

Job stability, job security, and job satisfaction

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Slide 1:

Labour market 'churning'

- One aspect of general concern about 'job quality'
- Effects of churning on
 - Worker well-being
 - Macro-level labour market outcomes
 - Efficiency

Slide 2:

Perspectives on labour market churning

1. Job stability
2. Job security
 - a) Involuntary job loss
 - Probability of retrenchment
 - Consequences of retrenchment
 - Inflow to UE
 - Duration of UE
 - Type of new job obtained
 - b) Change job conditions
 - Change in earnings/conditions in same job
3. Perceptions of job security
 - Retrenchment
 - Consequences of retrenchment
 - 'Overall' security
4. Job satisfaction

Slide 3:

Main findings - Change in the 1990s?

1. Job stability:

No evidence of significant change.

2. Job security:

- a) Retrenchment: Increase in early 1990s (relative to 'norm'). But steady (or declining) thereafter.
- b) Consequences: Males – Higher rate of inflow to UE. Duration relatively steady. Increase in relative likelihood of outflow to PTE. Females – Rate of inflow steady. Lower rate of outflows. Increase in relative likelihood of outflow to PTE. No change in occupational composition of new jobs.

3. Perceptions of job security:

- a) Involuntary job loss – Morgan Poll – Higher belief in probability of job loss in 1990s; MI Poll – Relatively steady in past 3 years.
- b) Consequences – MI Poll – Beliefs about likelihood of finding similar job steady over past 3 years.
- c) General – Decline in satisfaction with 'security and predictability of your future' at work between 1980s and 1990s. (1986/87 – 76% above average cf. 1999/2001 – 63% above-average).

4. Job satisfaction:

Significant decline between 1980s and 1990s, and within 1990s (1986/87 - 87% above-average cf. 1999/2001 – 76%).

Slide 4:

How to explain?

- Loss of worker 'control' over job requirements and conditions.
- Shift in balance of bargaining power towards employers and away from workers. (Role of decline of trade unions etc.)

Table 1: Distribution of duration of current job, 1975 to 1998

	Current job duration					
	<1 year	1 to <2 years	2 to <5 years	5 to <10 years	10 to <20 years	20+ years
Survey date						
Dec. 1975	23.1	13.0	26.7	16.9	12.4	8.0
Dec. 1979	22.3	13.7	25.0	18.3	13.2	7.5
Feb. 1984	21.3	11.6	28.3	18.7	20.1	
Feb. 1988	26.0	11.8	22.7	15.8	15.6	8.1
Feb. 1992	19.6	10.8	28.1	17.8	15.5	8.2
Feb. 1996	23.5	12.2	21.6	19.5	15.1	8.2
Feb. 1998	21.8	12.3	24.5	17.0	15.9	8.6
Feb. 2000	23.6	12.7	22.8	16.4	16.1	8.3

Source: Wooden (1998, Table 2); from ABS, Labour Mobility Survey, catalogue no.6209.0 (various issues).

Table 2: Distribution of duration of current job by gender, 1975 to 1998

	Current job duration			
	Males		Females	
	< 1 year	10 years +	< 1 year	10+ years
Survey date				
Dec. 1975	20.9	25.2	27.3	10.8
Dec. 1979	20.5	25.5	25.3	12.3
Feb. 1984	19.4	24.1	24.5	13.4
Feb. 1988	24.3	29.0	28.5	15.8
Feb. 1992	18.4	28.7	21.2	16.8
Feb. 1996	22.4	27.1	24.8	18.3
Feb. 1998	20.8	27.8	23.1	20.0
Feb. 2000	22.8	27.4	24.6	20.6

Source: Wooden (1998, Table 3); from ABS, Labour Mobility Survey, catalogue no.6209.0 (various issues).

Table 3: Probability of retrenchment – Year effects, 1984 to 1996

Effect on probability of retrenchment (Base year =1984):

	Male	Female
1987	0	0
1989	0	0
1991	+1.1	+0.7
1992	+1.1	+0.5
1994	+1.1	+0.5
1996	+0.6	0

Note: All effects reported are statistically significant at the 5% level.

Source: Borland and McDonald (2001, Table 2). Using data from ABS, Labour Mobility Survey, unit record files for 1984, 1987, 1989, 1991, 1992, 1994 and 1996.

Morgan Poll

Do you think your present job is safe, or do you think there's a chance you will become unemployed?

Table 4: Time-series variation in perceptions of job security, Morgan Gallop Poll, 1975 to 2001 (November)

	(1)	(2)	(3)	(4)
Variables				
Constant	84.77* (3.53)	84.69* (3.31)	80.07* (3.03)	79.84* (3.02)
Rate of UE	-1.079* (0.447)	-0.707 (0.458)	-0.469 (0.382)	-0.136 (0.412)
Δ Rate of UE	-1.283* (0.651)	-1.739* (0.651)	-1.085 (0.568)	-1.094* (0.551)
Time trend		-0.206* (0.101)	0.284 (0.165)	
1990-1998			-8.422* (2.468)	
1990-1993				-7.859* (2.060)
1994-2001				-3.844* (1.314)
Adjusted R-squared	0.307	0.463	0.654	0.662
Observations	26	26	26	26

Note: Asterik denotes significant at 5% level.

MI Phone Survey

Question 1: I would like to ask you about your employment prospects over the next 12 months. What do you think is the percent chance that you will lose your job during the next 12 months?

Question 2: If you were to lose your job during the next 12 months, what is the percent chance that the job you eventually find and accept would be at least as good as your current job, in terms of wages and benefits?

