

Job Satisfaction and Underemployment in Alabama

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Introduction

- Job Satisfaction (JS) and Underemployment (UnderEmp) are important attributes of the workforce.
 - performance, productivity, output, profits, & general economic development.
- UnderEmp is often defined narrowly to imply part-time jobs or overeducation ignoring full-time workers.
- Workers are underemployed if their skills, work experience, and training are not fully utilized in their jobs.
- Causes of UnderEmp:
 - family constraints, spatial restrictions, spouse income & employment, personal preferences, productivity growth among workers, and imperfect labor market information.
- JS is an indication of worker's contentment with various aspects of their jobs.
 - e.g. pay, work hours & shift, intrinsic value of work, job security & safety, and career growth opportunities.

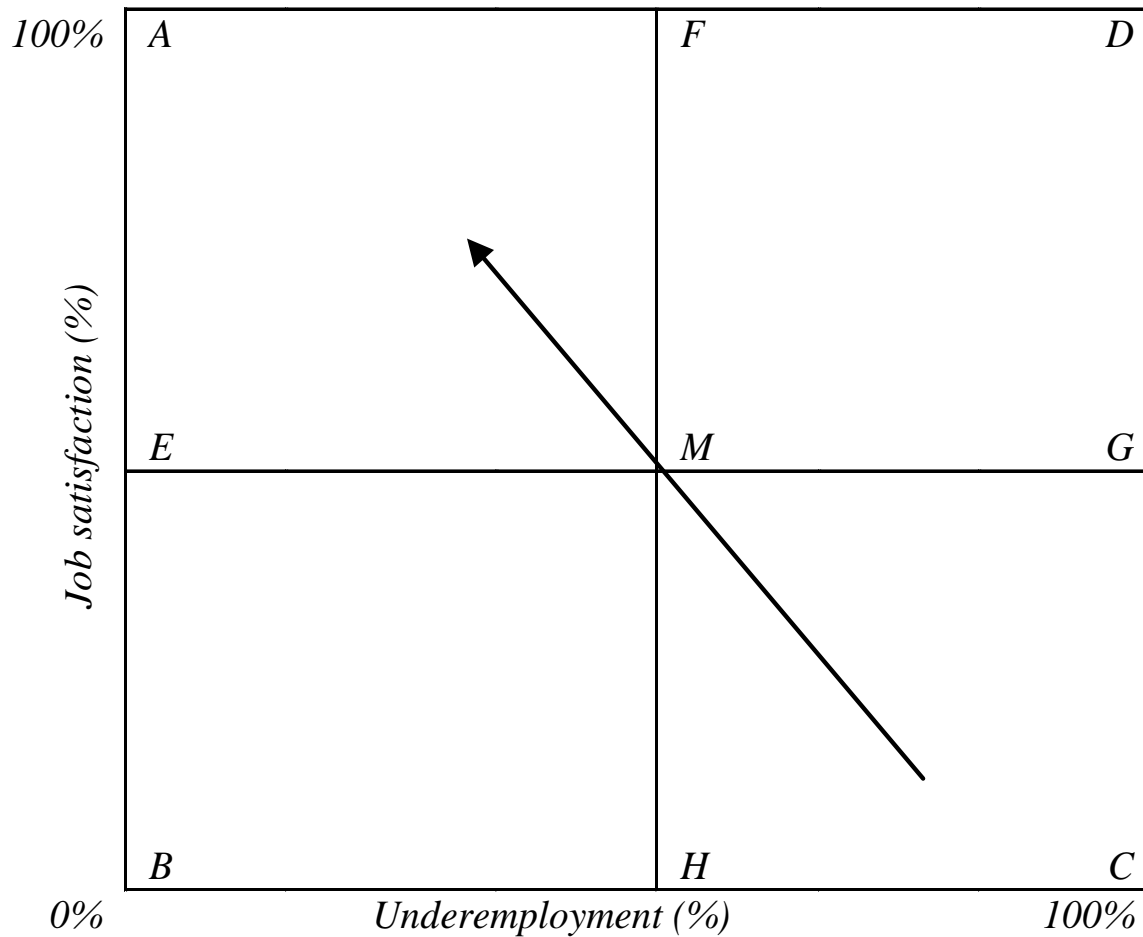
Introduction

- JS is defined in terms of the degree of fit between what an organization requires of its employees and provides for them as well as what the employees seek from the firm (Kokko & Guerrier, 1994).
- Given their impact on firm outcomes and general economic development, JS and UnderEmp have been of keen interest to sociologists, psychologists, and economists for decades.
 - However, JS studies are rare in economics because of the attribute's subjective nature.
- High JS is associated with low employee absenteeism, tardiness, and high performance.
 - Many employers track JS through HR departments but the comprehensive UnderEmp is rarely measured by firms or governments.
- US BLS acknowledges UnderEmp among fulltime workers but has no such official data: Part-time workers are included in the BLS' U-6 measure of labor underutilization

Purpose of Study

- Tracking JS and UnderEmp is important and necessary because the two attributes can be used to measure organizational effectiveness.
- JS and UnderEmp can help to identify new strategies for workforce and economic development leading to a more productive and satisfied workforce, firm and sector growth, and regional economic development.
- We demonstrate this by investigating
 - the relationship between JS and UnderEmp in Alabama from regional and industry perspectives, and
 - how the two attributes relate to employee turnover.

