What's a Good Job? The Importance of Employment Relationships

Graham S. Lowe
Grant Schellenberg

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Foreword

Ever since the Economic Council of Canada published *Good Jobs, Bad Jobs* in 1990, we have associated good jobs with a full-time, permanent position, with good pay and benefits. This study gives us a new definition of a good job, a definition based on the social dynamics in the workplace as summarized in the quality of the relationship between employer and employee. The key elements of that relationship are trust, commitment, communication, and influence.

The timing for such a study could not be better. Employers are grappling with a whole new set of human resources challenges these days. After a decade of shedding workers, they are now trying to figure out how to keep them. This study suggests they will have to consider a new kind of workplace bargain where workers have opportunities to develop and use their skills and abilities, are given the resources and tools they need to do a good job, are given constructive feedback on their work, and where communication is good.

Because employees have so little influence over these workplace elements, they really have only one way of protecting themselves against a weak employment relationship and that is to seek a job elsewhere. But weak employment relationships are also associated with low morale and absenteeism. Thus the study demonstrates a strong synergy between job satisfaction and productivity growth.

Graham Lowe conceived this study while Professor of Sociology at the University of Alberta, and completed it on his current assignment at CPRN as Director of the Work Network, with the able collaboration of Grant Schellenberg. They were supported by an Advisory Committee composed of employers, union representatives, and other experts, who helped them to construct the framework of analysis and then to interpret the findings at a roundtable that took place in Ottawa in June 2000. Gisèle Lacelle managed the production of the report and Sylvia Burns did the desktop publishing.

To Graham Lowe and Grant Schellenberg and to all the funders (listed at the back of the report) and advisors, we owe our thanks for these new insights into the importance, and the complexity, of the employment relationship. These relationships play a central role in the quality of workers' lives and in the competitiveness

of Canadian industry. In order to focus more attention on these issues, CPRN is developing www.jobquality.ca – a Web site with one-stop shopping for data on job quality in Canada.

Judith Maxwell
March 2001

Executive Summary

Most recent studies of work in Canada have focused on labour market restructuring, workplace downsizing and re-engineering, and the impact of new information technologies. This structural approach documents how labour markets, workplaces and jobs are being reorganized, often distinguishing between "good jobs" and "bad jobs" or "standard" and "non-standard" employment. Yet this perspective no longer adequately captures the diversity of Canadians' work experiences or how these matter for individuals and employers.

CPRN's Changing Employment Relationships (CER) Project offers a fresh approach for understanding Canada's new work realities, viewing Canadians' working conditions through the lens of employment relationships. A relational perspective augments the traditional approach to studying work and labour markets, giving policymakers and labour market analysts a new mental map for charting the contours of work in Canada's emerging "new economy." Our key contribution is to document why good employment relationships are important for workers, employers and public policy.

The Changing Employment Relationships Project is based on a nationally representative survey of 2,500 employed Canadians undertaken in February-March 2000 and eight focus groups conducted in June 2000.

This report uses these research findings to examine the multi-dimensional character of the relationships that link workers with employers, business clients and other workers. The analysis of employment relationships begins with legal arrangements, then explores the social-psychological dimensions of trust, commitment, influence and communication. The quality of employment relationships is more important to overall job satisfaction than pay or benefits. Good employment relationships are the key ingredient of a "good job."

A Deeper Understanding of Non-standard Work

We also offer new insights about the nature of "non-standard" work, which has been the main focus of the traditional "structural" perspective on the labour market.

The distinctions between permanent and temporary jobs and between paid employment and self-employment have become blurred.

For example, many temporary help agency workers consider themselves to be permanent, by virtue of an ongoing relationship with an agency. So these workers are not officially counted as "temporary" employees. While the majority of temporary workers want a permanent job, a closer look at their work patterns reveals a sequence of jobs over a longer period of time, often with the same employer.

Distinctions between self-employment and paid employment can also be difficult to make. In fact, 12 percent of self-employed individuals have a high overlap with paid employment – they could be "disguised employees."

Families and households are integral business resources for Canada's workers, raising questions about how individuals manage these work-family links. Among self-employed individuals, one in four access medical and dental benefits through spousal benefit plans. Two-thirds have a home-based business. Many rely on family members as employees or business partners. Furthermore, about one in four employees do some work at home, likely as a way of coping with heavy workloads.