Table 5: Responses to questions on job security from MI Phone Survey – Mean and quantile responses (Weighted – Adjusted for non-response) - Employed wage and salary earners aged 18-64 years - Pooled data for August 1999 – November 2001

	Mean	25 th percentile	50 th percentile	75 th percentile
Q.1	12.0	0	0	10
Q.2	55.4	17	60	90
Q.1*[100-Q.2]	5.1	0	0	2

Table 6: Responses to questions on job security from MI Phone Survey – Mean responses (Weighted – Adjusted for non-response) - Employed wage and salary earners aged 18-64 years

	Q.1	Q.2	Q.1*[100-Q.2]
1999 - August	12.8 (1.20)	51.0 (1.74)	6.9 (0.81)
1999 – November	12.7 (1.12)	56.1 (1.66)	6.1 (0.74)
2000 – February	11.9 (0.99)	58.1 (1.58)	5.4 (0.62)
2000 – May	12.4 (1.02)	53.3 (1.61)	5.8 (0.63)
2000 – August	11.9 (1.04)	56.7 (1.63)	5.2 (0.56)
2000 – November	12.0 (1.12)	54.6 (1.70)	4.6 (0.57)
2001 – February	9.1 (0.92)	54.5 (1.69)	3.8 (0.51)
2001 – May	12.6 (1.10)	56.9 (1.64)	5.6 (0.62)
2001 – August	9.8 (0.96)	55.2 (1.67)	4.6 (0.58)
2001 - November	13.9 (1.11)	57.1 (1.66)	5.8 (0.62)

Note: Standard errors in parentheses.

Table 7: Perceptions of job security – ‘About your job: The security and predictability of your future’ – International Social Science Surveys Australia – 1984/85 to 1999/2001 – Employed persons aged 18-64 years

a. Proportion of workers who respond ‘above-average’:

	Unweighted	Weighted
1984 and 1985	73	74
1986 and 1987	76	76
1993 and 1994	66	66
1995 and 1996	64	63
1999 and 2001	65	63

b. Time-series differences (weighted data):

- i) Difference between 1986 and 1987 cf. 1999 and 2001 – Significant at 1% level.
- ii) Difference between 1993 and 1994 cf. 1999 and 2001 – Significant at 10% level.

Note: Weighted data are reweighted using ABS Labour Force data – Sample is representative of population of employed persons in Australia by gender and age.

Table 8: Perceptions of job satisfaction – ‘About your job: In all, how satisfied are you with your work?’ – International Social Science Surveys Australia – 1984/85 to 1999/2001 – Employed persons aged 18-64 years

a. Proportion of workers who respond ‘above-average’:

	Unweighted	Weighted
1984 and 1985	83	84
1986 and 1987	87	87
1993 and 1994	81	80
1995 and 1996	81	76
1999 and 2001	77	76

b. Time-series differences (weighted data):

- i) Difference between 1986 and 1987 cf. 1999 and 2001 – Significant at 1% level.
- ii) Difference between 1993 and 1994 cf. 1999 and 2001 – Significant at 1% level.

Note: Weighted data are reweighted using ABS Labour Force data – Sample is representative of population of employed persons in Australia by gender and age.

Sources for figures:

Figure 1: a) Rate of separation – retrenched workers equals number of persons ceasing a job in previous 12 months with reason for ceasing last job being retrenchment divided by number of persons who held a job in previous 12 months. From ABS, *Labour Mobility Australia*, catalogue no.6209.0; and b) Rate of unemployment is average rate of unemployment (persons) for 12 months covered by *Labour Mobility Survey*. From ABS, *Labour Force Australia*, catalogue nos. 6203.0 and 6204.0.

Figures 2 and 3: Rate of worker retrenchment equals number of persons ceasing a job in previous 12 months with reason for ceasing last job being retrenchment divided by number of persons who held a job in previous 12 months. From ABS, *Labour Mobility Australia*, catalogue no.6209.0.

Figures 4a to 5b: Rate of inflow to unemployment from employment = [Monthly flows into UE from FTE plus monthly flows into UE from PTE] divided by [Number employed in base month]. Rate of outflow to employment from unemployment = [Monthly flows from UE to FTE plus monthly flows from UE to PTE] divided by [Number of unemployed in base month]. Data from Gross Flows table of the ABS *Labour Force Survey Australia*, catalogue no.6203.0.

Figures 6a and 6b: Employed persons are classified into three occupation groups – a) Managers and administrators, Professionals, and Para-professionals; b) Salespersons, Clerical workers, and personal service workers; and c) Tradespersons, Plant and machine operators and drivers, and Labourers and related workers. The sample is persons retrenched from a job in the previous 12 months who were re-employed at the survey date. The Figure shows the proportion of the sample with a job in the same occupation group classified by the occupation group of the job from which they were retrenched. Data from unit record files of ABS, *Labour Mobility Australia*, catalogue no.6209.0.

Figure 7: a) Proportion of persons who believe their job is safe from Morgan Gallop Poll data; and b) Rate of unemployment (persons) for November (month Gallop Poll Survey undertaken) from ABS, *Labour Force Australia*, catalogue nos. 6203.0 and 6204.0.

