being and working environment of workers of firms in Japan.

This survey is a pilot and is sent to a subset of employees in your company. You were randomly chosen to participate in the survey.

The survey is composed of four sections. It will take about 10 - 15 minutes to complete. Should you leave the webpage, you can continue with the survey at a later stage. The aggregate findings of the survey will be shared with your company's leadership and may inform decision-making among executives in your company, policy-makers, and investors.

The survey is NOT designed to evaluate your performance as an employee, and your company will not be able to see your individual responses.

#### Data protection

Your responses to this survey are anonymous, and will not be linked to you. Your company will not have access to your individual data.

The OECD is committed to protecting the personal data it processes, in accordance with its Personal Data Protection Rules.

The data we collect will be stored by the OECD and retained until the end of this project, at the latest until the end of 2023. Only selected OECD staff have access to the data, which will not be linked to you.

If you have further queries or complaints related to the processing of your data, please contact the Data Protection Officer.

#### e OECD

/iternational organisation that works to build better policies for better lives. Our goal is to shape policies that foster prosperity, equality, opportunity and well-being for all. We draw on rience and insights to better prepare the world of tomorrow.

for participating in this survey.

are 3 questions in this survey.





# An OECD Employee Well-being Survey: objectives and benefits

#### For companies:

- Use evidence to identify vulnerabilities, inequalities and risks in working conditions, in order to inform interventions to improve well-being but also productivity and financial performance
- > Compare performance with that of other companies, thanks to a standardised approach

#### For investors, governments and other actors:

- Demonstrate the potential of employee survey data as a source of useful information on business social performance, potentially useful for investors and government
- > Harmonise measurement methodologies across business and official statistics

# **Survey content OECD EWBS**





#### **Outcomes**

Wage income



Satisfaction with financial situation

Difficulties making ends meet



Work

Engagement

Perceived opportunities

Mental

health

Satisfaction

with time

use

Perceived

Job security

Perceived

health

Trust in

other

workers

Job satisfaction

#### **Dimensions of inequalities**



O

Commuting





**Emotional** demands





Teleworking





## Contract status

Tenure

Gender of

manager

Household

composition

Age

Minority group

self-identification



Social support

#### Context



Gender

Sexual

orientation

Vertical

inequalities























Positive

Life

Exposure to

chemicals

Exposure to

noise

Dalamas



## An (automated) report on a company's employee well-being



#### **Employee well-being report**

#### Toppar

This report provides an overview of the well-being of employees inside the company. The employee wellbeing wheel, below, provides high-level visual of a subset of well-being indicators presented in this report. All of the indicators shown in this wheel are presented in detail in the next section of the report.

A glance at the employee well-being wheel allows understanding the main areas in which employees in the company fare well, and in which areas they fare poorly. The wheel distinguishes between indicators of well-being outcomes (in bold) and indicators of working conditions (not in bold). In the wheel, longer bars are always associated with better (positive) performance, and shorter bars are associated with poorer (negative) performance.



Note: Bars depict the share of employees with good positive (non-neutral) outcomes. Longer bars are always associated with better (positive) outcomes, and shorter bars are always associated with poorer (negative) performance. More detailed data on each of the indicators can be found in the next section.

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#### **Contents:**

- Introduction to well-being
- Applications: impact management
- Employee well-being wheel
- Dimension-specific results

#### **Indicator lenses:**



Averages



Vulnerabilities



- Inequalities
- + Benchmarks with 4-company average

### An employee well-being wheel: some initial observations for a company

### **Strengths**

- Job security (2% believe they may lose their jobs next 6 months)
- Exposure to noise and chemicals (1% and 0%, respectively)
- Training (59% receives at least 2 days of training per year)
- Social support (13% never or rarely feels supported by manager)

#### **Vulnerabilities**

- Financial well-being (28% have difficulties making ends meet)
- Opportunities for advancement (49% report not having opportunities)
- Emotional demands (57% feel drained after work)
- Skills needs (56% report needing further training)
- Voice (30% feels involved in improving work processes)