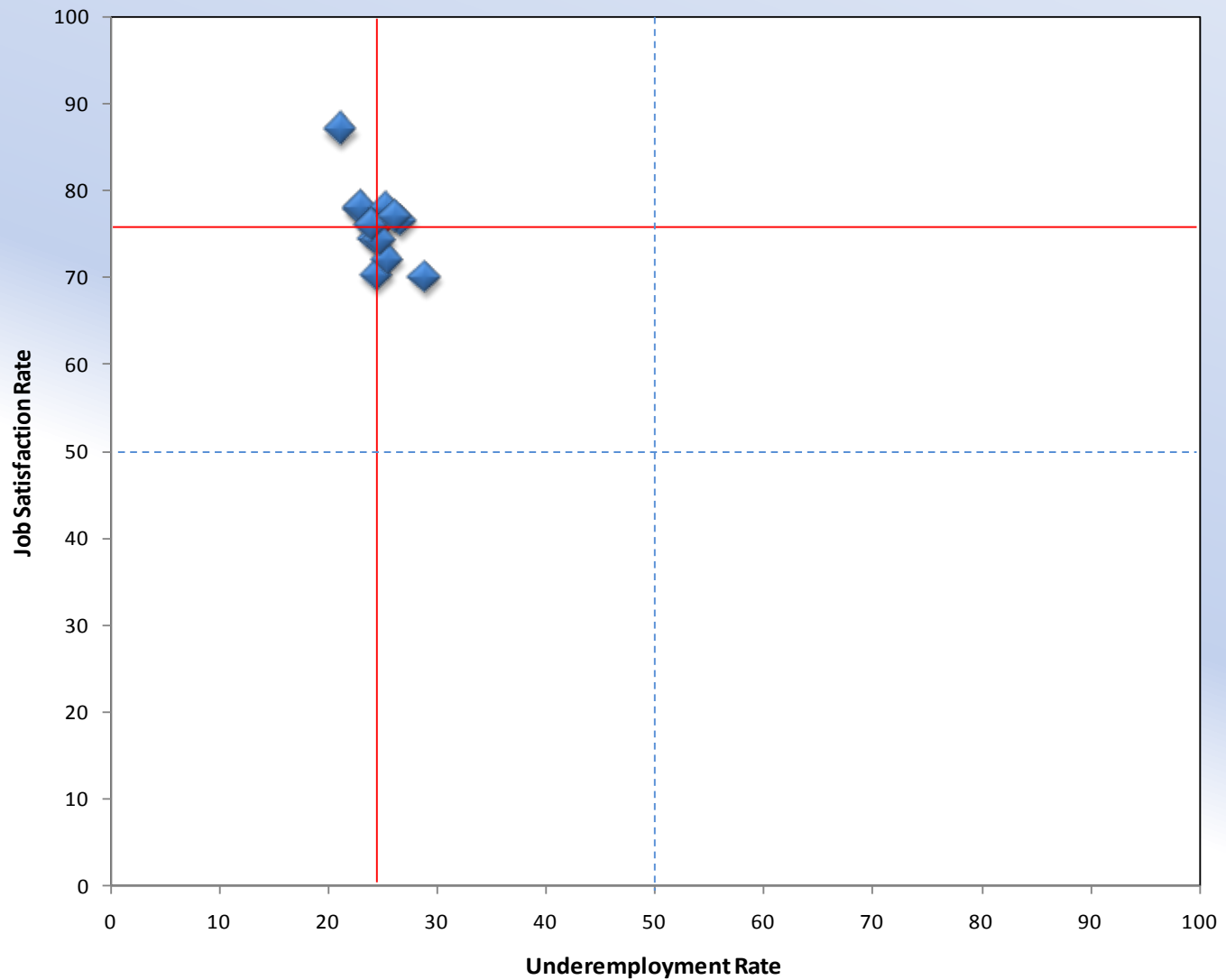
Conceptual Framework



Data

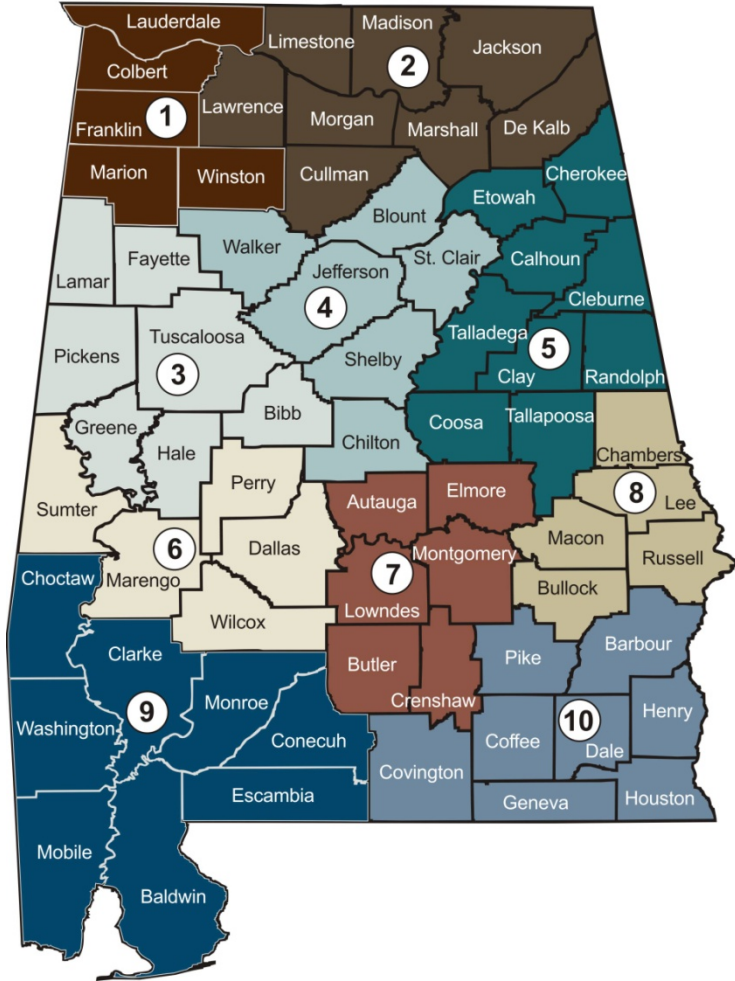
- A series of large UnderEmp phone surveys by The University of Alabama Capstone Poll that are conducted for Alabama's "State of the Workforce" reports prepared by CBER.
- Working age individuals (either working or unemployed) were asked about JS (overall and aspects) and UnderEmp (status and reasons) besides demographics.
- Employee turnover rates are obtained from US Census Bureau local employment dynamics (LED) system and Alabama Department of Industrial Relations.
- We use 3 surveys: 5,233 surveys in 2008; 4,758 in 2009, and 4,744 in 2010.