Figure 1: Incidence of retrenchment and job loss in Australia - 1976 to 2000

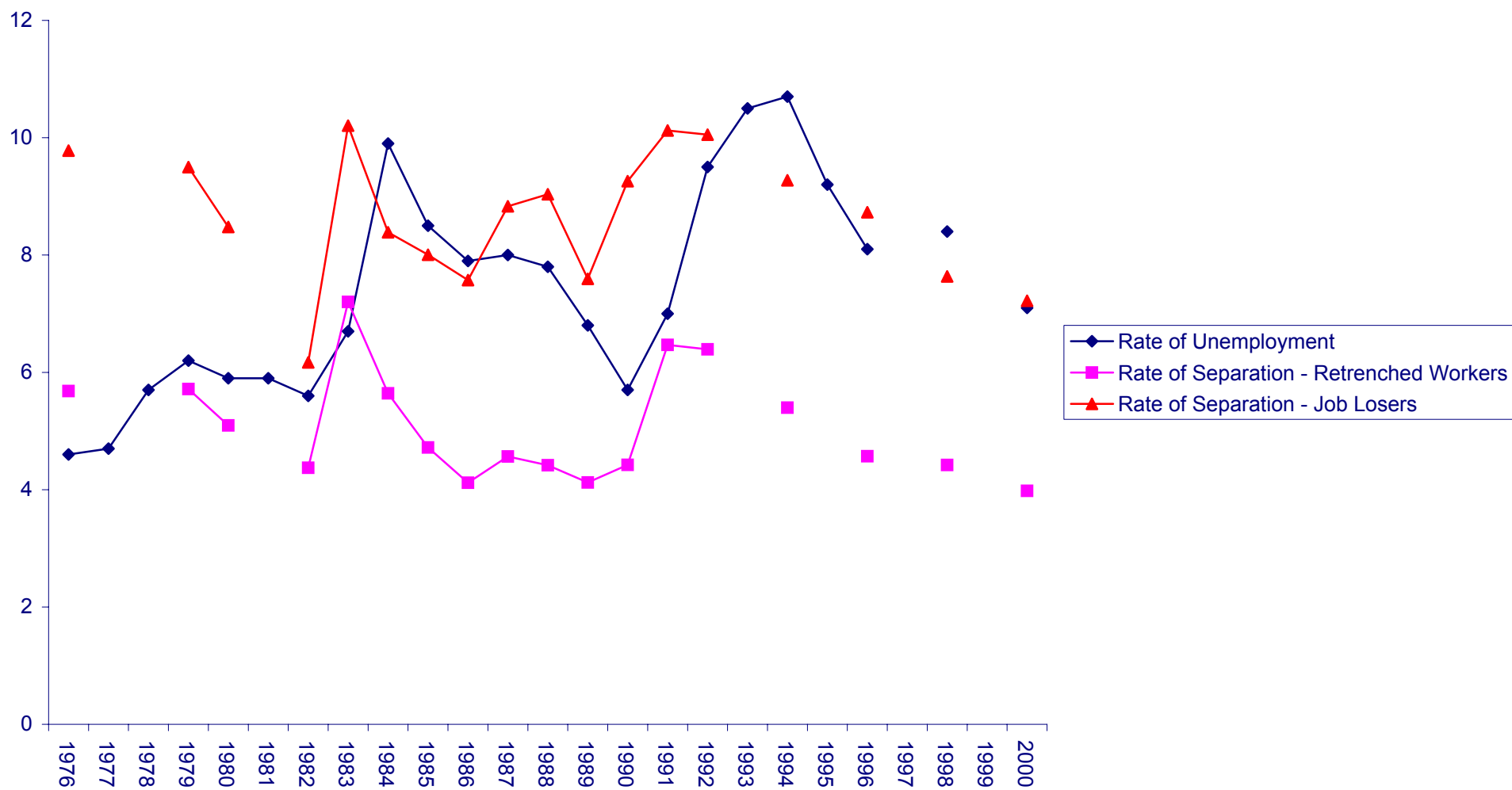


Figure 2: Incidence of retrenchment in Australia - By gender - 1984 to 2000

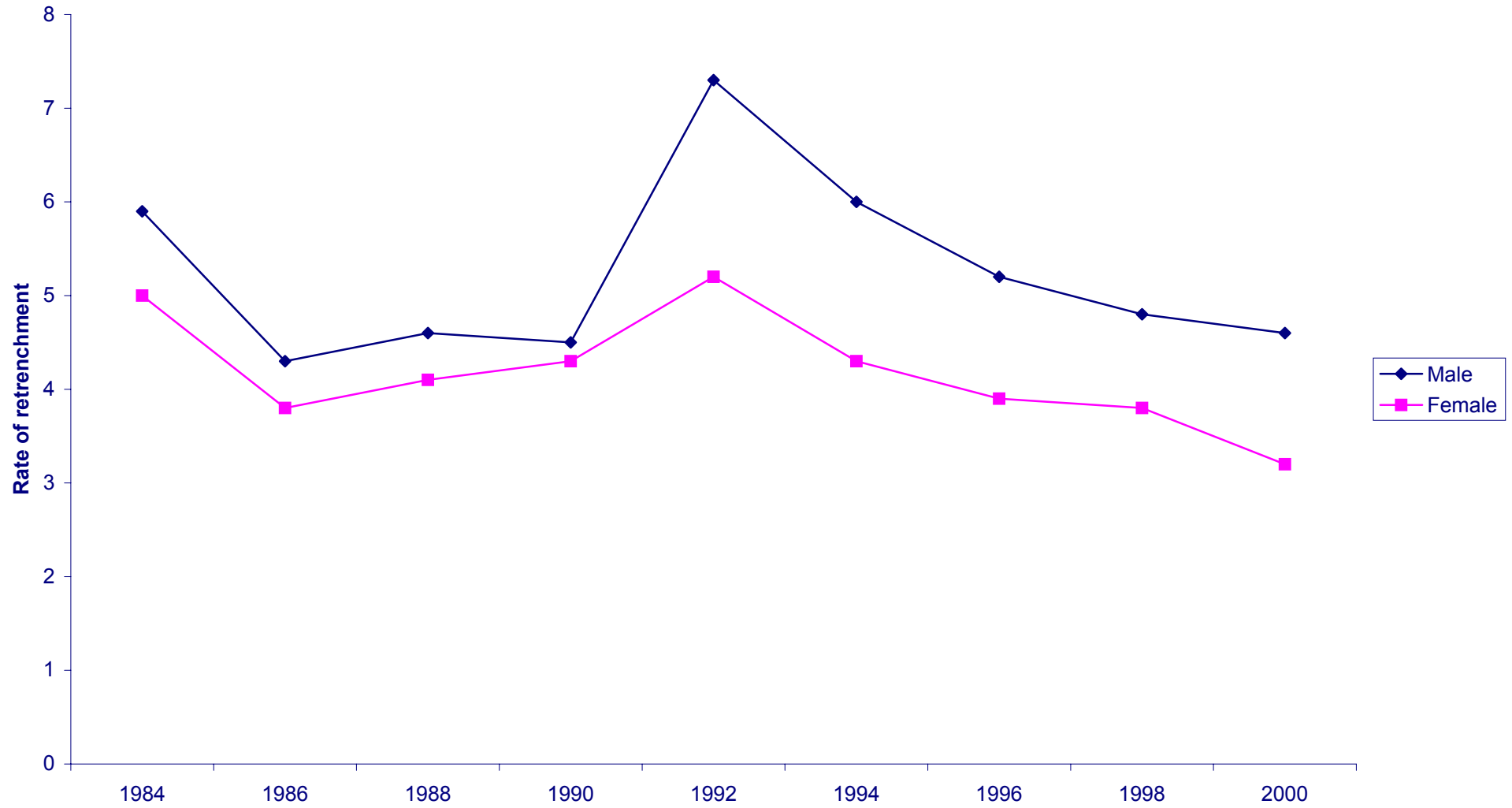