While this more finely textured analysis of non-standard work augments the traditional approach to labour markets, it tells us nothing about the underlying relationships. To address this gap, we offer a new relational mapping of work, which begins with the legal basis of employment.

The Legal Basis of Employment Relationships among Employees

Legal arrangements governing employment take many forms. About 60 percent of all employees surveyed have a written employment contract that defines the conditions and requirements of their job. However, while virtually all unionized workers have a written contract, this is the case for less than one-half of non-unionized workers, many of whom have only a verbal agreement with their employer.

Employees who have below average earnings or education are most likely to have only a verbal agreement – adding to their vulnerability in the labour market. These individuals rarely have the resources or bargaining power needed to seek redress should a dispute arise. Verbal agreements also tend to be silent on important issues, such as methods for evaluating job performance and terms for layoff or termination. In contrast, written employment relationships tend to be more comprehensive in the issues they cover.

Yet, CER focus group participants expressed mainly negative views about the legal and regulatory frameworks surrounding their employment. Most indicated they would rather not have a formal contract. Nonetheless, they felt a general need to maintain broader legal and regulatory frameworks, especially in the area of health and safety.

Third parties can shape the form and content of employment relationships. However, looking only at the level of union membership in the workforce understates the

forms of collective representation available to employees. While 32 percent of employees are unionized, another 16 percent are non-unionized but belong to a professional and/or staff association. The role of staff and professional associations requires further research, but it seems clear that these organizations contribute to formalized employment relationships, namely through written contracts.

The Social and Psychological Dimensions of Employment Relationships

Going beyond the legal basis of employment relationships, we add the social-psychological dimensions of trust, commitment, influence and communication. Using the CPRN-Ekos Changing Employment Relationships Survey data, we identified the factors associated with lower and higher levels of trust, commitment, communication and influence. Overall, the strength of individuals' employment relationships largely reflects the environment in which they work.

- A **healthy and supportive work environment** is the crucial factor in creating robust employment relationships. This includes physical, social and psychological aspects of the workplace. Individuals with strong employment relationships tend to have helpful and friendly co-workers, interesting work, assess their workplace as both healthy and safe, are supported in balancing work with their personal life, and have reasonable job demands. High levels of employee trust and commitment, in particular, are linked to perceptions that their employer cares about them.

- Receiving the **resources** needed to do the job well is the second most important ingredient of strong employment relationships. The provision of training, equipment and information may signal to employees the firm's commitment toward them, inviting reciprocity. Resources are also likely to make workloads more manageable and enable workers to be more productive.

- **Organizational change** is also an important negative influence. Downsizing and restructuring are associated with reduced levels of trust, commitment, communications and worker influence.

While actual pay is associated with only one dimension of the employment relationship (influence), the **perception of whether the job pays well** is positively associated with all four dimensions. This suggests that perceptions of pay are embedded in workers' views about fair treatment by their employer.

Union membership is associated with weaker employment relationships on all dimensions. This may reflect higher expectations and awareness among union members of relations with their employer. Unions also may add transparency to the conflicts of interest between workers and employers.

These features of the work environment profoundly affect all groups of employees, regardless of their personal background. And for employers, these findings suggest that high levels of trust and commitment depend on them providing a supportive and well-resourced work environment.

In contrast to employees, the self-employed have stronger employment relationships with their clients. Indeed, from the focus groups it was clear that relationship problems with a manager or employer were a powerful motivation to become self-employed.

Our multi-dimensional view of employment relationships offers a fresh perspective on what constitutes a "good job." We show that standard jobs are not necessarily the ones with the highest levels of trust, commitment, influence and communication. Most crucial is the work environment in which these relationships are rooted. This illuminates the wide diversity of working conditions and job rewards found across the Canadian labour market.

How Employment Relationships Matter

Furthermore, the strength of employment relationships has important consequences for individuals, employers and unions.

To document this, the four dimensions of the employment relationship were collapsed into a single Employment Relationships Summary Scale, using multivariate analysis to assess the independent effect of this scale on various outcomes (taking into account socio-demographic, labour market and work context factors).

- **Job satisfaction:** Strong employment relationships are the key determinant of job satisfaction among paid employees and self-employed individuals. Not only does job satisfaction reflect a person's overall quality of working life, it also has been linked to a range of outcomes important for employers – including productivity.

