Assessing the contribution of employment status and working conditions to subjective wellbeing in the Czech Republic

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Extended abstract

The aim of this contribution is to explore the role of employment status and work conditions on the subjective wellbeing of the adult Czech population. We employ a multidimensional indicator for subjective wellbeing measured by life satisfaction, happiness and work-family time balance. For operating with employment and work conditions measurements, we use the following indicators: type of contract, self-employment, degree of supervision, working time, over-qualification, past unemployment and desired job characteristics. The paper makes use of the first Czech panel data collected on a large sample of households at the end of 2015 (approximately 5000 households). We will analyse data at the individual level from the first wave of study. The sample is limited to employed people aged between 15 and 64 years. The dataset includes large information on social and cultural capital indicators together with different employment and quality of job indicators. In the light of the spill over theoretical perspective, we expect that certain job characteristics and employment status influence all dimensions of wellbeing. As adult population in postmodern societies spend more time in the labour market, we can assume that the type and characteristics of work can have an impact on the individual wellbeing. To prevent spurious relationship between the explanatory variables and wellbeing indicators, we will check for the following socio-demographic characteristics of respondents: age, gender, total number of children under the age of 11, marital status, education, perceived health status, gender roles and type of residence.

Variables – measurement and assumptions

Dependent variable: subjective wellbeing

The issue of wellbeing is investigated in the literature both at the societal and subjective levels. The measure of societal wellbeing includes general trust in people and participation in different voluntary organizations and activities. Subjective wellbeing encompasses different dimensions - self perceived evaluations of one's life such as happiness, satisfaction, health etc. Each of these dimensions is

separately measured to derive a more comprehensive perspective on people's lives. Present contribution will operate with the subjective wellbeing. Given the multidimensionality of the measurement (e.g. Diener, 2009; Michaelson, Abdallah, Steuer, Thompson, and Marks, 2009, Stiglitz, Sen, and Fitoussi 2009), we operationalized subjective wellbeing by use of three indicators. The first one deals with life *satisfaction* measured on a scale, where 0 means completely unsatisfied and 10 completely satisfied, The second focuses on the *happiness in life* measured also on a scale, where 0 means completely unhappy and 10 completely happy. The third indicator targets the *work-family time balance,* which is a composite indicator based on two items, which measure the necessity to have more time either for family life or for work and career building. Both items are measured using a 5-point Likert scale (agreement/disagreement).

Explanatory variables

The following indicators are used as independent variables in our analysis: type of contract, self-employment, past unemployment, degree of supervision, working time, over qualification, and desired job characteristics.

1. *Self-employment*. Previous research showed that self-employed individuals have higher levels of wellbeing than employees given the flexibility and autonomy offered by it. However, the economic difficulties faced by our society during the last decade might throw a shade on the positive effects of the self-employed. It is measured within the question of current economic activity.

2. *Past unemployment*. It has a strong long lasting negative impact on life satisfaction and happiness. This effect is higher than the one related to the loss of income due to unemployment as it implies a loss of self-esteem, alienation from work (e.g. Marx, 1993, 2000, Winkelman and Winkelman, 1998, Dolan, Peasgood and White, 2008, Clark et al, 2004).

3. *Type of contract*. We assume that precarious work contracts negatively influence satisfaction in life and work-family time balance, as they are characterized by low salaries, low job benefits, fewer or non-existent training and career development. The following options were offered for measuring the type of contract: *permanent contracts, fixed-term contracts, no contracts*.

4. *Degree of supervision at current job*. Supervision implies a higher work commitment, higher responsibility, more time spent at work and higher income. We assume that a high degree of supervision leads to lower work-family time balance, but it might bring a certain positive impact

on the overall life satisfaction. The indicator was measured for both employed and self-employed people.

5. *Working time*. Studies indicate that long working hours have a negative impact on the subjective wellbeing (e.g. Namkee, 2007). The variable is measured for main current job position at a continuous level.

6. *Over-qualification*. Over-qualification measures the subjective evaluation of skills in the present job – precisely the situation when respondent's skills are beyond those required for his present work position. Some researchers indicate that over-qualification implies lost in income and lower satisfaction with job position (e.g. Namkee, 2007).

7. *Desired job characteristics*. It is a composite measurement based on various aspects a person would consider important in a new job, such as: job security, good salary, good interpersonal relationships, a sense of accomplishment, possibility to well perform job duties, opportunity to develop working skills, recognition for well-done duties, chances for career advancement, possibility for combining work and family. All these aspects are measured on a 5-point Likert importance scale. High level of importance for some aspects (e.g. job security, good salary, possibility for combining work and family responsibilities) might indicate a lack of them in the present job, which can negatively influence all subjective wellbeing dimensions.

Control variables

To prevent spurious relationship between the explanatory variables and wellbeing indicators, we will check for the following attitudinal indicators and socio-demographic characteristics of respondents: *age, gender, total number of children under the age of 11, marital status, education, perceived health status, type of residence*, *gender roles*.

We assume that subjective wellbeing differs by *gender*, especially from the perspective of work-family time balance. *Education* was measured with a question about highest completed education and recoded into four categories (primary, lower secondary, upper secondary and tertiary) and we could expect a positive effect on subjective wellbeing. However, given the generalization of the tertiary education after the fall of the communist regime, we assume that there are higher chances of skills mismatch and therefore a negative impact on the subjective wellbeing. *Type of residence* is categorized according to the number of inhabitants (up to 4,999; 5,000-19,999; 20,000-99,999; more than 100,000). Variable of

self-perceived health status was assessed by an item which consisted of five categories (1 – excellent, 2-very good, 3 – good, 4 – fair, 5 – poor). Health status has a major impact on the life satisfaction and its effect is even stronger when mental health indicator is used (e.g. Dolan, Peasgood a White, 2008, Betz and Simpson, 2013). Health disabilities also have a negative impact on job satisfaction (e.g. Lucas, 2007). *Gender roles* are evaluated in the questionnaire by various attitudinal items. We will operate with the attitude towards traditional breadwinner model measured on a 5-point agreement scale. We assume a negative impact of such a model on the work-family time balance and life satisfaction in general.

Analytical framework

The first part of the analysis is concerned with the extent to which there are differences in subjective wellbeing indicators by various socio-demographic and attitudinal variables. This analysis is addressed by descriptive statistics.

In order to assess the relative effects of employment position and working conditions indicators on subjective wellbeing when controlling for the socio-demographic characteristics and some attitudinal variables, we test a series of regression models. We begin with the socio-demographic variables and then advance through models that introduce the employment and work conditions indicators and interaction between some of the covariates.

Findings

Due to the fact that data collection finished at the beginning of December 2015, we are not able to present any preliminary findings. Data cleaning is taking place by the time of submitting this abstract. We will be able to work with the data at the beginning of 2016 and the first results will be presented during the EPC sessions next year.