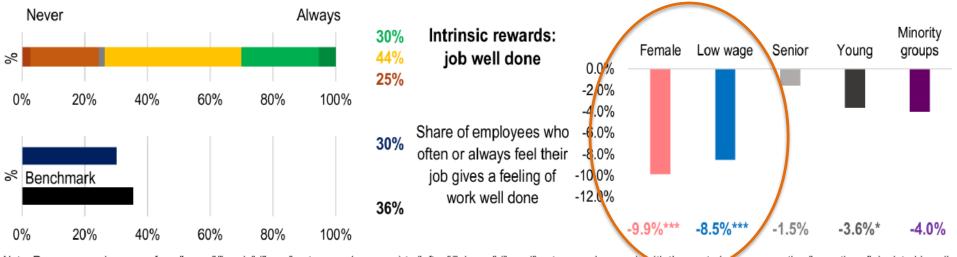




### Subjective well-being



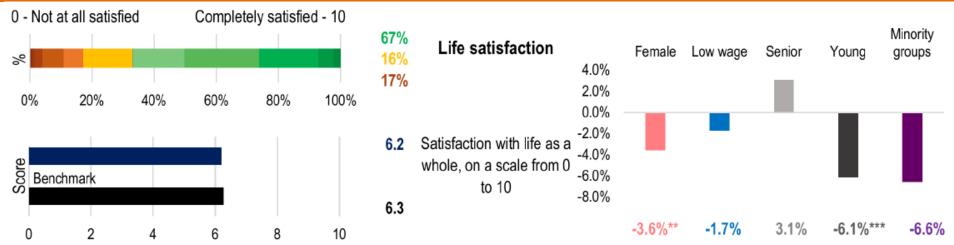
Note: Response scale ranges from "never"/"rarely" ("poor" outcomes, in orange) to "often"/"always" ("good" outcomes, in green), with the neutral response option "sometimes" depicted in yellow.



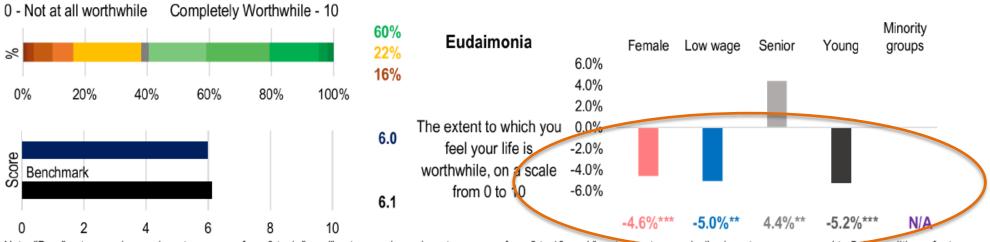
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### Subjective well-being



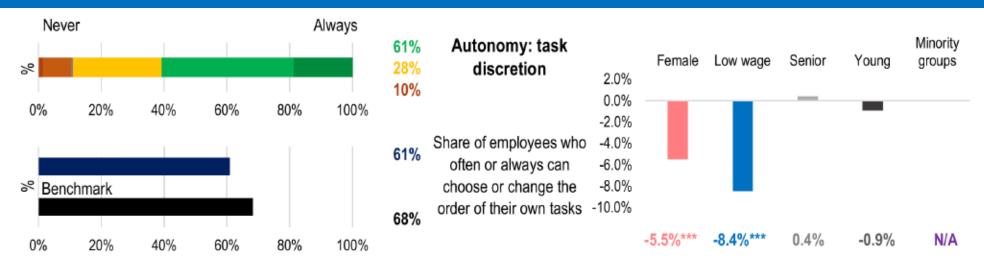
Note: "Poor" outcomes (orange) capture scores from 0 to 4, "good" outcomes (green) capture scores from 6 to 10, and "neutral" outcomes (yellow) capture scores equal to 5. Inequalities refer to differences in the % of people with "poor" outcomes, where negative values imply a higher % with "poor" outcomes.