- **Skill development and use:** Strong employment relationships are associated with the more effective use of human resources. Employees who have strong employment relationships (compared to workers in weak relationships) have more opportunities in their job to develop and use their skills and abilities. This supports the creation of human capital, which is essential for both individual well-being and a healthy economy.

- **Turnover:** Weak employment relationships contribute to turnover, judging from which employees looked for a job with another employer in the past year. Thus employers facing recruitment and retention challenges competing for talent in a tight labour market need to pay careful attention to employment relationships.

- **Workplace morale:** Workers who have strong employment relationships personally report good morale within their workplace. Morale is an important ingredient in cultivating a healthy and a productive work environment.

- **Absenteeism:** Employees in weak employment relationships report more absenteeism due to personal illness or injury than do employees in strong relationships. Absenteeism is costly to employers, detracts from an individual's quality of life, and reduces national productivity.

- **Willingness to join a union:** Employees in weak employment relationships are more than twice as likely to want to join a union as those in strong relationships.

However, perceived problems with pay and job security are more important influences on willingness to join than is the strength of employment relationships.

Employment relationships clearly matter for individuals and employers. Strong employment relationships positively influence job satisfaction, skill use and development, workplace morale, and worker absenteeism. Overall, strong employment relationships contribute to the quality of work life and the performance of the organization. Furthermore, the usual "structural" characteristics used to identify "good" and "bad jobs" – permanent or temporary status, employee or self-employed, full- or part-time hours, firm size, and industry – do not help to explain variations in these outcomes. This highlights the importance of employment relationships in defining a good job.

Implications

The following major implications emerge from the Changing Employment Relationships Project for individual workers, employers and unions, and public policy.

- The strength of employment relationships matters for individuals. This puts trust, commitment, communication and influence on their list of job selection criteria. Yet there is not much that individual workers can do – short of changing employers or becoming self-employed – to improve their work environment.

- Workers in weak employment relationships desire better communication, fairness and respect, recognition, and a more supportive work environment. They want more opportunities for meaningful input and participation. These are the issues they want employers to address first.

- For employers, there is no doubt that creating a supportive and healthy work environment nurtures positive employment relationships. This taps into the physical, social and psychological aspects of the workplace – everything from workloads to respect and the resources needed to do an effective job. Equally important is how work is organized. Low levels of commitment and trust are associated with restructuring and downsizing. Workplaces organized to give more scope for participation have somewhat stronger employment relationships. Job content also is important, especially providing skilled and interesting tasks.

- Employment relationships require balance and reciprocity if they are to benefit both parties. Employers demonstrate that their employees are valued through the quality of the work environment they create. Managers at all levels, but especially those at the front line, need to understand this basic point.

- Work environments, employment relationships, the quality of work life and organizational performance are organically linked. These components are mutually reinforcing in ways that lead to the creation of truly "good jobs" – the kind that people are enthusiastic about doing and in which they can be highly productive.

- Some unions view "new" human resources management strategies that cultivate trust, commitment, and employee involvement as anti-union. Yet this poses a

problem because employees benefit from stronger trust and commitment in their employment relationships. This dilemma highlights how the future of unions in part hinges on their ability to address employment relationship issues.

- It is useful to consider the future role of professional and staff associations in meeting workers' needs. These organizations likely will be attractive to the growing number of knowledge workers who no longer think in terms of standard jobs, careers or employment contracts.

- It may be useful to create distinct categories and measures to distinguish two groups of workers: individuals who straddle the line between self-employment and contract employee; and temporary agency workers. Moreover, based on the importance of employment relationships, it may be more accurate to distinguish between "good and bad workplaces," rather than "good and bad jobs."

- By the same token, that fact that self-employed individuals, in comparison with employees, have stronger employment relationships calls for rethinking the structural model's emphasis on labour market status to identify "good" jobs. Yet, while relational aspects of self-employment may be positive, these workers lack the benefits available to many employees.

- Legislation and regulations governing employment standards, collective bargaining, health and safety, and workers' compensation were designed for the traditional "standard" job. Consequently, the protections they provide are available to a diminishing number of workers. Legal reform must address the diversity of employment relationships within both the standard and the non-standard categories.

- A sizeable number of Canadians do not have a written contract that lays out the terms and conditions of their employment. Legally, verbal and written contracts are equally binding, but in practice it may be more difficult for a worker to enforce a verbal agreement. Given the policy emphasis on productivity, it also is useful to note that formalized employment contracts often contain performance evaluation procedures.