Figure 3: Incidence of retrenchment in Australia - By job tenure - 1984 to 2000

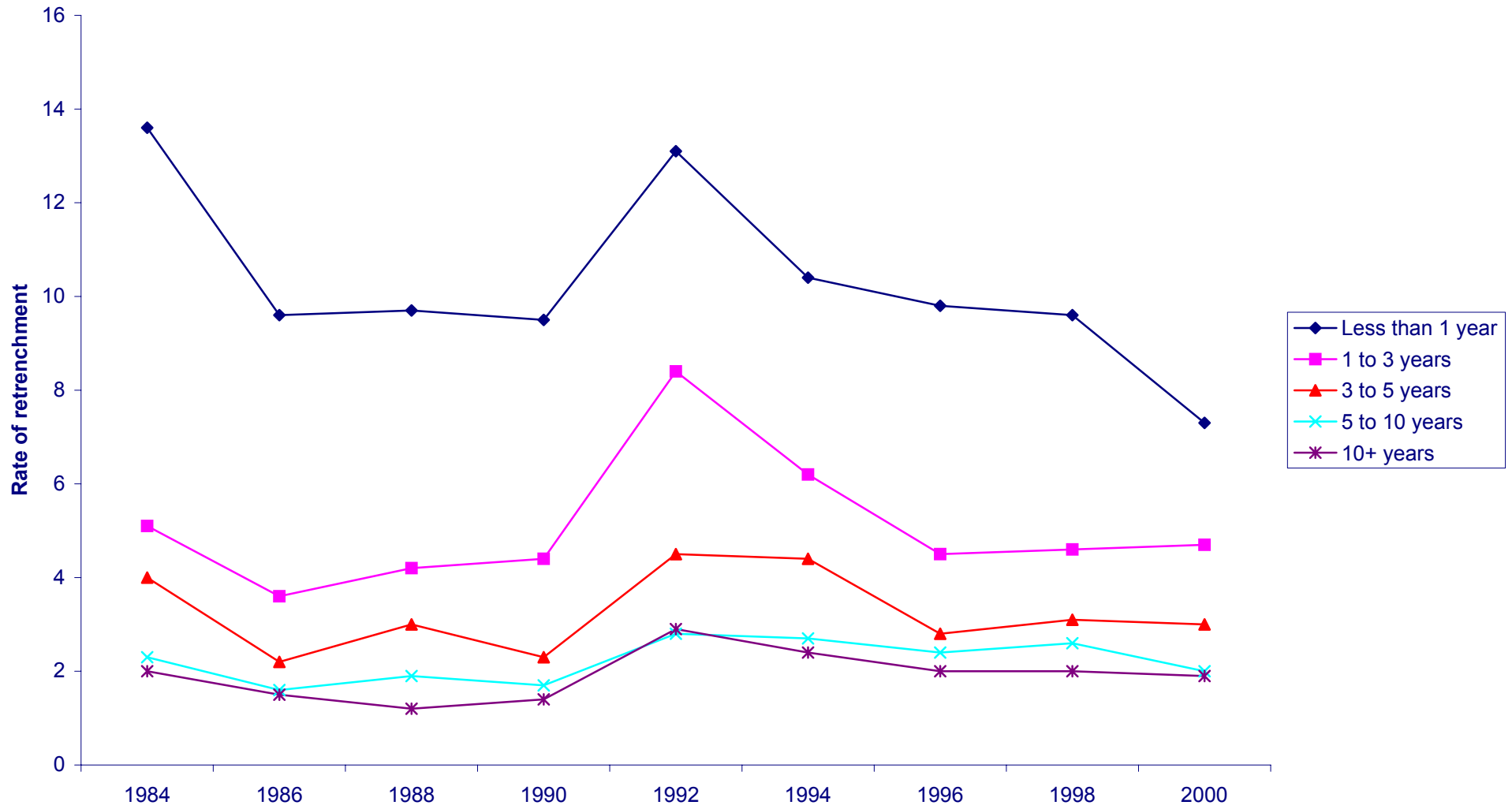


Figure 4a: Rate of inflow to unemployment from employment - Males - Australia - November 1980 to October 2001

