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The proportion of workers in Europe affected by job burnout has been on the rise for years.



According to the WHO, burnout is a syndrome “*characterized by feelings of energy depletion or exhaustion, increased mental distance from one’s job, and cynicism, negativity, or愤恨*”⁵. The most common definition is “a state of exhaustion in which one is cynical about the value of one’s occupation and doubtful of one’s capacity to perform” (Maslach, 1996, p.20). This description includes three separate aspects: exhaustion, disengagement and reduced professional effectiveness.

Unfortunately, there are no official European statistics available to keep track of burnout rates over time, or in different countries and occupations (see Eurofound, 2018, for a good overview of existing sources). National statistics suggest that stress-related absenteeism is on the rise. In Belgium, long-term invalidity due to burn-out and depression rose by 40 percent in the four years leading up to the pandemic, costing the state over €1.5 billion in invalidity benefits in 2019⁶, not including the absenteeism costs for firms. In the Netherlands, a representative study found that the percentage of employees experiencing burnout increased from

Given these significant effects of job quality on the health, attitudes and behaviours of workers, it is not surprising that the performance of teams, departments and firms is also impacted by job quality. The engagement, commitment and health of workers affects productivity, turnover and the absenteeism costs faced by firms. Employee satisfaction and engagement also impact on firm-level outcomes including customer satisfaction, productivity, profits and employee turnover (Harter et al., 2002, 2010). Nationally representative, linked employer-employee panel data for the United Kingdom (Bryson et al., 2017) has also established the link between job satisfaction and workplace performance. There is evidence of a two-step process: from work characteristics to collective engagement and from collective engagement to firm performance (Barrick et al., 2015). Finally, while currently less validated empirically, effects can be expected at the level of market outcomes in terms of labour-force participation, aggregate productivity and healthcare system costs (Cazes et al., 2015).

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3.1

The concept of job quality is based on the link between job characteristics and worker wellbeing. It provides a framework to assess how different aspects of a job, such as its content, organisation and environment, come together to form a positive or negative work experience. While worker wellbeing is unambiguously influenced by objective job characteristics, the causal effect is also moderated by individual circumstances (career paths and non-work life) and personal preferences, aspirations, values and skills. In practice, the wellbeing impact

the job demands-resources model (Demerouti et al., 2001) argued that feedback and supervisor support are important factors that protect workers from the stressful effects of tough job demands.

In the third aspect of job quality – the contractual employment conditions – the job demands-resources model (Demerouti et al., 2001) includes variables such as working time, shift work, rewards and job security as explanatory outcomes for worker wellbeing. However, following Herzberg, such variables are usually regarded as hygiene factors, that need to be satisfied up to a minimum level. These hygiene factors are associated with lower-level needs that are important for avoidance of dissatisfaction, disengagement and stress, but don't contribute much to motivation and performance.

This 'hygiene' nature of job quality is also relevant to the fourth job-quality dimension: physical working conditions. Given that physical safety is a very basic human need, unsafe working conditions pose a very evident job-quality risk. A safe working environment in itself however does not necessarily make for a motivating job. Almost all of the potential motivators are found in the job content and interpersonal relations spheres.

In conclusion, psychological research on job quality shows that job content and interpersonal relationships are strong drivers of wellbeing outcomes, both positive and negative⁹. Whenever contractual and physical working conditions are studied, they have been found to have less impact on wellbeing, or only to the extent to which a minimum level needs to be satisfied. An extensive meta-analysis of 259 studies and over 200,000 participants (Humphrey et al., 2007) confirmed that job content (so called 'motivational') variables explained 34 percent of variation in job satisfaction, while social relationships incrementally explained 17 percent and the remaining two sets of dimensions (grouped under 'work context') only explained an additional 4 percent.