- Some focus group participants expressed the need for more effective health and safety regulations. This echoes calls from occupational health researchers for careful consideration of how best to adapt the occupational health and safety regimes to rapidly changing work situations.

- Policies promoting lifelong learning will need to reach beyond the educated elite of "knowledge workers." If knowledge workers, rather than manual and service workers in routine jobs, are the main beneficiaries of "good" employment relationships, then this raises the spectre of a new source of labour market polarization.

Our comprehensive view of employment relationships attests to their deep roots in work contexts. This is a useful step toward aligning employment policies and practices with tomorrow's work realities. A relational perspective on work points toward the goal of creating cohesive, prosperous, and personally supportive workplaces and communities. So the defining characteristics of a good job – the qualities of trust, commitment, communication and influence – are important means

for achieving broad social and economic ends. At a personal level, robust employment relationships help to meet individuals' work aspirations. Equally vital, Canada's success in today's hard-edged global economy depends greatly on daily human interactions in workplaces.

Acknowledgments

Valuable suggestions regarding the overall direction, research design and policy implications of this project were provided by participants at several CPRN roundtables. Susan Galley and Patrick Beauchamp of Ekos Research assisted in developing and conducting the survey and focus groups and we draw directly from Patrick's report on the focus groups. Useful suggestions were provided on the draft questionnaire and the focus group protocol by a number of Advisory Committee members. At CPRN, Katie Davidman managed the project and offered valuable input at all stages of the research. Dennis Cooley, Judy Fudge, Karen Hughes, Judith Maxwell, Kathryn McMullen, Harry Shannon and Jean-Pierre Voyer provided helpful comments on an earlier draft. We are especially grateful to the individuals who participated in the telephone survey and focus groups. Their cooperation made the study possible.

Study Team

Graham Lowe (CPRN), Project Director
Katie Davidman (CPRN), Project Manager
Grant Schellenberg (DataQuest Consulting), Researcher
Adam Seddon (CPRN), Research Assistant

What's a Good Job? The Importance of Employment Relationships

1

Introduction

Canada is in the throes of an economic transformation that is redefining the very nature of work. Standing back from all the rhetoric about the "knowledge-based economy" or the "new economy," we can find solid evidence of changes in work contexts. This is well documented in research on non-standard work, the "good jobs – bad jobs" gap, information technology, workplace reorganization and economic globalization. Lacking, however, is accurate information about the employment relationships embedded in these work contexts and how they are being reshaped.

Most studies of work in Canada in the past decade have focused on labour market restructuring, workplace changes due to downsizing and re-engineering, and the impact of new information technologies. This "structural" approach documents how labour markets, workplaces and jobs are being reorganized. However, this perspective alone no longer adequately captures the diversity of work experiences and outcomes. For example, almost half of the employed labour force is now engaged in some form of "non-standard" work. Yet this diverse set of locations in the labour market, comprising part-time jobs, temporary jobs, multiple job holding, and own-account self-employment, masks more than it describes about these work situations. And within the traditional "standard job" category – characterized by full-time, continuous employment – there are growing signs that the expectations and norms of employment have changed. In short, the characteristics of a "good job" may no longer be fully captured by this structural perspective.

This report on CPRN's Changing Employment Relationships Project aims to supplement this structural perspective on the changing world of work by examining the *relationships* that define work experiences, and the outcomes of these relationships for workers and employers. Our analytic lens for examining the changing work world is the multi-dimensional character of the relationships linking workers with employers, business clients, and other workers. Employment relationships are the building blocks of economic life, where social and economic public policy goals, ranging from productivity to the quality of life, either meet or clash. Issues of trust, commitment, communication and influence have crucial implications for regulatory frameworks, employer human resources practices, and worker behaviour and well-being. Our goal, then, is to fill a large gap in policy-relevant knowledge about how Canadians actually experience the legal, social and psychological dimensions of work at the start of the 21st century.

The report is built around the findings from a winter 2000 national survey of employees and self-employed and eight follow-up focus groups. This research contributes new information about how Canadian employees and self-employed experience employment relationships and the relevance of this for individuals, employers, labour market organizations, and policymakers. With this information, researchers, practitioners, and policymakers will be in a better position to understand, and respond to, current and emergent trends in workplaces and labour markets.