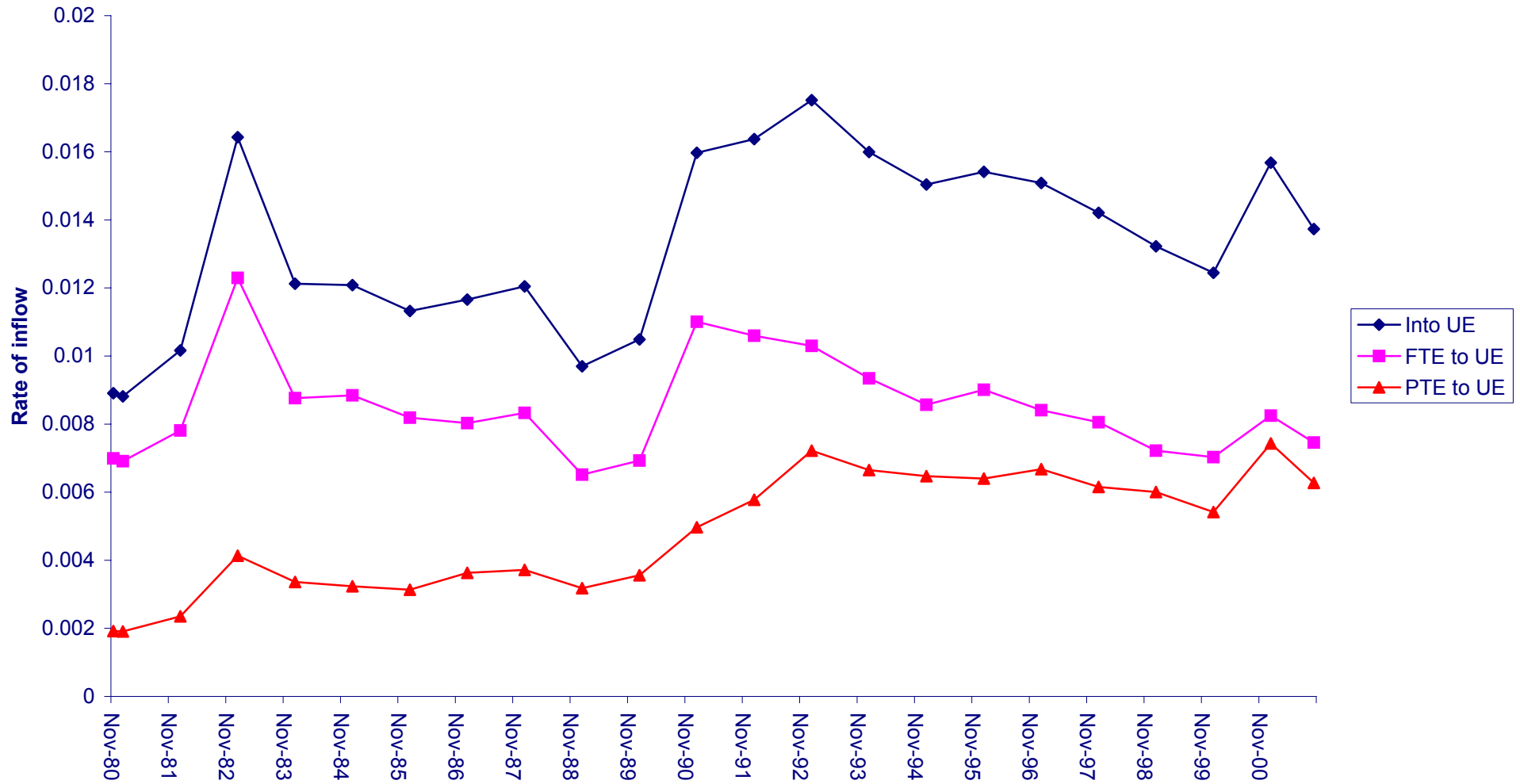


Figure 4b: Outflow from unemployment to employment - Males - Australia - November 1980 to October 2001