Within job content specifically, it is generally accepted that stressful and motivating elements need to be balanced with each other and should not be considered separately. Operationalising job content appears difficult. As jobs vary so widely, most measures focus on workers' subjective evaluations of their job content, either motivational (such as meaningfulness, significance, challenge and complexity) or straining (time pressure). Several studies have argued for more objective measurements of work characteristics (Bakker and Demerouti, 2017).

| | Job quality aspects | | | | Worker experiences |
|--|--|--|--|-----------------------------|--|
| | Job content | Interpersonal relationships | Contractual employment conditions | Physical working conditions | |
| Two-factor theory (Herzberg, 1959) | Meaningful work, challenging work, achievement, growth, the work itself, responsibility | Recognition Social relations, supervision | Wage, status, security, benefits, company policies | Working conditions | Job satisfaction |
| Job characteristics model (Hackman and Oldham, 1975/76) | Skill variety, task identity, task significance, autonomy, feedback | | | | Psychological states (experienced meaningfulness, responsibility, knowledge of results) Outcomes (motivation, performance, job satisfaction, absenteeism, turnover) |
| Job demands-control(-support) (Karasek, 1979) | Decision authority, intellectual discretion Time pressure, physical and psychological demands | Instrumental and emotional support from coworkers and supervisor | | | Strain/exhaustion Depression Job satisfaction |
| Job demands-resources (Demerouti, 2001) | Job control, ... Workload, time pressure, recipient contact | Feedback, supervisor support | Shift work Rewards, job security | Physical environment | Disengagement Exhaustion Burnout |
| Self-determination theory (Deci and Ryan, 2012; Gagné and Deci 2005) | Autonomy, competence | Relatedness (sense of connection and belonging) | | | Motivation Commitment Job satisfaction |

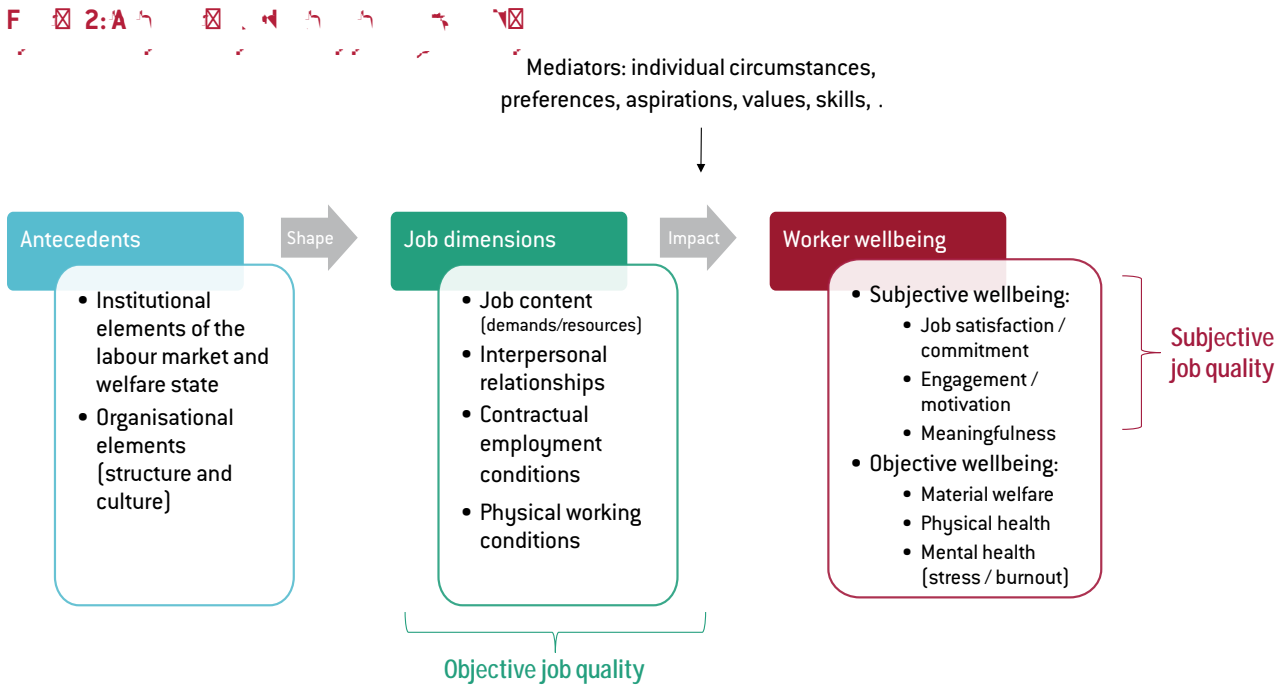
Source: Bruegel. Note: Motivators and job resources in green, hygiene factors and job demands in red, according to the cited authors.

