

Future Work, Future Communities Adelaide Workshop

4 July 2023



Labour Market Preferences in a Changing World of Work: A Discrete Choice Experiment

PHOTOS: SANDY HORNE

Jacob Irving – *presenting*
PhD Candidate and Project Officer,
UniSA Business
University of South Australia

Akshay Vij
Associate Professor,
UniSA Business,
University of South Australia

Lynette Washington
Research Fellow,
UniSA Business,
University of South Australia

Sally Weller
Associate Professor,
UniSA Business,
University of South Australia

Ilke Onur
Associate Professor,
College of Business, Government and Law,
Flinders University



UniSA

Business

Job displacement and the search for meaningful work

Displaced workers

- Workers experience wage loss and insecure work conditions when re-entering the labour force

Meaningful work

- Preferences for good wages comes second to job interest, work appreciation and organisational inclusivity
- Workers place value on autonomy, competence and work relationships
- Positive predictor of productivity, organisational behaviour and quality of goods and services
- Negative predictor of absenteeism, retirement intentions, poor performance and labour turnover

Our study provides insights on:

- Job preferences of displaced workers and compensating wage differentials for job attributes of meaningful work
- Degree of heterogeneity in displaced worker preferences
- Policy implications



UniSA

Business

Discrete Choice Experiment

Online Stated Preference Survey

- Administered December 2021 to Feb 2022

309 respondents

- Active in the labour market – employed/unemployed
- Retrenched during the automotive plant closures in Australia



UniSA

Business

Question Example

Imagine that the following two job openings are available, described in terms of their wages, hours, skills required, training opportunities, workplace environment, etc. Assume that the jobs are comparable in all other regards. For reference, we also list the attributes for your current job.

Which of these would you most prefer to take, if these were the only two jobs available to you?

Job A	Job B	Current job
-------	-------	-------------

Job choices

Current job shown
for reference

Which of these do you most prefer? You have to select one.	<input type="radio"/>	<input type="radio"/>	
--	-----------------------	-----------------------	--



UniSA

Business

Question Example

Imagine that the following two job openings are available, described in terms of their wages, hours, skills required, training opportunities, workplace environment, etc. Assume that the jobs are comparable in all other regards. For reference, we also list the attributes for your current job.

Which of these would you most prefer to take, if these were the only two jobs available to you?

Attributes

Job choices

Current job shown for reference

	Job A	Job B	Current job
Skill utilisation			
Supervision duties			
Reputation for good work policies and practices			
Autonomy			
Working hours			
Employment contract			
Average one-way door-to-door commute time			
Weekly take home pay after taxes			
Which of these do you most prefer? You have to select one.	<input type="radio"/>	<input type="radio"/>	



Question Example

Imagine that the following two job openings are available, described in terms of their wages, hours, skills required, training opportunities, workplace environment, etc. Assume that the jobs are comparable in all other regards. For reference, we also list the attributes for your current job.

Which of these would you most prefer to take, if these were the only two jobs available to you?

Job choices

Attributes

Current job shown for reference

	Job A	Job B	Current job
Skill utilisation	Opportunity to improve on existing skills	Uses current skills	Required post-employment training to learn a new set of skills
Supervision duties	No supervision responsibilities	Significant supervision responsibilities	Some supervision responsibilities
Reputation for good work policies and practices	High reputation	No reputation	Low reputation
Autonomy	Have limited control over how you do your work and spend your day	Have no control over how you do your work and spend your day	Have a lot of control over how you do your work and spend your day
Working hours	Part time (20 hours a week)	Full time (35 hours a week)	Part time (10 hours a week)
Employment contract	Casual	Permanent	Fixed term
Average one-way door-to-door commute time	30 min	45 min	60 min
Weekly take home pay after taxes	\$700 per week (\$35 per hour)	\$1,000 per week (\$29 per hour)	\$300 per week (\$30 per hour)
Which of these do you most prefer? You have to select one.	<input type="radio"/>	<input type="radio"/>	



UniSA | Business

Attribute Design

Scale of levels for each attribute

Attribute	Level 1	Level 2	Level 3	Level 4
Skill utilisation				
Employment Contract				
Supervision duties				
Reputation for good work policies and practices				
Autonomy				
Working hours	Full time (Approx. 35 hours a week)	Full time (Approx. 35 hours a week)	Part time (Approx. 20 hours a week)	Part time (Approx. 10 hours a week)
Average one-way door-to-door commute time	20 minutes	30 minutes	45 minutes	60 minutes
Weekly take home pay after taxes	Continuous number that can vary between -20% and +20% of their current salary (for individuals currently in paid employment, use middle of current salary range; for individuals currently unemployed, use middle of salary range when their contract in the auto industry ended)			