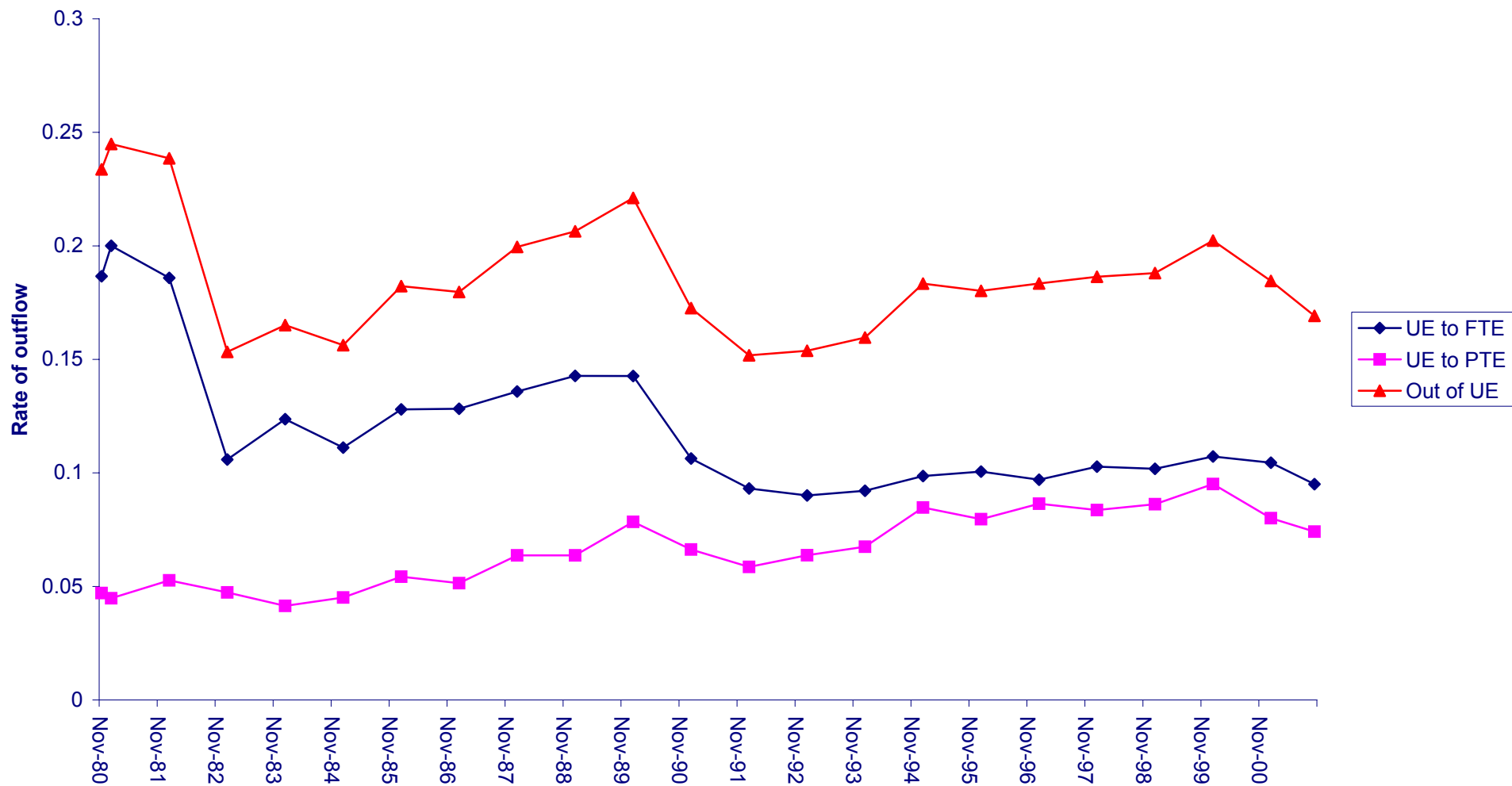


Figure 5a: Inflows to unemployment from employment - Females - Australia - November 1980 to October 2001