3.4 D

Based on the discussion above, we can conclude that a good job entails:

- Meeting people’s material, physical, emotional and cognitive needs from work through:
 - Job content that is balanced in the demands it places on workers and the resources it offers them to cope with those demands, in terms of physical, emotional and cognitive aspects;
 - Supportive and constructive social relationships with managers and co-workers;
 - Fair contractual employment conditions in terms of minimum wages, working time and job security;
 - Safe and healthy physical working conditions;
- Contributing to positive worker wellbeing:
 - Subjectively, in terms of engagement, commitment and meaningfulness;
 - And objectively, in terms of material welfare and physical and mental health.

Figure 2 summarises and shows that the analysis of job quality must separate three conceptual levels: • measured at a level higher than the job (ie the firm, labour market or welfare state), • measured at the level of the job, and • measured at the level of the individual holding the job. The fact that job dimensions are defined at the level of the job does not negate the fact that they can be reported by the worker holding the job, as they are usually the best available data source.



Source: Bruegel.



4.1.1. The costs of raising job quality

While workers and firms both stand to benefit from raising job quality, there are also costs. Some policies that raise job quality are inherently costly (like increasing wages). Other aspects could be assumed to be improvable at reasonable costs (such as stricter company policies on workplace bullying and safety), and other efforts could even turn out to be cost saving (like more autonomy for the worker). But given the outcomes listed in the previous section, positive returns to investment in job quality are highly likely. So why could job quality be too low?

One issue is who decides on the characteristics of jobs. In most European countries, the law sets a minimum standard for some aspects of work (including minimum wages, working time or safety). Beyond these minimum standards, some job-quality aspects (like further contractual terms) are negotiated between firms and workers, and the remaining aspects (like the task content of jobs and internal coordination mechanisms) are specified by firms. This fractured construction of jobs could be suboptimal because parties fail to consider the interactions between different aspects of job quality or their joint optimisation. Limited competition in the labour market further prevents poor outcomes in some aspects being compensated for by adaptation in other aspects.

When firms and workers negotiate (mostly on wages and working time arrangements), an imbalance in bargaining power and unaligned interests might lead to suboptimal job quality from a social welfare perspective (Clark, 2015). Firms might also not consider – or lack infor-

mation on – the long-term health and productivity effects of job quality on their workforces. Firms do not take into account the effect of job quality on the extensive and intensive margin of labour supply beyond their current workforce (through burnout, part-time work and labour-market participation decisions). This issue dates back at least to demands in the nineteenth century to reduce the length of the working week: very long hours destroyed the health of workers, but this negative externality had little impact on employers, who had access to a large enough labour supply to replenish their workforces. This means the labour market suffers from a tragedy of the commons: all firms would be better off if they raised job quality and benefited from a long-term healthy, productive labour force, but individual firms undermine job quality for their workers to reduce costs in the short-term. In particular, listed companies that must meet quarterly targets tend to focus too narrowly on short-term performance at the expense of long-term profitability (Kaplan, 1984).

In those job domains where the firm is the sole decision maker¹⁰, the division and coordination of labour (ie organisation design) impacts job quality in various ways, such as through task content, autonomy, work intensity, supervisory support, career opportunities and social relationships. The complexity of optimal organisation design might prove to be too great to handle (Ethiraj and Levinthal, 2004). Even with perfect information and aligned interests between workers and firms, this bounded rationality of the organisation’s designers could lead to sub-optimal job quality in the aspects of autonomy, work intensity and social relationships at work.

Why are workers not moving out of bad jobs into good jobs and driving bad-quality firms out of the market? In addition to reasons such as adaptation and learned helplessness (Martinko and Gardner, 1982) and segmented labour markets (Loveridge and Mok, 2012), economic reasons include barriers to geographical mobility (such as housing markets and commuting options), barriers to occupational mobility (such as costly job search, transferability and observability of skills, and imperfect information about jobs), and barriers to retraining (such as credit constraints and incomplete contracts). Legally, employment contracts are inherently long-term contracts that specify wages and work schedules in detail but are intentionally vague on job content (and cannot describe interpersonal relationships at all). It is therefore impossible to negotiate on key job quality characteristics up front, and they can only be really discovered after a contract has started.

Indeed, mobility between jobs is very low in practice, as data on job duration reveals. Most workers in all OECD countries (except Denmark) have been in their current job for at least five years¹¹. Average tenure ranges between seven and 10 years, meaning that on average people hold between four and six different jobs in a 40-year career. Overall, worker mobility tends to be greater in Nordic and Baltic states than in southern European countries including Greece, Italy and Portugal. Given the low volume of labour-market transitions, it is clear that relying on the market is not sufficient to correct for low levels of job quality.