UniSA

Business

Attribute Design

Scale of levels for each attribute

Attribute	Level 1	Level 2	Level 3	Level 4
Skill utilisation	Opportunity to improve on existing skills	Uses current skills	Requires post-employment training to learn a new set of skills	Requires pre-employment training to learn a new set of skills
Employment Contract				
Supervision duties				
Reputation for good work policies and practices				
Autonomy				
Working hours	Full time (Approx. 35 hours a week)	Full time (Approx. 35 hours a week)	Part time (Approx. 20 hours a week)	Part time (Approx. 10 hours a week)
Average one-way door-to-door commute time	20 minutes	30 minutes	45 minutes	60 minutes
Weekly take home pay after taxes	Continuous number that can vary between -20% and +20% of their current salary (for individuals currently in paid employment, use middle of current salary range; for individuals currently unemployed, use middle of salary range when their contract in the auto industry ended)			



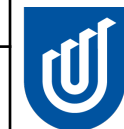
UniSA

Business

Attribute Design

Scale of levels for each attribute

Attribute	Level 1	Level 2	Level 3	Level 4
Skill utilisation	Opportunity to improve on existing skills	Uses current skills	Requires post-employment training to learn a new set of skills	Requires pre-employment training to learn a new set of skills
Employment Contract	Permanent	Casual	1-year fixed term	-
Supervision duties				
Reputation for good work policies and practices				
Autonomy				
Working hours	Full time (Approx. 35 hours a week)	Full time (Approx. 35 hours a week)	Part time (Approx. 20 hours a week)	Part time (Approx. 10 hours a week)
Average one-way door-to-door commute time	20 minutes	30 minutes	45 minutes	60 minutes
Weekly take home pay after taxes	Continuous number that can vary between -20% and +20% of their current salary (for individuals currently in paid employment, use middle of current salary range; for individuals currently unemployed, use middle of salary range when their contract in the auto industry ended)			



UniSA

Business

Attribute Design

Scale of levels for each attribute

Attribute	Level 1	Level 2	Level 3	Level 4
Skill utilisation	Opportunity to improve on existing skills	Uses current skills	Requires post-employment training to learn a new set of skills	Requires pre-employment training to learn a new set of skills
Employment Contract	Permanent	Casual	1-year fixed term	-
Supervision duties	No supervision responsibilities	Some supervision responsibilities	Significant supervision responsibilities	-
Reputation for good work policies and practices				
Autonomy				
Working hours	Full time (Approx. 35 hours a week)	Full time (Approx. 35 hours a week)	Part time (Approx. 20 hours a week)	Part time (Approx. 10 hours a week)
Average one-way door-to-door commute time	20 minutes	30 minutes	45 minutes	60 minutes
Weekly take home pay after taxes	Continuous number that can vary between -20% and +20% of their current salary (for individuals currently in paid employment, use middle of current salary range; for individuals currently unemployed, use middle of salary range when their contract in the auto industry ended)			



UniSA

Business

Attribute Design

Scale of levels for each attribute

Attribute	Level 1	Level 2	Level 3	Level 4
Skill utilisation	Opportunity to improve on existing skills	Uses current skills	Requires post-employment training to learn a new set of skills	Requires pre-employment training to learn a new set of skills
Employment Contract	Permanent	Casual	1-year fixed term	-
Supervision duties	No supervision responsibilities	Some supervision responsibilities	Significant supervision responsibilities	-
Reputation for good work policies and practices	High reputation	Medium reputation	Low reputation	No reputation
Autonomy				
Working hours	Full time (Approx. 35 hours a week)	Full time (Approx. 35 hours a week)	Part time (Approx. 20 hours a week)	Part time (Approx. 10 hours a week)
Average one-way door-to-door commute time	20 minutes	30 minutes	45 minutes	60 minutes
Weekly take home pay after taxes	Continuous number that can vary between -20% and +20% of their current salary (for individuals currently in paid employment, use middle of current salary range; for individuals currently unemployed, use middle of salary range when their contract in the auto industry ended)			