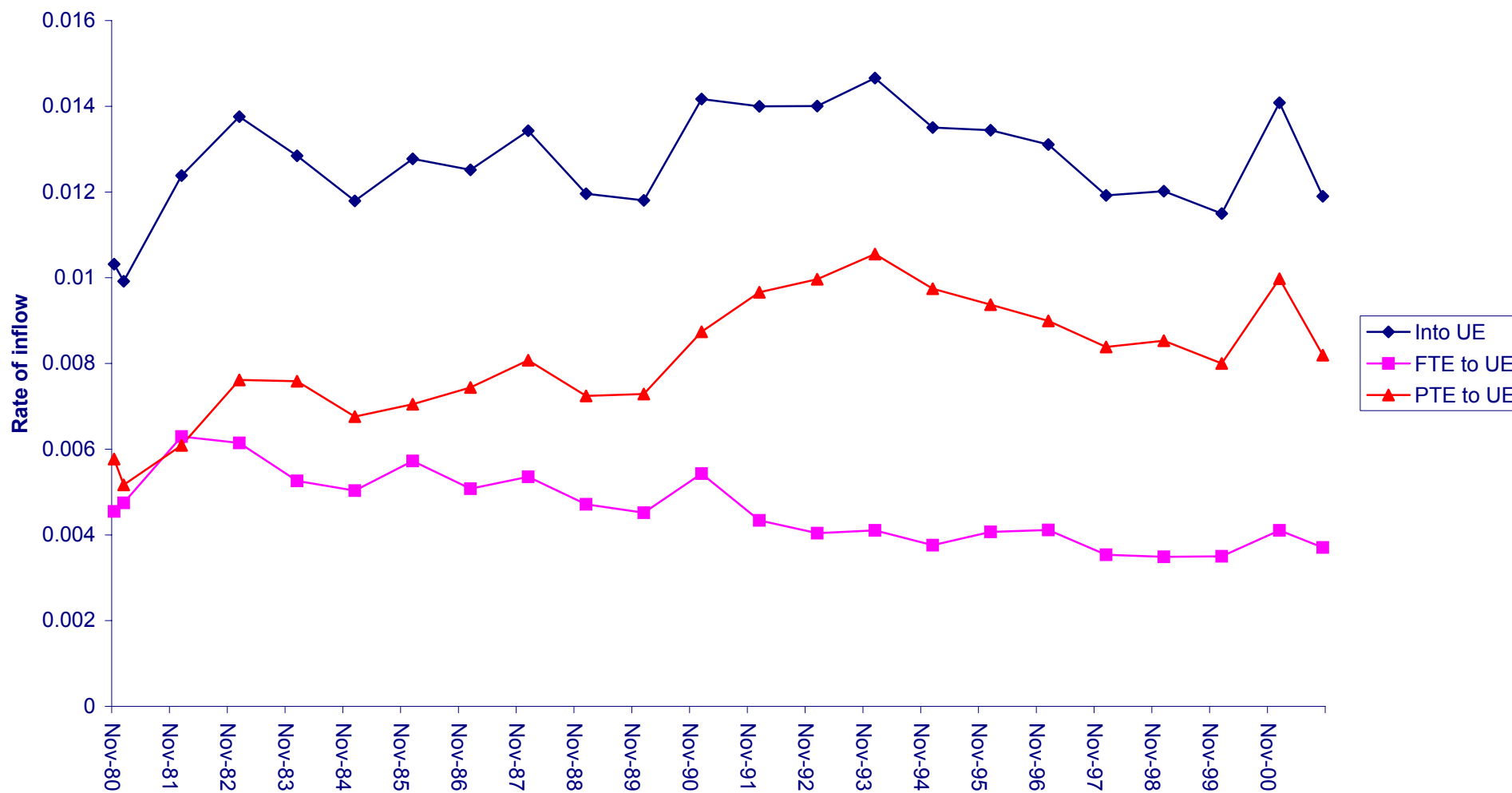
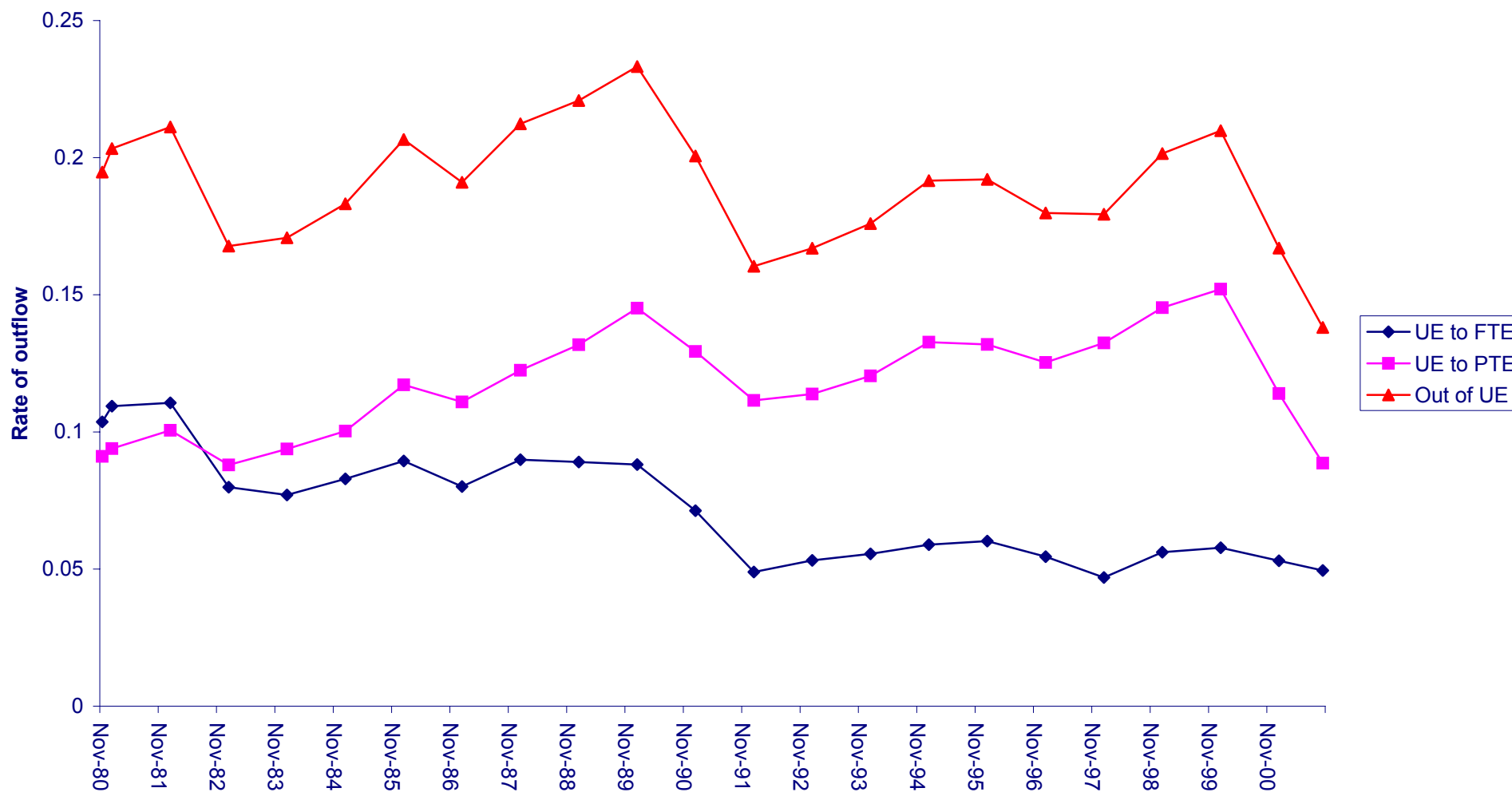
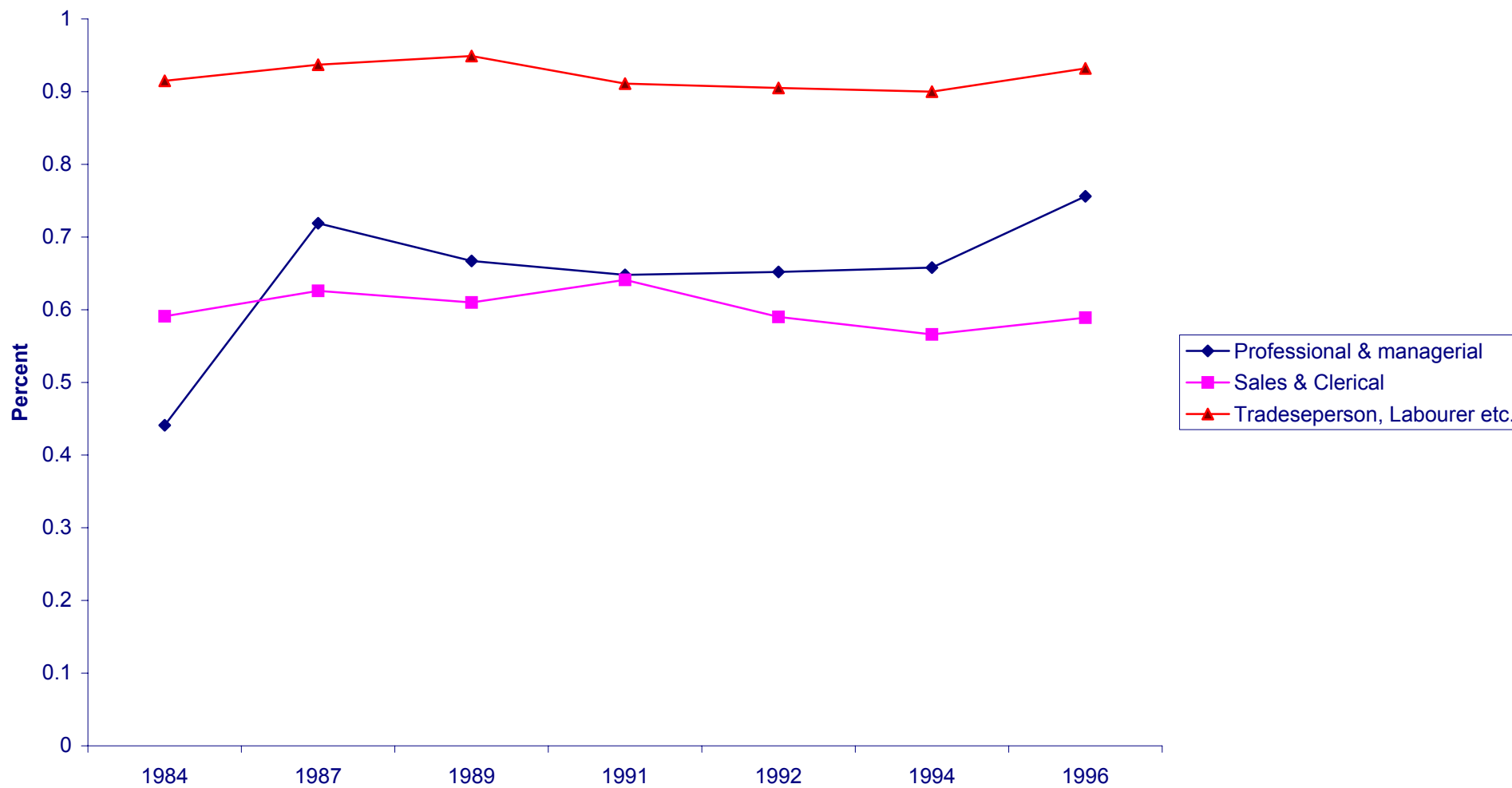


