

Job Satisfaction and Gender: Evidence from Australia

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Structure of the paper

1. Introduction
2. Literature Review
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1. Introduction

- Job satisfaction is a feeling of fulfillment or pleasure associated with one's work
- Research on job satisfaction is important because the issue is related to gains in **efficiency** at an **organizational** and an **individual** level

1. Introduction (continued)

- Job satisfaction is a good indicator of labour market mobility (Freeman, 1978)
- The analysis of job satisfaction may give us a number of insights into certain aspects of the labour market (Clark, 1996)

1. Introduction (continued)

- One specific area of investigation is the study of differing levels of reported job satisfaction by gender
- Research on gender differences in job satisfaction in Australia has been limited to using **cross-sectional data** and only **one aspect** of job satisfaction (Long, 2005)

1. Introduction (continued)

- In this paper a panel dataset is used
- All the six aspects of job satisfaction are considered

2. Literature Review

- The first study of job satisfaction and gender was done by Clark (1997)
- The evidence suggests that the levels of women's job satisfaction exceed those of male employees, despite that women's jobs are worse than men's in terms of earnings and promotion

2. Literature Review (continued)

- Potential explanation for gender differential in job satisfaction
 1. Male and female workers have different personal and job characteristics
 2. Sample selectivity – dissatisfied female workers find it **easier to leave** the market place than equally dissatisfied male workers, the remaining females will have higher average job satisfaction

2. Literature Review (continued)

- **Clark** found that neither gender differences in personal and work related characteristics nor selectivity bias account for the gender satisfaction gap
- But, **Clark's** findings show that gender differences in job satisfaction **disappear** for the young, the higher educated, professionals and those in male-dominated workplaces.

2. Literature Review (continued)

- The reason given by **Clark** is that women have **lower expectations from work** which results from the poorer position in the labour market they held
- This leads **Clark** to suggest that women's higher job satisfaction may be a **transitory phenomenon**, caused by women's improved position in the labour market relative to their expectations

2. Literature Review (continued)

- Studies fully or partially consistent with Clark:
 - Sloane and Williams (2000)
 - Souza-Poza and Souza Poza (2000, 2003)
 - Sanz de Galdeano (2002)
 - Kaiser (2005)
 - Long (2005)
 - Mora and Ferreri-i-Carbonell (2006)
 - Bender and Heywood (2006)

3. Data and Preliminary Results

- HILDA Panel dataset, W1-4 (2001-2004)
- Six measures of workplace satisfaction:
 - overall job satisfaction
 - satisfaction with pay
 - satisfaction with job security
 - satisfaction with type of work undertaken
 - satisfaction with hours worked
 - satisfaction with work/non-work flexibility

3. Data and Preliminary Results (continued)

- Workplace satisfaction question (E36) in wave 1 of the HILDA personal questionnaire:

“I am going to read out a list of different aspects of your job and, using the scale on SHOWCARD E36, I want you to pick a number between 0 and 10 to indicate how satisfied or dissatisfied you are with the following aspects of your job. The more satisfied you are, the higher the number you should pick. The less satisfied you are, the lower the number”.

3. Data and Preliminary results (continued)

- Data restricted to employees aged between 16-64 years
- Sample size 18,980, of which 52% female
- Response coded in an ordinal fashion between 0 (least satisfied) to 10 (most satisfied)

3. Data and Preliminary results (continued)

- Various control variables included (personal characteristics, type of work and hours of work, workplace characteristics, occupation, industry of employment and geographical location)
- **Drawback:** cannot use **expectations** to check for gender differences (only asked in W1)

3. Data and Preliminary results (continued)

- Wave 1 of HILDA – K8

“I am going to ask you how important (0 to 10) the following factors are to you in your life at the present time:

- A. The home in which you live; B. Your employment and work situation; C. Your financial situation;
- D. Involvement in your local community; E. Your health;
- F. Your family; G. Leisure activities; and H. Religion

In his study, Clark (1997) used “**predicted income**” to capture expectations.