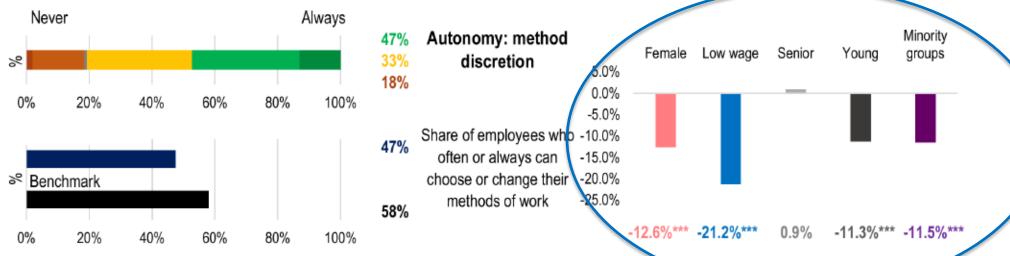
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#### Work and job quality



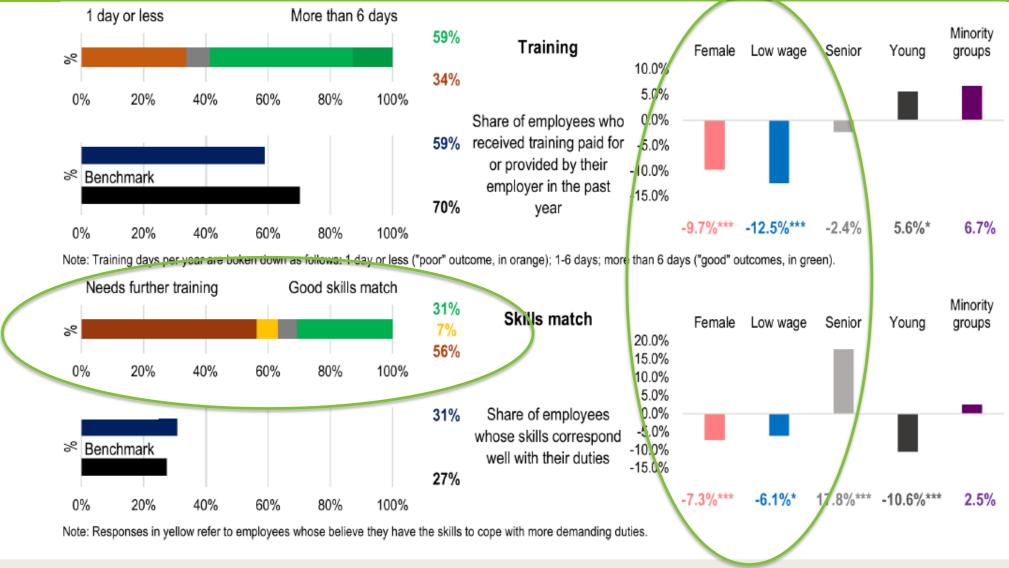
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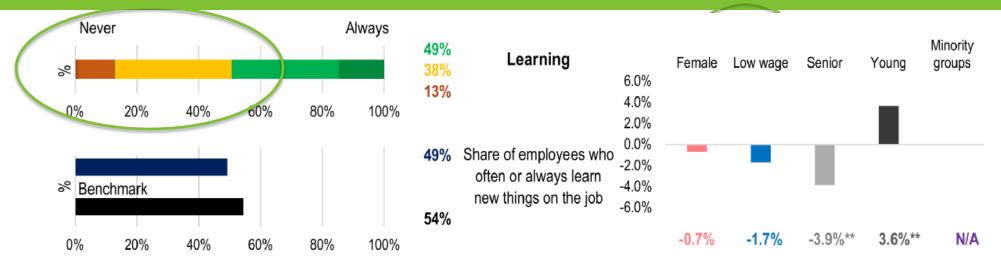
Note: Response scale ranges from "never"/"rarely" ("poor" outcomes, in orange) to "often"/"always" ("good" outcomes, in green), with the neutral response option "sometimes" depicted in yellow.