4.2.4.1

Low levels of movement out of ‘bad jobs’ could also be down to differences in the willingness of individuals to trade-off certain aspects of job quality. Some people might prefer to accept a low-autonomy job in exchange for high job security, for example. If we take those preferences at face value, there would be no need for policy to improve job quality on subjective wellbeing grounds – as that wouldn’t increase job satisfaction – but only on objective grounds – such as

(Bowles, 1998). Preferences are believed to be a mix of inherent (exogenous) and learned (endogenous) traits, the latter being shaped by upbringing, culture, social interactions and norms, and institutions (McCrate, 1988; Bowles, 1998; Bisin and Verdier, 2001). This implies that individual choices about labour-market participation, or evaluation of job characteristics, are influenced by internalised norms. For example, women might choose part-time or remote work, not because of an innate preference for domestic work, but rather because of the prevalent division of unpaid labour in the household.

This aspect is further complicated by aspirations. Aspirations are distinctly different from preferences: they explain differences between individuals in job satisfaction, but do not change the ranking of jobs by one individual. Like preferences, aspirations are endogenous, shaped by past experience and circumstances (Schokkaert, 2011), also known as adaptation. An individual from a vulnerable social group may be more satisfied in a given job than someone from a more privileged background, simply because their expectations from work and their options beyond the job differ significantly. Similarly, women might accept pay offers below those offered to men because the underrepresentation of women in high-level jobs has shaped their aspirations.

It is thus important to recognise this systemic shaping of aspirations and preferences that determines job outcomes for different societal groups. Ignorance legitimises the idea that some groups of people hold objectively worse jobs because of inherent preferences or lack of ambition. While understanding the role of aspiration is crucial for interpreting job satisfaction, measures of job quality should be independent of aspiration (Schokkaert, 2011). Job satisfaction can therefore not be the only measure of job quality. It should be balanced with objective job characteristics, other subjective wellbeing measures such as engagement and meaningfulness, and objective wellbeing outcomes (as shown in Figure 2).

5 D E

5.1 D Growing awareness of the multidimensionality of job quality and its implications for workers' health and wellbeing has fostered institutional interest in the concept. To supplement existing plans for increase job quality, international organisations and policy institutions have developed frameworks to define the concept of job quality and to measure and monitor it. Major frameworks include the International Labour Organisation's (ILO) Decent Work Agenda, the OECD's Job Quality Framework, UNECE's Quality of Employment Framework, Eurofound's job quality framework and the job quality index by the European Trade Union Institute (ETUI). Variations in scope and conceptualisation reflect the institutions' policy priorities, which place emphasis on different aspects of job quality. Table 2 lists the frameworks and groups their elements into the framework outlined in section 3.2.

One common factor in institutional definitions of job quality is that contractual employment conditions feature prominently. This encompasses a wide range of characteristics of the employment relationship. These aspects often reflect areas that are the focus of regulation, such as income (minimum wage), working time (limited work hours) or ethics at work, and are therefore of particular interest to policymakers. At the minimum, the quality of contractual employment conditions is captured by earnings (OECD), but most frameworks cover also, in addition to the aspects listed above, job security and stability, non-wage benefits, skills development and training, and organisational participation.

Besides contractual employment conditions, all policy models incorporate physical working conditions in their job quality definitions (though the OECD only captures them as part

In summary, in contrast with scientific models of job quality and work design, policy frameworks tend to focus on the contractual and physical working conditions and often even wider contextual elements of the labour market and the welfare system. This is likely driven by several considerations (Figure 3). First, policy frameworks are often designed to cover a wide geographical area, including developing countries where basic needs such as safety and living wages (or 'hygiene factors') still require a lot of attention. Psychological research often studies jobs in the industrialised world and can therefore focus on higher-level needs such as belonging, esteem and self-actualisation. Second, even scientific models still lack good objective measures of job content that can be used consistently across occupations, industries and countries. This lack of good scientific standards leads policy institutions to emphasise those aspects that are more easily and objectively measurable¹². Third, given their origin, policy frameworks highlight features that lie within the realm of impact of public policy action. In market economies, job content and the internal organisation of work are the prerogative of the firm, while government and social dialogue has focused on regulating the employment relationship and physical safety of workers in the economy.

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