3. Data and Preliminary results (continued)

- Females have less tenure with respect to both occupation (8.31/9.55) and employer (5.95/7.08) and have less work experience (17.38/20.05)
- Females have spent more years out of the labour force (4.24/0.90)
- Part time employment is female dominated (0.43/0.09)
- A fourth of females are casuals compared to a sixth of males

3. Data and Preliminary results (continued)

- Females are less likely to be in supervisory roles (0.45/0.56)
- Clear gender separation by occupation
- Segregation by industry of employment is also apparent

3. Data and Preliminary results (continued)

- Average workplace satisfaction scores by gender (2001-2004)

	Overall	Pay	Job security	Work	Hours	Flex.
Female	7.71	6.84	8.05	7.62	7.32	7.45
Male	7.49	6.89	7.85	7.56	7.07	7.18

3. Data and Preliminary results (continued)

- We find that men generally **close the difference** year by year

F - M differences	Overall	Pay	Job security	Work	Hours	Flex.
2001	0.33	-0.06	0.31	0.11	0.30	0.35
2004	0.15	0.0	0.13	0.0	0.20	0.27

- Job satisfaction of male workers increased with **all aspects**
- The job satisfaction of female workers increased with **pay & job security**, decreased with **overall, work & hours** and remain unchanged with **flex.**

4. Econometric Methodology

- Following Clark and Oswald (1996) an overall utility function (or an overall life satisfaction) can be expressed as: $v = v(u, \mu)$

where v is overall utility, u is utility from work and μ is utility from other aspects of life.

- As a type of sub-utility function utility from work can be written as follows:

$$v = v(u(y, h, i, j), \mu)$$

4. Econometric Methodology (continued)

where y is income, h is hours of work, i and j are individual and job specific characteristics respectively

- From the above expression, the utility of working is then considered to be of the form:

$$u = u(y, h, i, j)$$

- The standard representation of a work utility function can be extended to capture the effect of a general **relative utility**

4. Econometric Methodology (continued)

- In accordance with Clark (1997), the complete model of utility from work can be expressed as:

$$u = u(y, h, i, j, E)$$

where E is a vector of variables that capture an individual's expectations. It may come from observations of others, from one's own experience in the past or from one's feelings of what one should receive

4. Econometric Methodology (continued)

- To analyze the six measures of job satisfaction we used **random effects ordered probit models**.
- We assume that the intercept terms are random factors
- The job satisfaction scores are recorded as 11 (0 to 10) category ordered measures

5. Empirical Results

A. Ordered Probit regression results with **gender dummy** (1 if female)

	Overall	Pay	Job Security	Work	Hours	Flex.
Female	0.22**	0.25**	0.20**	0.09**	0.07*	-0.03

Note: ** and * denote 1 and 5% levels of significance

In 5 of the 6 measures women are more satisfied than men

5. Empirical Results (continued)

B. Ordered Probit regression results for job satisfaction by gender
(i) Do personal characteristics differ by gender?

	Female	Male
<i>Couple</i>	+(pay, job sec. & hours)	+(work)
<i>Bad health</i>	-(All bar job sec.)	-(All bar pay & flex.)
Age	Insignificant	Insignificant
<i>Indigenous</i>	+(overall)	+(overall, work & flex.)
<i>ESB imm.</i>	-(pay)	-(All bar overall & flex.)
<i>NESB imm.</i>	-(All bar work)	-(job sec. & flex.)

Little difference between gender except for being ESB & NESB

5. Empirical Results (continued)

(i) Do personal characteristics differ by gender?

	Female	Male
<i>Masters</i>	-(All bar pay & flex.)	-(overall & pay)
<i>Postgra dipl</i>	-(All bar pay)	-(flex.)
<i>Degree</i>	-(All bar flex.)	-(All bar job sec.)
<i>Diploma</i>	-(overall, Job sec. & work)	-(flex.)

Little difference, except postgraduate diploma
Omitted category - "year 12"

5. Empirical Results (continued)

(ii) Does labour force experience differ by gender?

	Female	Male
Tenure in occup.	Insignificant	-(All bar pay & job sec.)
Tenure with boss	-(overall), +(job sec. & flex.)	-(overall), +(job sec.)
Years worked	-(job sec.)	-(All bar work)
Years unemployed	-(All bar pay & work)	-(job sec. & flex.)
Years out of the LF	Insignificant	-(overall, pay & work)

- Greater differences especially tenure in occup., yrs worked & yrs out of the LF

5. Empirical Results (continued)

(iii) Do type of work & hours of work differ by gender?