Alabama Job Satisfaction and Underemployment Rate (Regional), 2010

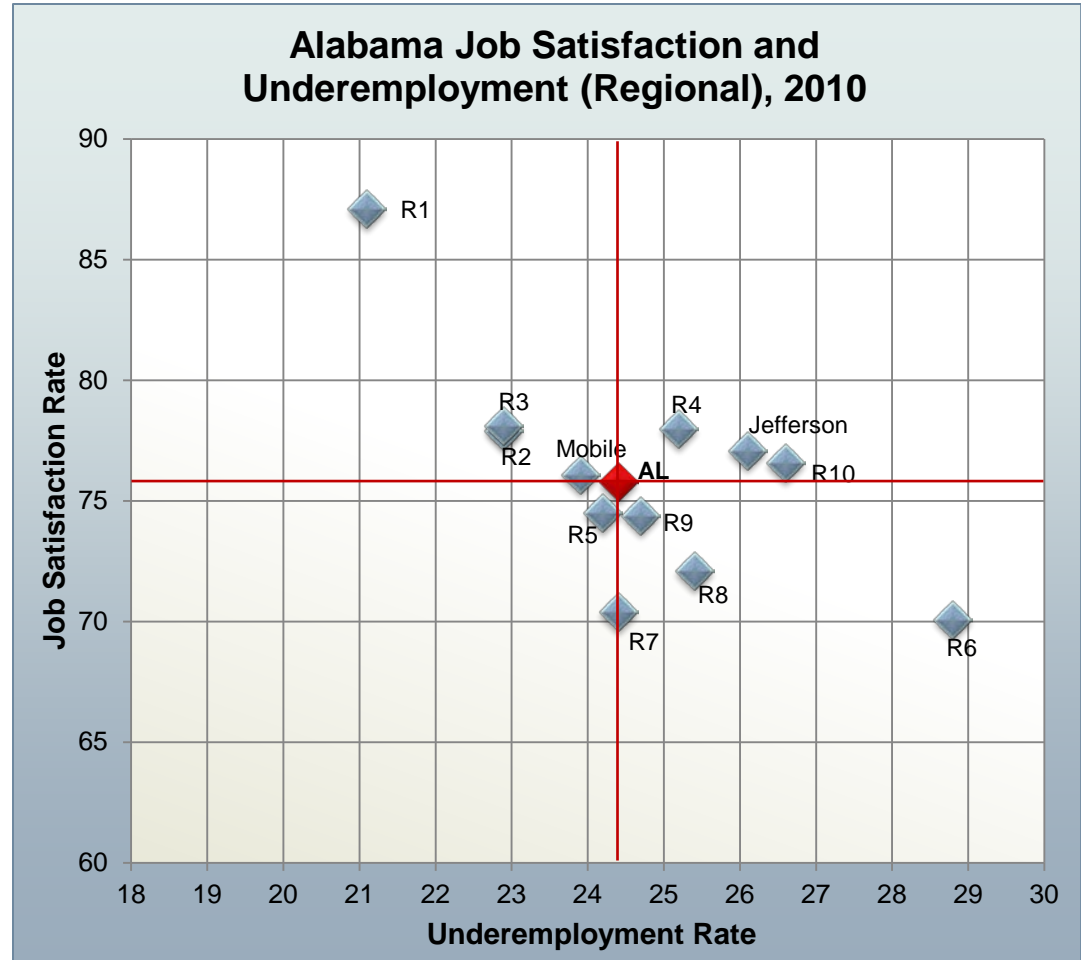


