

# NERI Research inBrief

December 2016 (no 41)

## Job quality in Northern Ireland

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ISSN 2009-5848

### SUMMARY

In recent years, there has been increased recognition that when assessing the state of the labour market it is important to pay attention to not just the *quantity* of jobs, but also the *quality* of jobs.

Reflecting this, the Northern Ireland Executive (2016: 14) recently made a commitment to 'increase the proportion of people working in good jobs' in Northern Ireland. Labour market reporting in Northern Ireland however has persistently focused on the numbers of people employed, unemployed and economically inactive and so there is little empirical evidence detailing the quality of jobs.

This *Research InBrief* summarises the results of a recent NERI working paper (No. 38) which sought to provide a clearer understanding of both overall job quality, as well as divisions in job quality amongst those in employment in Northern Ireland.

### KEY POINTS

- The OECD's multi-dimensional conceptualisation of job quality (includes quality of earnings, job security, quality of the working environment) is used to examine and profile the quality of jobs in Northern Ireland, as well as divisions in terms of jobs quality amongst those in employment.
- The analysis carried out shows that the Northern Ireland labour market creates a situation whereby slightly over one in three adults in paid employment are experiencing poverty, or in insecure employment or working in a poor-quality environment.
- Across the three dimensions of job quality the risk of poor conditions is consistently more prevalent amongst the young, the self-employed, those in part-time employment, those with children (and in particular lone parents), those employed in market sector jobs, those in semi-routine/routine occupations, and those employed in the construction industry.

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*Research for new economic policies*

## Introduction and context

Traditionally discussions around employment and labour market policies have tended to focus on the numbers of people in employment. In recent decades, however, there has been increased recognition that in assessing the state of the labour market we need to consider both the *quantity* and the *quality* of jobs (OECD, 2015). This has come about as a result of widespread agreement that a sole focus on how many jobs an economy has offers only a partial perspective, with a growing consensus that an understanding of the quality of jobs is also required.

Reflecting the broader international concern with job quality the Northern Ireland Executive has recently taken up interest in this issue and made a commitment in its recently published draft Programme for Government (2016-2020) to 'increase the proportion of people working in good jobs'. To date, however, there has been very little empirical evidence which details the quality of jobs in Northern Ireland.

This *Research inBrief* summarises the results of a recent NERI working paper (No. 38) which examined and profiled the quality of jobs in Northern Ireland, as well as divisions in the quality of jobs amongst those in employment using the OECD's multi-dimensional conceptualisation of job quality. The OECD's conceptual framework identified three dimensions as comprising job quality: quality of earnings; labour market security and quality of the working environment.

## Data & Methods

This analysis in this research draws on data from the Poverty and Social Exclusion Northern Ireland (PSE-NI) (2012) survey. The PSE-NI survey re-interviewed people living in households who had previously taken part in the Family Resources Survey (FRS-NI) 2010-11. This involved re-contacting 1,702 of the 2,484 households who had taken part in the FRS-NI, and where at least one adult had agreed to be contacted for a follow-up study. Interviews were

carried out with 988 households and 2,311 individuals. Of these, 1,256 were working aged adults (18 to 64), with 722 in employment. Weighted data are used in all of the analyses, to ensure that reliable inferences can be drawn about the population as a whole (Total weighted sample = 897).

## Quality of earnings

Quality of earnings is assessed based on the extent to which the households of those currently in paid work are able to avoid poverty. The PSE-NI survey provides several measures of poverty which are used here to assess earnings quality in Northern Ireland. The first of these is a low-income poverty measure whereby an employee would be said to have poor earnings quality if they lived in a household with an equivalised net disposable income that is less than 60% of the median.

The second is a 'deprivation poverty' measure based on the PSE-UKs consensual poverty approach (Mack and Lansley, 1985). Those lacking three or more necessities are said to living in 'deprivation poverty'.

The third measure used to capture poor earnings quality is the PSE poverty measure which is based on linking the deprivation poverty and income poverty measures. This was done using a range of procedures designed to maximise the differences between the 'poor' and the 'not-poor'. Following this methodology, the PSE poverty threshold is set as lacking three or more items *and* having an income below the median for those who lack three necessity items (Gordon, 2014).

As shown in Table 1 below the three measures of poverty reveal substantial levels of in-work poverty in Northern Ireland. The analysis found significant variations across the three measures supporting the findings of previous studies.