	Female	Male
<i>Part-time</i>	-(pay), +(hours & flex.)	-(hours), +(flex.)
<i>Overtime</i>	+(pay), -(hours & flex.)	+(pay, job sec. & work), -(hours & flex.)
<i>Casual</i>	+(pay & flex.), -(job sec. & hours)	-(All bar pay), +(pay)
Log Hr. wage	+(All bar work)	+(All bar job sec. & work)

Little difference

5. Empirical Results (continued)

(iii) Do workplace characteristics differ by gender?

	Female	Male
<i>Small firm</i>	+ (All)	+ (All bar pay)
<i>Medium firm</i>	-(pay), +(work & hours)	+(job sec.)
<i>Union member</i>	-(All bar job sec.)	-(job sec. & flex.)
<i>Supervisory Responsibilities</i>	-(All bar job sec. & work), +(job sec.)	-(hours), +(job sec. & work)

Greater difference in supervisory responsibilities

5. Empirical Results (continued)

(iv) Does time effect differ by gender? (W4 omitted category)

	Female	Male
<i>Wave 1</i>	+(All bar pay & job sec.), -(pay & job sec.)	+(work), -(pay & job sec.)
<i>Wave 2</i>	-(pay & job sec.)	-(pay & job sec.)
<i>Wave 3</i>	+(overall), -(pay)	-(job sec.)

- No evidence of a **transitory phenomena** of women's higher job satisfaction.

5. Empirical Results (continued)

- Past studies show that gender differences in job satisfaction **disappear** for the young and the higher educated
- We re-ran random effects ordered probit models for both 'educated' (at least a degree and working full-time) and 'young groups' (35 or less, working full-time, no children)

5. Empirical Results (continued)

- Gender dummy (1 if female)

	Educated	Younger
Overall	Not sig.	+
Pay	+	+
Job sec.	Not sig.	+
Work	Not sig.	Not sig.
Hours	-	+
Flex.	-	Not sig.

- Younger females are still more satisfied in 4 of the 6 measures
- Mixed results for educated females

	Overall		Pay		Job sec.		Work		Hours		Flex.	
	F	M	F	M	F	M	F	M	F	M	F	M
Wave 1	P		N	N	N	N	P		P		P	
Wave 2			N	N	N	N						
Wave 3	P		N			N						
Married			P		P				P			
Long term health problem	N	N	N			N	N	N	N	N	N	
Indigenous	P	P										P
ESB immigrants		N	N	N		N		N		N		
NESB immigrants	N		N		N	N			N		N	N
Tenure – current occupation		N						N		N		N
Tenure – current employer	N	N			P	P					P	
Years worked		N		N	N	N		N		N		N
Years unemployed	N				N	N			N		N	N
Years out of the labour force		N		N								
Part time			N					N	P	N	P	P
Overtime			P	P		P		N	N	N	N	N
Casual		N	P	P	N	N		N	N	N	P	
Log of hourly wage	P	P	P	P	P			P	P	P	P	P
Small firms	P	P	P		P	P	P	P	P	P	P	P
Medium sized			N			P	P		P			
Union members	N		N			N	N		N		N	N
Supervisory responsibilities	N		N		P	P		N	N	N	N	
Masters	N	N		N	N		N		N			
Postgraduate diploma	N				N		N		N		N	N
Degree	N	N	N	N	N		N	N	N	N		N
Diploma	N				N		N					N

6. Conclusion

- Females enjoy higher levels of job satisfaction with the exception of satisfaction with job flexibility
- We **suspect** this is due to women's lower expectations (dataset is unable to study this matter further)
- Time effects were largely **gender neutral** (results do not support the argument that women's higher job satisfaction may be a transitory phenomenon)

6. Conclusion (continued)

- Though variables that explain labour market personal and workplace characteristics differ by gender, they **don't fully account** for the gender satisfaction gap
- No age profile found – literature suggests U-shaped age-satisfaction profile
- No evidence that younger females exhibit job satisfaction rates comparable to young males
- Highly educated females have satisfaction rates that failed to match initial expectations

6. Conclusion (continued)

Areas for further investigation:

- Finding a proxy for expectation (for instance, by computing 'predicted income' for every employee in the sample)
- Correcting for self selection bias (using the Heckman selection correction)
- Applying the Hausman test to test the null hypothesis that the intercept terms do not vary over the individual units. Rejecting the null hypothesis implies the need for using fixed effects ordered probit models
- Including wave 5 and see the results