Results

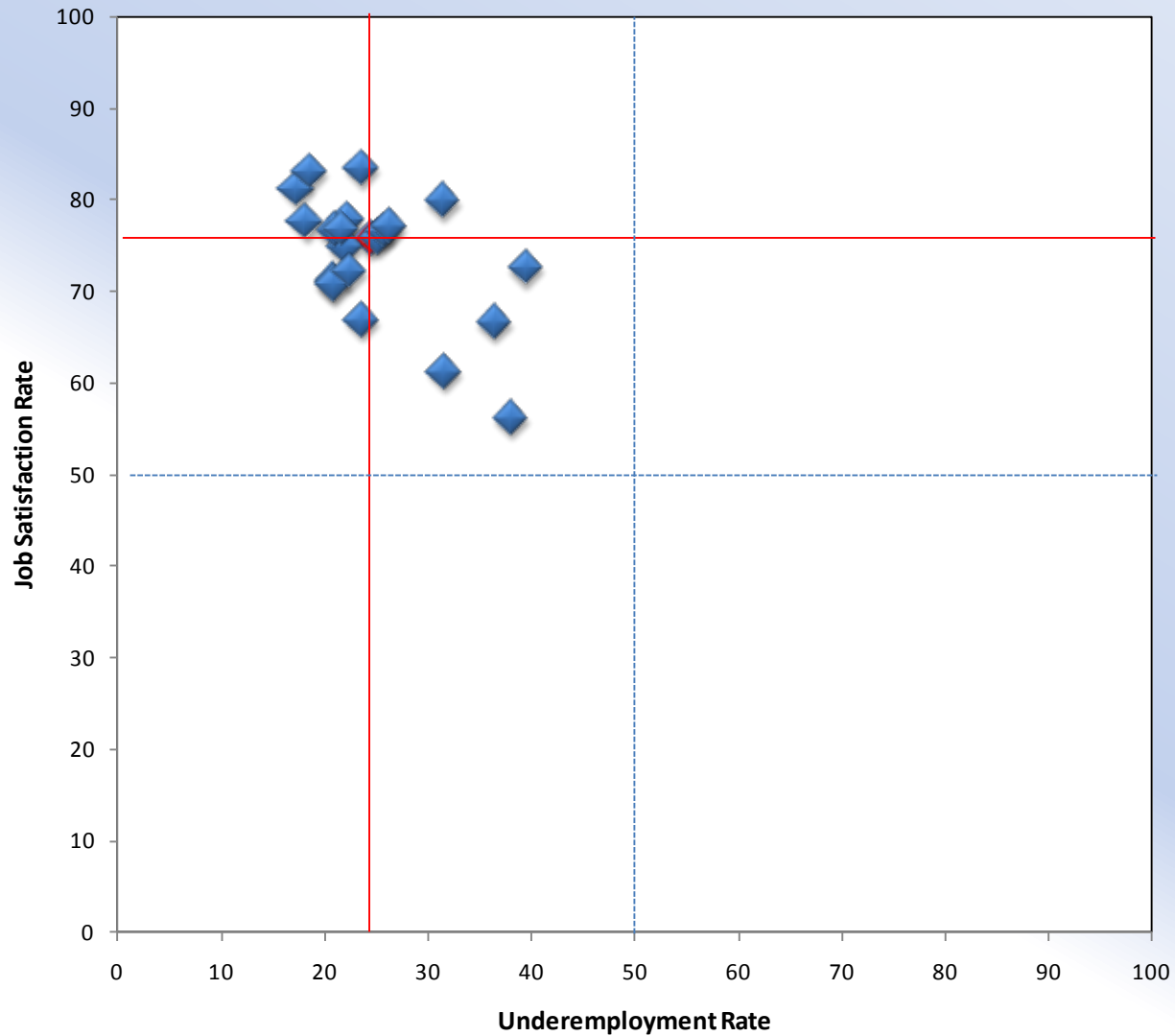
Alabama Workforce Development Regional Councils