Combining a "relational" perspective on the labour market with the predominant "structural" framework now used by analysts, policymakers and practitioners offers a deeper understanding of today's workplace. For example, the addition of a relational perspective adds clarity to some of the existing definitions of temporary work and self-employment. By examining the legal aspects of employment and self-employment, we offer new insights about the nature and content of contractual arrangements. Furthermore, a finely grained analysis of variations in the strength of employment relationships shows that specific job and workplace characteristics mainly account for these variations.

Finally, we show that strong employment relationships are good for employers and workers in terms of a range of positive outcomes with which they are associated, including job satisfaction, workplace morale, opportunities for skill development and use, low turnover and low absenteeism. Our basic conclusion is that employment relationships have important consequences for individuals, employers and labour market organizations, and thus warrant closer attention in discussions of employment policy. As such, our perspective on employment relationships expands the ingredients of what constitutes a "good job" beyond pay, benefits and security to include a range of social, psychological and organizational features of work contexts and relations.

We have organized the report as follows:

- Section 2 describes the conceptual model that informs this study.
- Section 3 outlines the research design in more detail. We then turn to the results of our analysis.
- Section 4 provides new insights about the nature of "non-standard" work from the vantage point of employment relationships, and highlights "grey areas" that still require further research.
- Section 5 examines the legal aspects of employment relationships for both the self-employed and employees, again stressing the need to focus more attention on how these features of work are changing.
- Section 6 describes how we measured employment relationships and links this approach to current thinking about labour market structures, presenting a new map of the Canadian labour market.
- In Section 7, we examine the socio-demographic, work context and labour market factors associated with variations in employment relationships, attempting to identify groups of workers who have strong and weak employment relationships.
- Section 8 discusses how variations in employment relationships matter for individual workers, employers and unions.
- Section 9 summarizes the research findings and considers their key implications for workers, employers, and public policy.

2

Rethinking Employment Relationships

Most talk about the changing nature of work uses language describing work and labour market *structures*. This is exemplified by terms such as industrial restructuring, workplace re-engineering, downsizing, and flexibility. Transformations in work are linked to shifts in the structure of industries nationally and globally, the reorganization of work within firms, technological change, and generally whether management strategies emphasize cost-cutting or human resources development. Within the Canadian labour market, the combined effects of these changes have been linked to a troubling dualism: between "upper tier" and "lower tier" service industries and between "good jobs" and "bad jobs."[1] The real effects of this dualism can be seen in pay, benefits, security, training opportunities, and career prospects – and ultimately the productive use of the nation's human capital.

However, this structural language limits our view of the changing work landscape. Statistics Canada's Labour Force Survey is the basis for the structural mapping of employment presented in Figure 2-1. It tells us little about employment relationships that underlie and shape these labour market attachments. What Figure 2-1 highlights is that a sizeable share of the labour force is not in "standard" work, here defined in terms of a single, full-time and permanent job of more than six months duration. More specifically, of all employed Canadians in 1998, 82.4 percent worked as paid employees, 72.6 percent worked as paid employees in permanent jobs, 61.7 percent work as paid employees in permanent jobs that were full time, and 54.2 percent worked as paid employees in one job only that was permanent, full time and lasted six months or more. This leaves 46.8 percent of the employed labour force in some form of non-standard work.