UniSA

Business

Attribute Design

Scale of levels for each attribute

Attribute	Level 1	Level 2	Level 3	Level 4
Skill utilisation	Opportunity to improve on existing skills	Uses current skills	Requires post-employment training to learn a new set of skills	Requires pre-employment training to learn a new set of skills
Employment Contract	Permanent	Casual	1-year fixed term	-
Supervision duties	No supervision responsibilities	Some supervision responsibilities	Significant supervision responsibilities	-
Reputation for good work policies and practices	High reputation	Medium reputation	Low reputation	No reputation
Autonomy	Have a lot of control over how you do your work and spend your day	Have some control over how you do your work and spend your day	Have no control over how you do your work and spend your day	-
Working hours	Full time (Approx. 35 hours a week)	Full time (Approx. 35 hours a week)	Part time (Approx. 20 hours a week)	Part time (Approx. 10 hours a week)
Average one-way door-to-door commute time	20 minutes	30 minutes	45 minutes	60 minutes
Weekly take home pay after taxes	Continuous number that can vary between -20% and +20% of their current salary (for individuals currently in paid employment, use middle of current salary range; for individuals currently unemployed, use middle of salary range when their contract in the auto industry ended)			



UniSA

Business

Key findings 1 – worker preferences

- **Job security** (as denoted by contract tenure) and **skill utilisation** are significant in our study with compensating wage differentials around between **1 AUD and 3 AUD per hour**.



Job security

“If you have *family and a house mortgage* to be paid,
you have to choose whatever the job is in front of
you to pick up.”