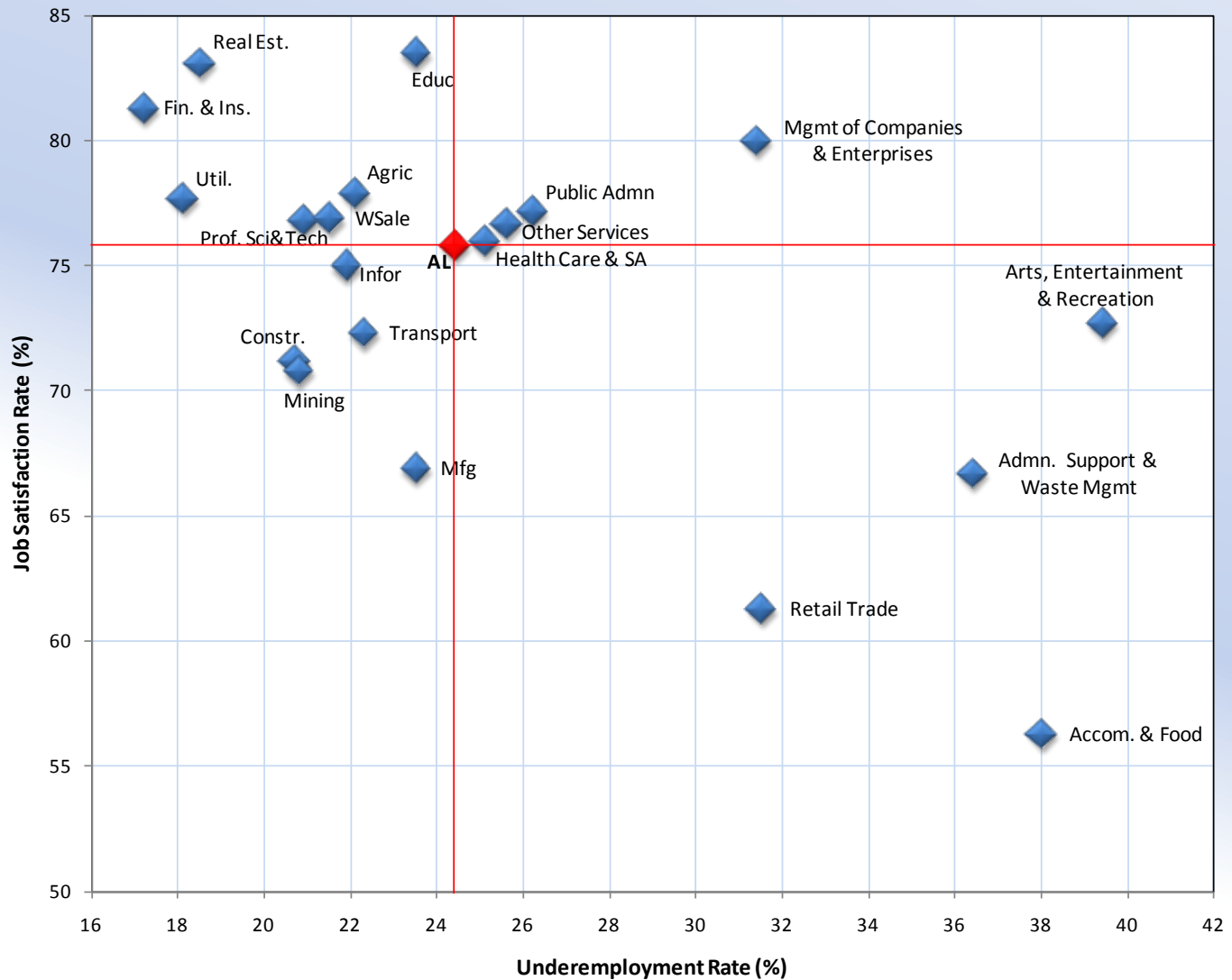
Alabama Job Satisfaction and Underemployment (Regional), 2010