#### **Knowledge and skills**



#### **Knowledge and skills**



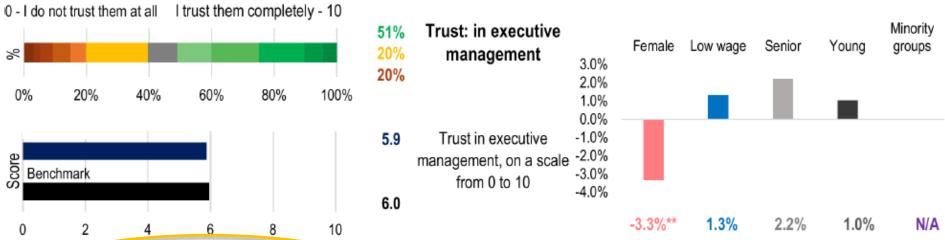
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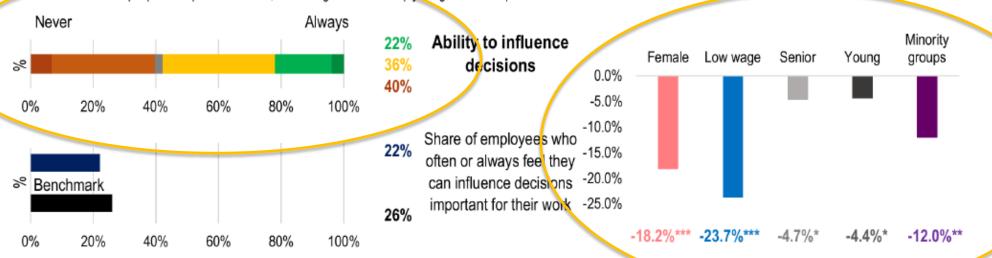
Note: Response scale ranges from "completely disagree" ("poor" outcomes, in orange) to "agree"/"completely agree" ("good" outcomes, in green), with the neutral response option "neither disagree nor agree" depicted in yellow.



#### Voice



Note: "Poor" euicomes (orange) capture scores from 0 to 4, "good" eutcomes (green) capture scores from 6 to 10, and "neutral" outcomes (yellow) capture scores equal to 5. Inequalities refer to differences in the % of people with "poor" outcomes, where negative values imply a higher % with "poor" outcomes.



Note: Response scale ranges from "never"/"rarely" ("poor" outcomes, in orange) to "often"/"always" ("good" outcomes, in green), with the neutral response option "sometimes" depicted in vellow.





# Challenges with implementing firm-level well-being measurement

- ➤ Coordination challenge
- ➤ Sunk cost associated with altering existing surveys
- > Lack of technical expertise in companies
- ➤ Political constraints inside companies
- ➤ Resistance to transparency



## **WISE** work moving forward:

#### 1. At the "micro" level:

- Continuing to pilot employee well-being survey
- Developing measurement guidance for businesses on measuring well-being

#### 2. At the "macro" level

- Conducting analysis of the non-financial performance of sectors of the economy
- Continuing to strive for harmonisation of relevant well-being statistics across NSOs

### 3. Working towards data interoperability

- Provide clarity on the meaning of sustainability topics and underlying measures
- Encouraging greater collaboration across various measurement communities





# THANK YOU





# **BREAK**

## ASSESSING THE VALUE OF WORK

A Goldschmeding Foundation – OECD Wise Centre Workshop





# WELCOME BACK

## ASSESSING THE VALUE OF WORK

A Goldschmeding Foundation – OECD Wise Centre Workshop

# Centre on Well-being, Inclusion, Sustainability and Equal Opportunity (WISE)



## PANEL DISCUSSION



Antoine Reijnders VNO-NCW/MKB NL



**Margaretha Buurman** ∪WV



Jaap Jongejan Stichting SBI



**Bas ter Weel**SEO Economisch Onderzoek





# THANK YOU FOR YOUR PARTICIPATION

### ASSESSING THE VALUE OF WORK

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