Skill utilisation

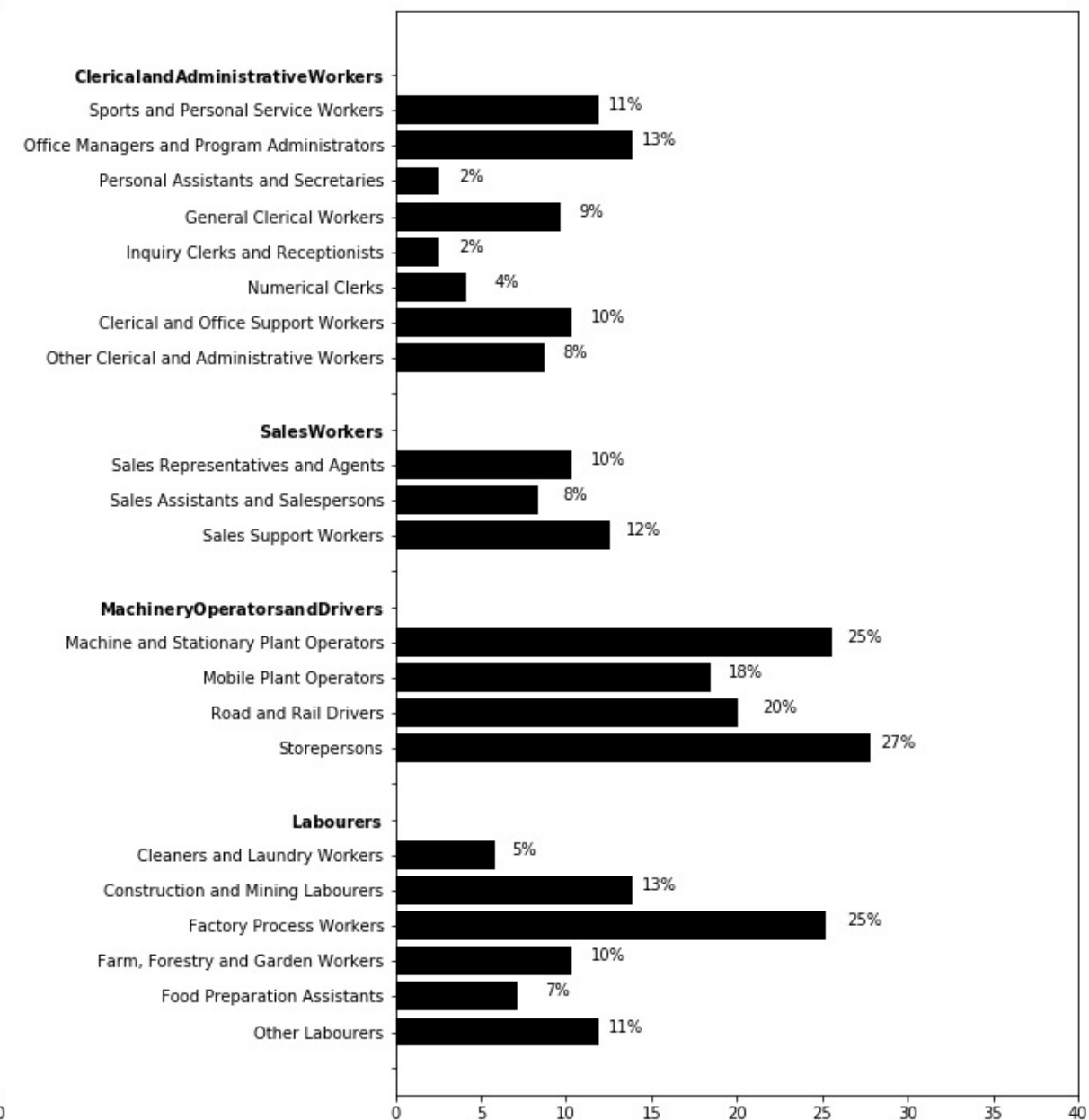
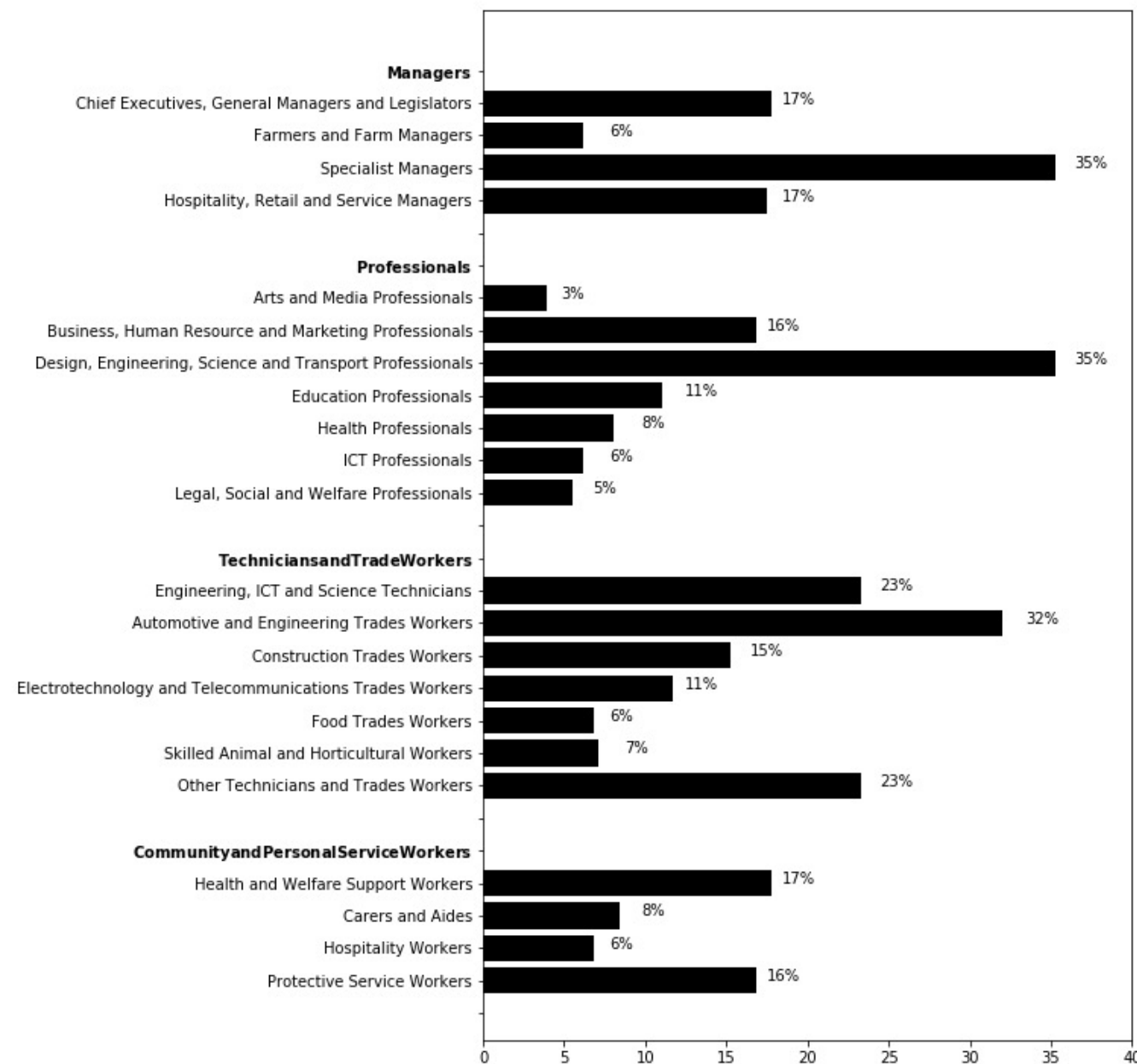
“Just five months ago [I] got back to the engineering industry, although *I’m stepping down...*