Figure 5b: Outflows from unemployment to employment - Females - Australia - November 1980 to October 2001



**Figure 6a: Re-employed retrenched workers - Percent with new job in same occupation group -
Males - Australia - 1984 to 1996**



**Figure 6b: Re-employed retrenched workers - Percent with new job in same occupation group -
Females - Australia - 1984 to 1996**

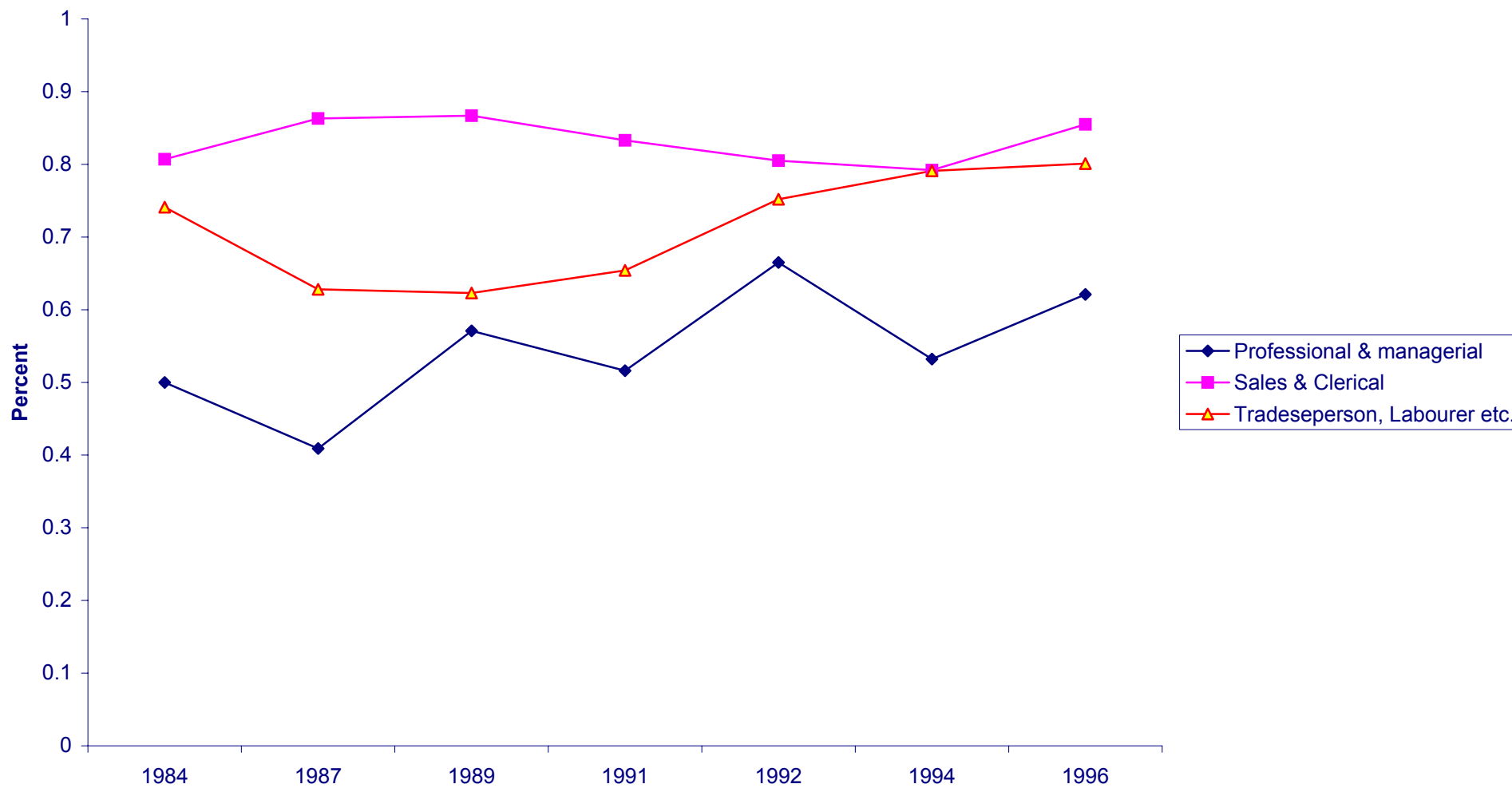


Figure 7: Perception of risk of job loss - Roy Morgan Poll - 1975 to 2001 (November)

