MEASURING BETTER AND MORE INCLUSIVE JOBS

DCED GLOBAL SEMINAR
MARCH 2016
SESSION OUTLINE

• Introduction
  • Matt Ripley (ILO)

• The case of Timor-Leste’s horticulture sector
  • Annie Major (ASI)

• The case of micro-retail in Mombasa
  • Justin van Rhyn (ASI)

• Multi-project experience measuring working conditions
  • Steve Hartrich (ILO)
“Policy actors and researchers have recognised that not only the number, but also the quality of jobs matters to poverty alleviation and economic development”

German Development Institute, MSEs as drivers for job creation, Oct. 2015

“It is not necessarily that the poorest people are excluded [from labour markets] but rather that they are adversely included”

Chronic Poverty Advisory Network blog post, May 2014
NUMBER + NATURE OF JOBS

PSD projects are starting to think about not only the number, but also the nature of jobs. Why?
TYPOLOGY OF JOBS IMPACT

MORE
Job creation

BETTER
Job quality
(productivity & working conditions)

INCLUSIVE
Job access

HOW MANY JOBS?
AND IN WHAT CONDITIONS?
FOR WHO?

Adapted from World Bank ‘Value Chains for Job Estimation’, pres. By T. Farole Sep 2015
• Contextual nature of jobs
• Qualitative effects - often subjective
• Hard to quantify, and therefore ‘fit’ into measurement frameworks
• Confusing terms

“That something is difficult to measure should be motivation to find an alternative approach rather than to abandon it all together”

Dr Ben Taylor, Evidence-based Policy and Systemic Change, 2013.
The Springfield Centre
LEARNING FROM PROJECTS

Multi-project research
Unpacking and measuring working conditions

‘Kuza’ in Kenya
Inclusive jobs for youth

‘BOSS’ in Timor-Leste
Productive employment
MEASURING PRODUCTIVE EMPLOYMENT
BOSS TIMOR LESTE
THE BOSS PROJECT

• 5 year project: Core objective to contribute to ‘decent’ employment creation and income generation
• Value chain component - M4P approach
• Horticulture, cattle, tourism sectors
• Measuring impact in horticulture contract farming intervention
Why Measure Productive Employment?

• Return on labour / land – how to gauge significance of income change relative to poverty situation?

• Productive employment: “employment yielding sufficient returns to labour to permit a worker and his/her dependents a level of consumption above the poverty line” (ILO/SIDA, 2012)

• Conceptually useful, but hard to measure at project level

• BOSS indicator: “Number of jobs made more productive” (headcount)

• Tested for on-farm self employment
CONSTRUCTING THE INDICATOR

Uses primary data from impact assessment (NAIC and PPI) and benchmarks this against secondary data

**Step one**: Take Net Attributable Income Change (NAIC)

**Step two**: Construct a look-up table of likely household income, based on the Progress Out of Poverty (PPI) score and World Bank Living Standards surveys

**Step three**: See if attributable income change results constitutes more than a 14.2% increase in overall income (poverty gap as a proxy for productivity gap)
Income increase to needed to be counted as having more productive employment

- Monthly income increase threshold
- Estimated monthly per capita income

PPI Poverty Likelihood
• Not exact, but cost-effective and ‘good enough’ for decision-making
• NAIC $274 per farming enterprise, but only 30% more productively self-employed
• Gap for those to reach threshold – double current NAIC. Feasible to close poverty gap in current jobs?
• Strategic pivot: expanded business model to run PPP with hired labour
QUESTIONS?

Read the case study at: www.ilo.org/thelab
ADAPTING TO CREATE JOBS FOR YOUTH

KUZA MOMBASA - KENYA
Supply
8000 marginalised youth with better skills

Kuza in brief

Micro retail

Skills development

Waste management

Investment promotion

Policy and advocacy

Demand
5000 youth jobs created
(inclusion dimension)

8000 marginalised youth with better skills

Demand
5000 youth jobs created
(inclusion dimension)
Direct jobs: (youth salespeople)

Indirect jobs: upstream / downstream / supporting players
Market system analysis → Intervention Plan → Sign 6+ month MoUs → Work planning / Results Chains → Deliver and monitor

6-12 months

6 months

Monthly (?)