Finally I can get *back to utilising my skills.*”



Summary statistics for responses to different attitudinal statements

Statement	Distribution of responses					Mean score	
	1 - Strongly disagree				5 - Strongly agree		
<i>To what extent do you agree or disagree with the following statements about your willingness to take on a different job from your current/previous employment?</i>							
I prefer to continue to work in my usual occupation	3.9%	10.0%	30.7%	33.0%	22.3%	3.60	▲
I would consider branching out into a related occupation	5.8%	15.2%	30.7%	38.8%	9.4%	3.31	▲
I am ready for a change of occupation, I want to try something different	19.1%	23.0%	31.1%	18.4%	8.4%	2.74	▼
I would accept work in another occupation while I continue to search for my preferred work	17.5%	24.9%	26.9%	22.3%	8.4%	2.79	▼
I might have to accept work in another occupation to put food on the table	33.3%	21.4%	21.7%	13.3%	10.4%	2.46	▼
I do not much care what I do for work , as long as I get paid	32.7%	31.7%	20.7%	9.4%	5.5%	2.23	▼
It is important that what I do uses my existing skills and abilities	1.6%	8.7%	24.6%	42.7%	22.3%	3.75	▲



Proportion of respondents that indicated they would be interested in working in different industries

Key findings 1 – worker preferences

- **Job security** (as denoted by contract tenure) and **skill utilisation** are also important, but less so than the above attributes, with compensating wage differentials around between **1 AUD and 3 AUD per hour**.
- **Autonomy**, and **employer reputation** for good work policies and practices, are the two most important non-pecuniary job attributes, with compensating wage differentials around **5 AUD per hour**



UniSA

Business

Autonomy and employer reputation

- **Meaningful work** (autonomy and employer reputation) is more important
- **Toyota's** high standards affected the workplace practices of the auto-industry
- **Job comparison** led to dissatisfaction in consequent employment experiences

“I worked there for a couple of years.