**Table 1: Quality of earnings captured by levels of in-work poverty in Northern Ireland**

	Poor	Not Poor
	%	%
Income poor	14.9	85.1
Deprivation poor	27.3	72.7
PSE poor	15.3	84.7

In exploring the composition of those in poverty in comparison to those who are not experiencing poverty it becomes clear that whilst the rates vary between measures, there is consistency in terms of the risk factors to experiencing poor earnings quality associated with each of these measures of poverty. Specifically, the results show a statistically significant relationship between poverty and socioeconomic position including educational qualification, employment status and social class.

Other risk factors are sociodemographic with the results showing that being relatively young or having children, and especially being a lone parent, is associated with higher in-work poverty risks. The results for those with children likely reflects both constraints on availability for paid work and also access to and the cost of childcare.

### Job security

The results for job security show that whilst the majority of those in employment felt as though their job was secure (63%), over a third of those in employment (37%) were either not sure if their job was secure or perceived their job to be insecure.

Similar to the results in terms of earnings quality, it is clear that there is a significant relationship between job security and socioeconomic position. For example, the risk of having an insecure job declines the higher one's educational qualification.

Similarly, those who are in higher status jobs – including managerial/professional (67%) or intermediate occupations (67%) – are most likely to perceive their job to be secure.

The risk of job security also varies by employment status with the results showing that under half of those who are self-employed (47%) perceive their job to be secure, compared to 56% of those who are employed part-time and 69% of those who are employed full-time.

### Quality of working environment

Quality of the working environment is assessed using four measures: satisfaction/sense of value; stress; control/flexibility; and quality of the physical environment. Analysis of these indicators show that whilst a majority (74%) of those currently in employment are satisfied with their job and believe that their job is of value, a substantial proportion of employees have jobs that are stressful (66%); have little control or flexibility in terms of their working arrangements (49%); have a poor quality physical working environment (45%).

The four measures are quite diverse in terms of overall levels of poor quality, but also in terms of risk factors to negative conditions.

Stress is the measure most unlike the others, with high levels of stress associated with those in managerial/professional occupations (80%), the self-employed (65%), those with degree or higher qualifications (75%), those who work full-time or longer hours and middle-aged adults (70% of those aged between 35-54 are highly stressed).

In contrast, those in semi-routine/routine occupations, those in part-time employment and those with low working hours have a higher risk of having low levels of control or flexibility over one's work. Low satisfaction is also more common amongst those with

below degree (30%) or no educational qualifications (20%), when compared to those with degree level or higher qualifications (18%). Those aged between 18-24 are also most at risk of having low job satisfaction (39%) or reporting low control/flexibility with one's job (66%). Furthermore, lone parents are most likely to report low satisfaction (44%) and low control/flexibility (69%).

In terms of working in poor quality physical conditions males (51% compared to 40% females), the relatively young (63% of those aged 18-24 compared to 40% aged 55-64), those with no qualifications (55%), those in part-time employment (40%) and those in lower supervisory/technical jobs (81%) and those who work in the industry described as 'other' (73%) are most likely to report poor physical conditions when compared across their respective categories.

### Relationship between dimensions

The NERI working paper (No. 38) also examined the relationships between the dimensions of job quality by exploring the overlap across these. In doing this we hope to get closer to obtaining an overall sense of job quality in Northern Ireland, as well as gaining an understanding of those who are most at risk of suffering poor job quality across multiple dimensions.

For this purpose, the PSE poverty measure was used to assess earnings quality. The same measure of job security is used as was used in the preceding analysis. An overall measure is used to assess quality of the working environment, which is based on bringing together scores across each of the dimensions with those who have negative or poor conditions in two or more dimensions considered to have an overall poor quality working environment.

In terms of assessing the overlaps between the three dimensions of job quality the results show that slightly over one in three (35%) working age adults in paid employment have poor job quality on one of the three dimensions, 13% are considered to

have poor job quality across two dimensions, whilst only 1% are considered to have poor job quality across all three dimensions.

On interpreting these results, it is easy to come to the conclusion that the groups experiencing poor conditions across the different dimensions of job quality are relatively distinct. Nevertheless, it is important to bear in mind the results above were a high degree of commonality in terms of risk factors to poor job quality.

Across the three dimensions the risk of poor conditions is consistently more prevalent amongst the young, the self-employed, those in part-time employment, those with children (and in particular lone parents), those employed in market sector jobs, those in semi-routine/routine occupations, and those employed in the construction industry.

### Conclusion

The findings in terms of common risk factors to poor job quality across the three dimensions point towards the need for a broad policy agenda to improve job quality. This needs to cover the material rewards of work, particularly for those in low paid jobs. It should also extend well beyond this and include policies which would improve job security and quality of the working environment, particularly for those groups who are disproportionately affected by insecure employment and poor quality working environments.

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