Some initial assumptions

| Salespeople will be predominantly target youth |
| The jobs created will pay at least minimum wage |
| Salesperson turnover will be in line with industry norms |
| Suppliers and micro distributors will offer training which enhances sales performance |

Now moving away from passively making ‘big’ assumptions and towards more active hypothesis testing and experimentation…
Develop hypotheses and run short term experiments and micro pilots that prove or disprove these hypotheses

More quickly identify and build on emerging good practice (and dampen/learn from failures)

Draw meaningful conclusions and adapt behaviour

Quickly gather useful information (hypotheses and unexpected developments)

Results Chain

Example hypothesis

Classroom-based training by suppliers builds sales team product knowledge most cost-effectively

Small-scale experiments / pilots to test hypotheses (and partners)

Suppliers run ½ day classroom-based training

Suppliers run ½ day classroom training and weekly on-the-job coaching

Suppliers run weekly on-the-job coaching only

Suppliers do no training or coaching

Track results for one month...
• **Market system ‘Health Check’** aims to give clues about systemic change process (and job quality) quickly and regularly. Selected indicators only.

• Supports hypothesis testing, highlights unexpected phenomena, confirms anecdotal evidence. Useful for partners.

• **Owned by Intervention Manager.** Updated in ~1 hour each week via phone/SMS. Visual element helps tell the story.

**Other observations:**
- Young women not taking up sales jobs as expected
- Lower than expected salesperson retention
LEARN

Lessons from the data

On-the-job supplier coaching most cost-effective training approach

Other observations

Few young women taking up sales jobs

Lower than expected salesperson retention

Inform intervention design / new hypotheses to test

Support suppliers to roll out and strengthen on-the-job coaching techniques.

Feedback and action within one month

Social stigma around bicycle use > test new team role (order-taking/marketing)

Prevailing remuneration model unpopular > test alternative models

Limited coaching > support suppliers to include mentoring training in support package

When and how?

When and how?

Weekly system ‘health check’ meetings

Ad-hoc after-action reviews

Results Chain update meetings

Quarterly Strategic Reviews

Tactics

Strategy
Aiming to achieve sustainability and scale and influence job inclusiveness.

Actively testing hypotheses, systematically monitoring for unexpected outcomes (positive and negative) and pushing for faster adaptation.

Perfect is the enemy of good – ‘lean’ approach focusses on essential information. Useful but obvious limitations. Doesn’t replace MRM system.

Encouraging signs of team ownership. Trickiest elements: forming meaningful hypotheses, getting information from some partners, knowing what is ‘enough’ information.

Next steps: roll out to other sectors, continue to adapt ‘health check’ tool, build involvement of partners / beneficiaries, incorporate into new intervention design.
QUESTIONS?

Read the case study at:
www.ilo.org/thelab
THE CHALLENGE

• Working conditions – array of subjects covering employment relationships and worker’s well-being in the workplace

• Key informant interviews with 20 projects and organisations to extract lessons on how to measure working conditions
INTEGRATING WORKING CONDITIONS

1. Articulating the results chain
2. Defining indicators of change
3. Measuring change
4. Estimating attributable change
5. Wider changes in the system
6. Tracking programme costs
7. Reporting results
8. Managing the system
**Lesson 1: Results Formulation**

16. Better working conditions and improved employee well-being

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<th>Changes in employee satisfaction</th>
<th>% SMEs reducing absenteeism</th>
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<th>% SMEs reducing labour turnover</th>
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LESSON 1: RESULTS FORMULATION

- Safety and health
- Working time
- Workplace relationships
- Discrimination and exploitation
- Wages and security
Lesson 2: Indicator Selection

• Limitations of any one indicator
  - Injuries reduced in the workplace
  - av. Change in accident rate

• Multiple perspectives
  • Worker
  • Management

• Qualitative and quantitative

• Lead and Lag

• Process & impact indicators
  - Worker perception of safety
  - Management reporting effectiveness of new safety measures
  - Change in investment in safer equip.
Lesson 3: dealing with respondent bias

- **Who measures:** Project; third party; enterprise?
- **Social capital:** Trust a key factor
- **Proxies:** Use proxies (though document assumptions)

- **COURTESY BIAS**
- **SOCIAL ACCEPTABILITY BIAS**
- **PERCEPTION BIAS**
Lesson 4: Reporting Progress

• Ratings and scales help make ‘apples with apples’ comparison

Source: ILO Enhancing SME productivity and competitiveness project