And that was *absolutely horrible, horrible, horrible...*

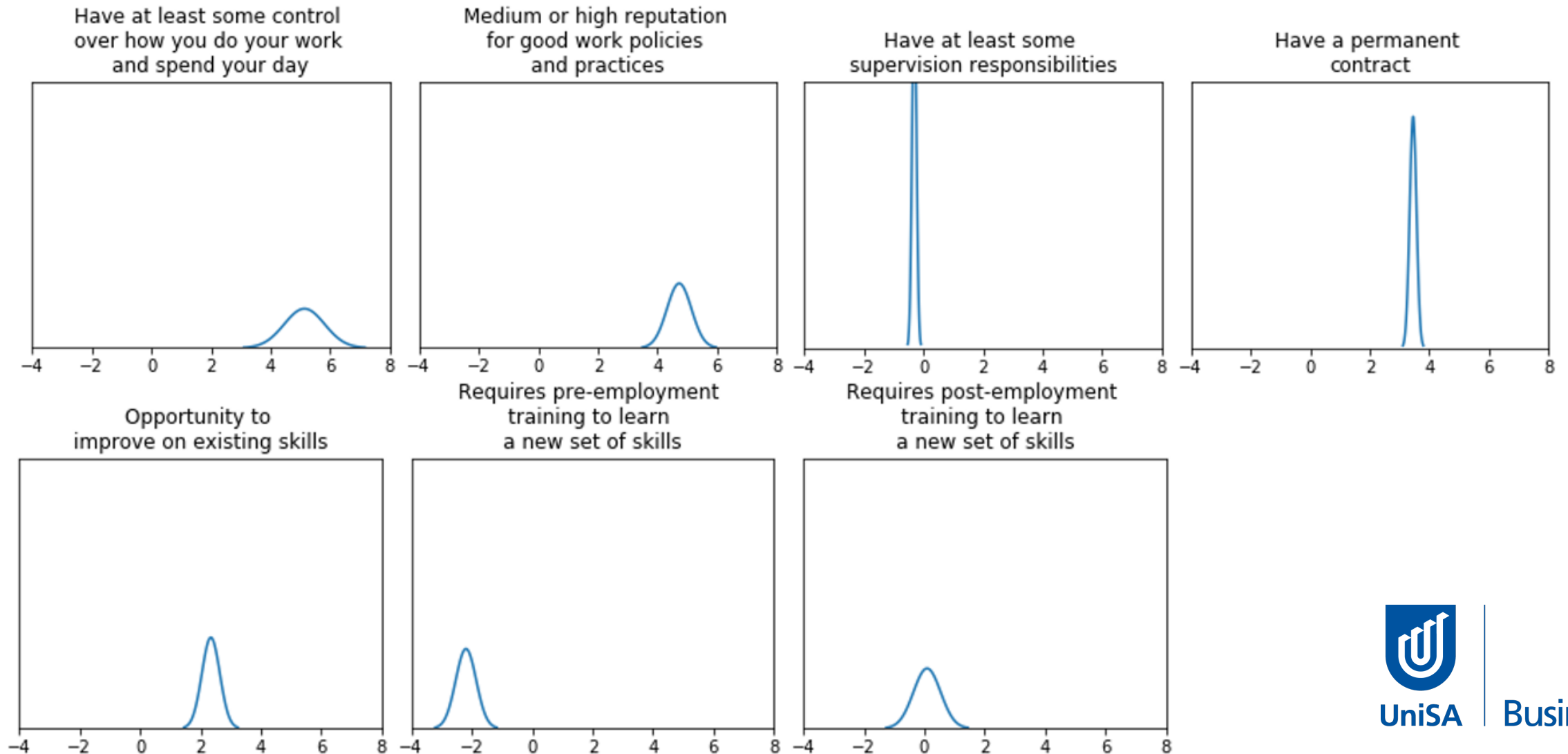
Just *the safety stuff* [...] they talked a lot of safety, but there was never much action [...]

They didn't seem to be taking it seriously.

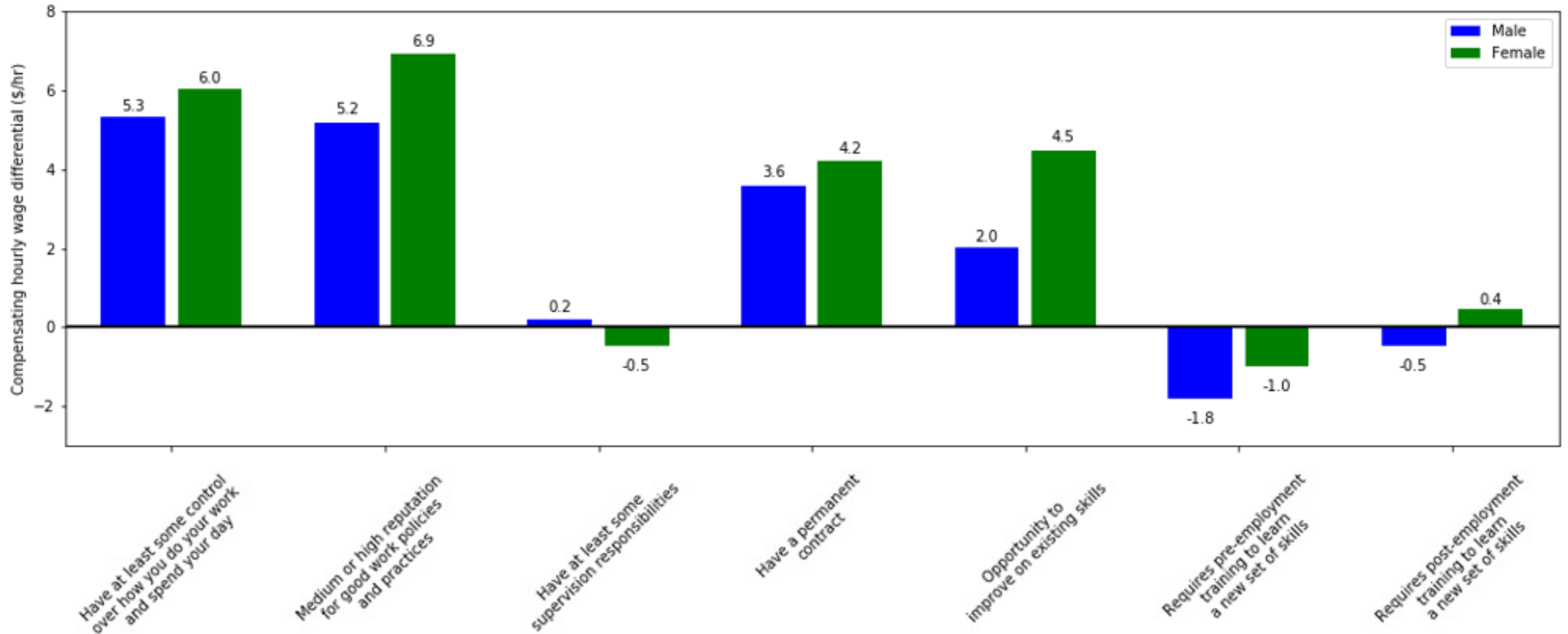
Just a *bullying culture*.”



