

# Convergence and divergence of job quality in Europe 1995–2010

## Executive summary

### Policy context

Improving and harmonising working conditions are core objectives of the European Union. For example, Article 151 of the Treaty on the Functioning of the European Union (TFEU) declares that the Union and Member States 'shall have as their objectives the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained...'. In addition, a range of policy initiatives support the development of job quality. Many factors affect job quality and their impact may vary between countries, occupations or sectors. As a result, changes in job quality across Europe may be faster in some countries and slower in others, causing job quality to diverge or converge between countries. Divergence will occur when varying rates of change exacerbate differences in job quality, whereas convergence occurs when different rates of change decrease differences. The analysis of convergence and divergence in job quality is therefore an important exercise. It can provide key insights into trends in job quality across Europe, indicate whether changes in job quality are benefiting some groups more than others and point to the factors driving these changes. It can also provide some assessment of whether European policy objectives are being achieved. The aim of this report is to examine the convergence and divergence of job quality across the EU from 1995 to 2010. By examining the statistical significance of trends in key dimensions of job quality and by mapping the patterns of convergence and divergence in job quality, this report provides an up-to-date analysis of changes in job quality across the EU, providing new insights to inform policy making.

### Key findings

Four key aspects of job quality were examined: skills and discretion (including job discretion, cognitive demand and training); work risks (environmental risks, physical demands); work intensity (workload, task

interdependence); and working time quality. Assessing developments across Europe involved first examining the general direction of change in job quality and then analysing trends in convergence and divergence.

#### Trends in job quality across the EU

Between 1995 and 2010, across the EU15, statistically significant upward trends occurred in training and working time quality. Declining levels of job quality were found across key components of work organisation. These included downward trends in job discretion and cognitive demand, and the growth of physical demands and workload. This suggests a trend towards simpler and more intense forms of work organisation. There was no clear pattern of convergence or divergence across all aspects of job quality: between 1995 and 2010, neither harmonisation nor polarisation has been a general feature of job quality across the EU15.

**Convergence:** Convergence in specific components of job quality occurred between countries. Training and working time quality converged across the EU15 as a result of faster increases in countries with lower levels of training and working time quality. This pattern of change can be described as 'harmonised improvement'. Workload also converged across the EU15 as a result of faster increases in countries with lower levels of workload. This pattern can be described as 'harmonised decline'.

**Polarisation:** Specific instances of polarisation were found in countries with already higher levels of job discretion and cognitive demand (for instance, Denmark) that consolidated their position by diverging upwards, away from many other countries with lower levels of job discretion and cognitive demand. Expanding the analysis to the EU27, similar results were found with regard to work risks, work intensity and working time quality. The main differences were for skills and discretion. For job discretion, unlike in

the EU15, there was no overall growth or decline and more evidence of polarisation, while for cognitive demand there was evidence of significant growth and no clear pattern of convergence or divergence.

#### **Reasons for divergence and convergence**

**Institutional characteristics:** Job discretion diverged between countries over the period partly as a result of slower declines in countries with high union density. Likewise, cognitive demand diverged between countries due to slower declines in countries with higher levels of wage coordination and stricter employment protection legislation. Work risks converged between countries due to faster increases in countries with higher levels of wage coordination and stricter employment protection legislation.

**Institutional regimes:** The institutional regimes of Nordic countries appear to protect the quality of job discretion and cognitive demand, as a decline in these job quality dimensions was evident in other country groupings. The institutional regimes of North-West countries (such as the UK) appear to slow the increase in work risks and workload.

**Occupation:** For low-skilled clerical workers, job discretion and cognitive demand declined at a faster rate, and training increased at a slower rate compared to other occupational groups. This led to convergence with low-skilled manual workers for these components of job quality. For high-skilled manual workers, environmental risks increased at a faster rate, leading to greater divergence from other occupational groups.

**Computer use:** Jobs with low levels of computer use are associated with faster declines in job discretion and faster increases in workload.

**Macroeconomic and sectoral factors:** Factors such as gross domestic product (GDP) and unemployment had little observed effect on the divergence or convergence of job quality. Workload was the only aspect affected by macroeconomic factors. Specifically, workload diverged between countries due to faster increases in workload in countries with high unemployment.

**Individual characteristics:** Employee gender and age had a limited effect on the convergence and divergence of job quality. Physical demands and workload, however, grew at a significantly faster rate for men, meaning that the level of physical demands and workload has diverged between men and women.

## Policy pointers

Dedicated political effort is required if job quality is to continue to improve: it does not appear to follow automatically from economic development, technological advancement or sectoral change.

National institutional structures may help to produce and sustain a certain level of job quality; as EU country examples show, policies that support institutions such as trade unions, collective bargaining structures or employment protection legislation can contribute to improve job quality.

Improvements and positive convergence were found in those areas more subject to formal policies and collective bargaining at the local, national and European level, such as training and working time quality.

Declines and polarisation in job discretion and cognitive demand indicate that good practices in work organisation (for instance, those in Nordic countries) may not have spread across countries to a large extent, possibly because broader institutional support is needed for their successful and widespread implementation.

Most declines in job quality occurred in areas that are largely the prerogative of companies and are harder to formalise in government policy, such as work organisation. A two-tiered approach is needed: circulating knowledge and good practices, combined with supportive employment policies.

A range of policies to improve job quality needs to be integrated to reflect the interrelated nature of job quality. Investment in skills may prove ineffective if the form of work organisation implemented does not use them, whereas increasing workloads may undermine improvements in health and safety.

Policy interventions in the institutionally varied contexts of Europe should combine 'hard' and 'soft' modes of intervention: regulation and its enforcement in areas such as health and safety; formalised monitoring; target-setting; institutionalised mutual learning; and incentives and showcases for the development of good practices.

#### **Further information**

The report *Convergence and divergence of job quality in Europe 1995–2010* is available at <http://eurofound.europa.eu/publications>.

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