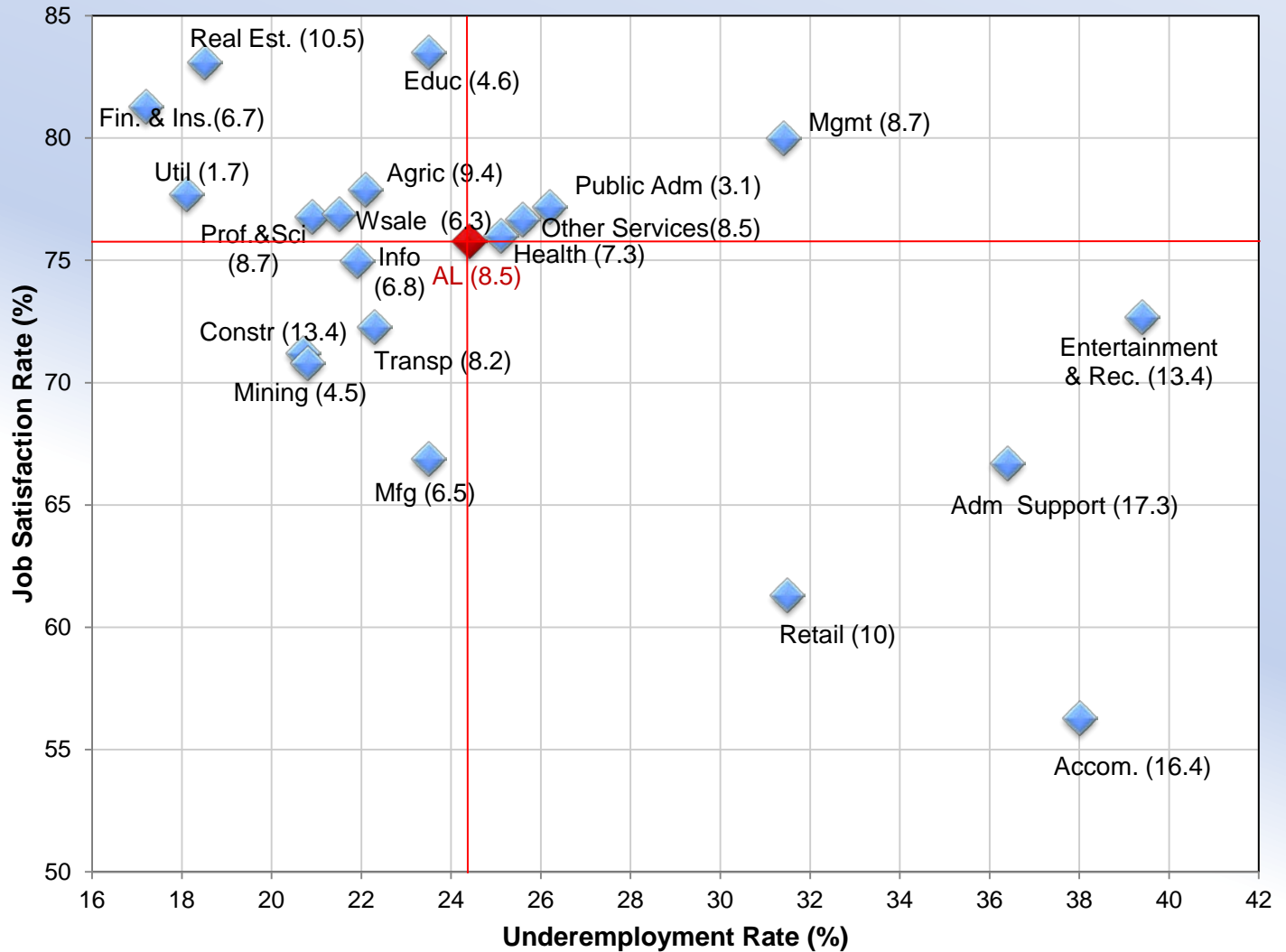
Alabama Job Satisfaction and Underemployment (Industries), 2010



Alabama Job Satisfaction and Underemployment (Industries), 2010



Alabama Industry Underemployment, Job Satisfaction, and Turnover Rates, 2010



Conclusions and Implications

- The study explores the relationship between workforce JS and UnderEmp in Alabama from regional and industry perspectives.
- WDR and industries with high UnderEmp and low JS than average exhibit low JS and the vice versa (inverse relationship).
- Additionally regions and industries with higher UnderEmp and lower JS than average exhibit higher employee turnover.
- Businesses, elected and community leaders, policy makers, educators, and economic professionals.
- Some strategies to increase JS & lower UnderEmp:
 - Firm/Sector: adopting employee-focused management, career dev. opportunities, and monetary/nonmonetary incentives.
 - State/Regional: Targeting career development programs and industry diversification.
- Limitations: (i) Self-reported JS & UE – subjective and difficult to interpret/exploit, (ii) high-cost large phone surveys.

Thank You