Key finding 2 – homogeneity

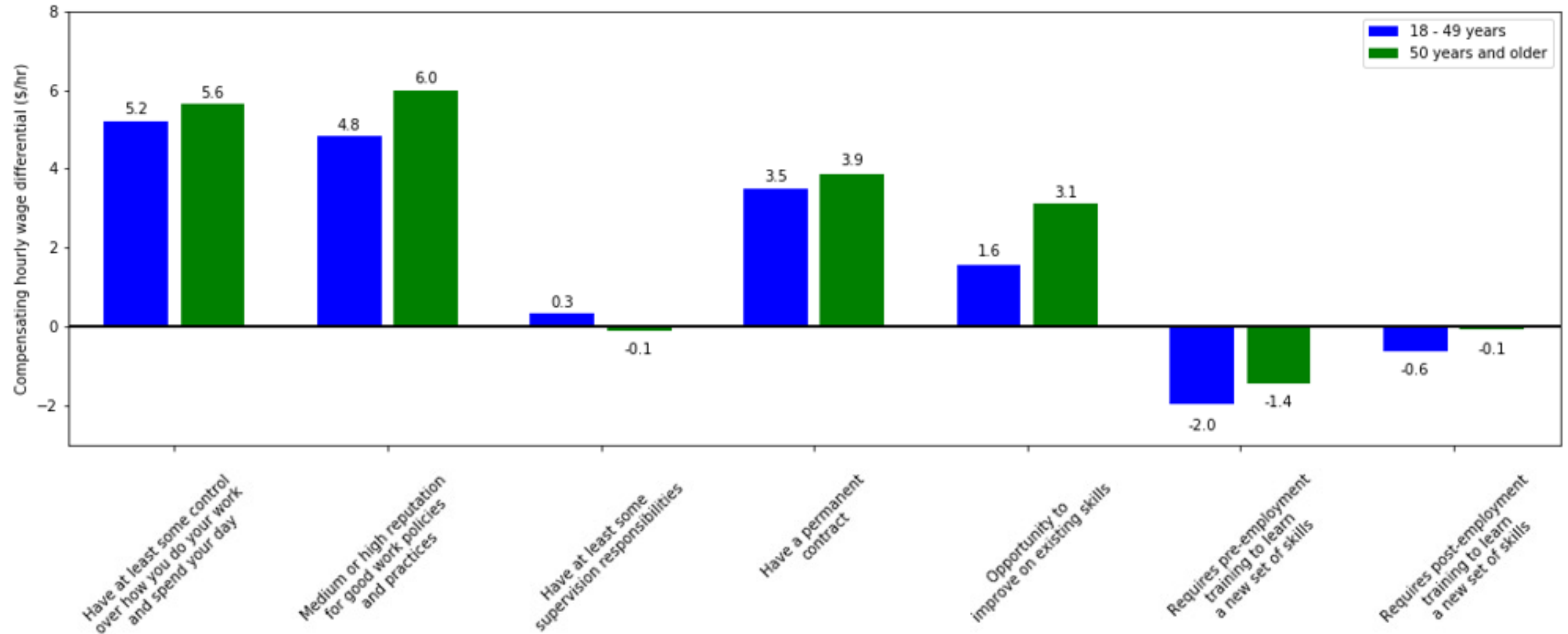


Key finding 3 – degrees of heterogeneity



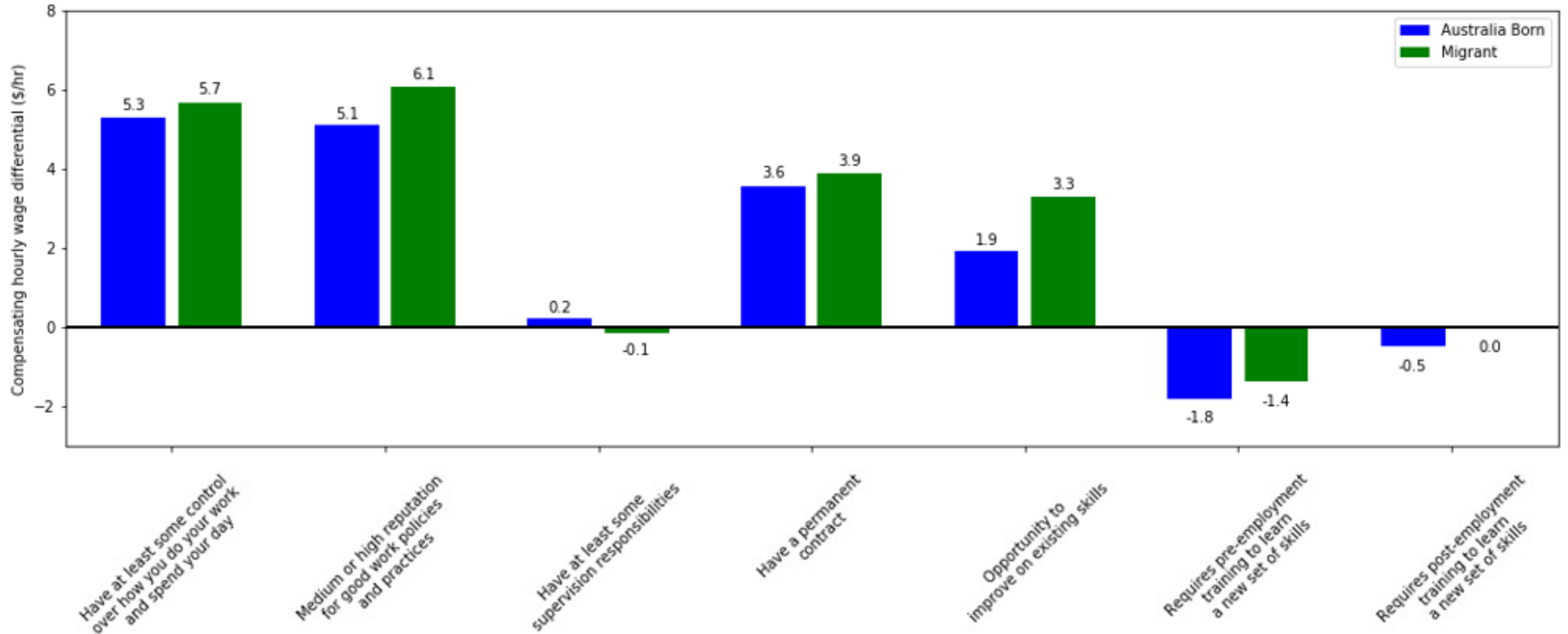
Systematic heterogeneous worker preferences – GENDER

Key finding 3 – degrees of heterogeneity



Systematic heterogeneous worker preferences – AGE

Key finding 3 – degrees of heterogeneity



Systematic heterogeneous worker preferences – COUNTRY OF BIRTH

Conclusions

Our data show

- *Soft attributes of work matter most to workers transitioning into new work after displacement*
 - Worker **autonomy** and **firm reputation** for good work policies and practices matter most
 - **Job security** and **skill utilisation** are nevertheless important
- *Preferences are mostly homogenous in our sample*
- *Gender, age and country of birth do play some role in worker preferences*
- *Governments and large firms have a significant role to play in managing labour market disruptions by ensuring quality employers*