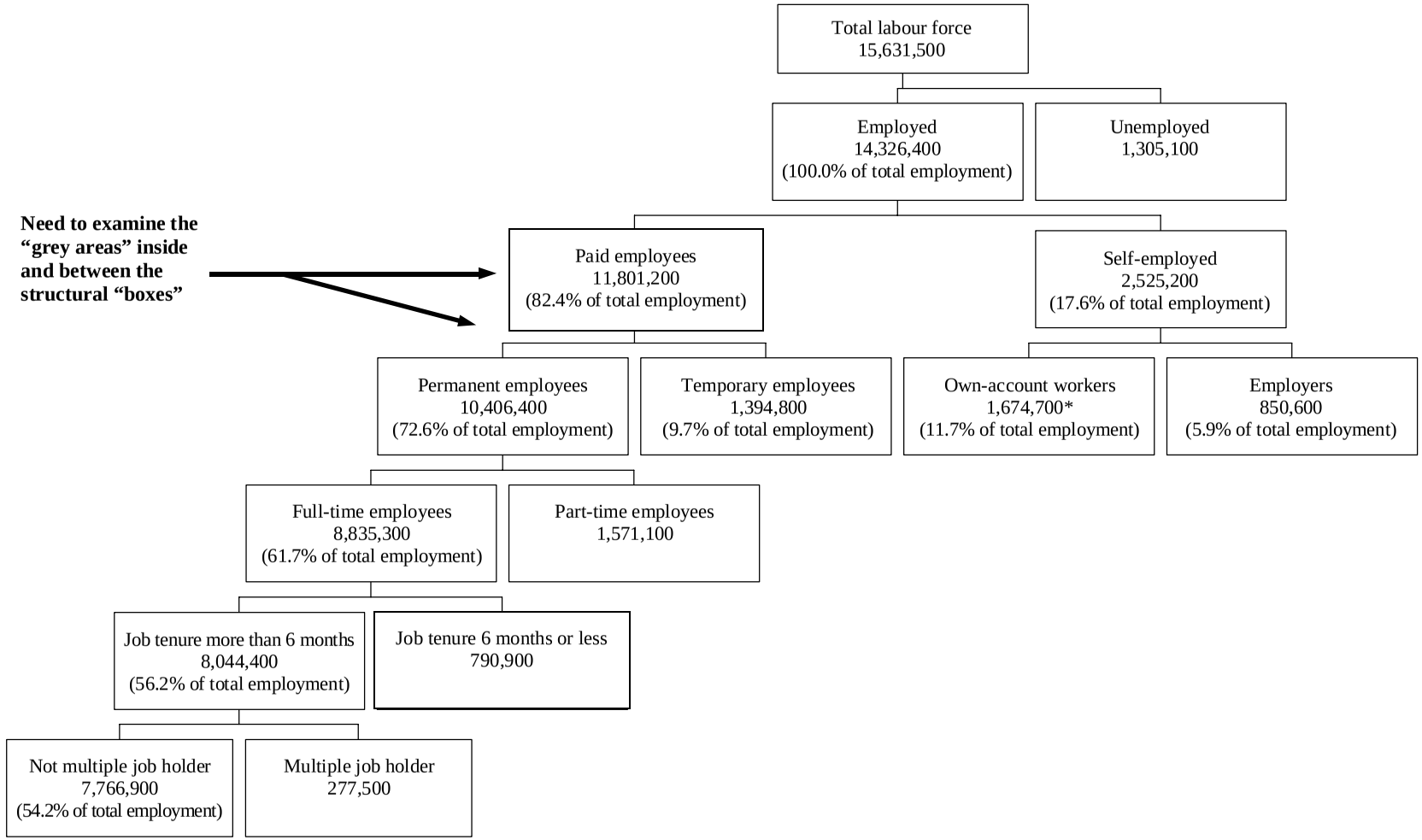
From Structures to Relationships

The labels in Figure 2-1 tell us something about an individual's attachment to the labour market, but not in *relational* terms. However, analysts and policymakers alike have relied on these labels to draw inferences about employment relationships. Standard forms of employment tend to be more secure and, as such, based on higher levels of trust and commitment, which are assumed to be reduced in non-standard work. While generally this is accurate, as the conditions and rewards of work become more diverse within each broad category, profiling the "average" becomes less meaningful. More useful, then, would be to analyze the *relational dimensions* of "standard" and "non-standard" work forms. Potentially, this can provide nuanced information on how jobs are experienced, and provide guidance on the policies needed to improve outcomes for both employers and employees.

In order to shift our view of work from the structural to the relational, we must critically reflect on the conceptual boxes traditionally used to describe trends in the labour market. Of special interest are how the content of work in these boxes is

Figure 2-1

The Structural Map of the Canadian Labour Market



* Includes unpaid family workers.
Source: Statistics Canada, Labour Force Survey, 1998 annual averages.

actually experienced, and how the distinctions between the types of employment may have become blurred or redefined. As we have documented elsewhere, the shift from standard to non-standard forms of work is visible in self-employment, temporary work, and decentralized work locations, yet each of these work arrangements varies greatly and the demarcations within and between the categories are becoming less distinct.[2] Thus to understand employment relationships requires us to "unpack" the boxes in Figure 2-1 and to take a closer look at the links between the boxes. Employment relationships are the "grey" or "fuzzy" aspects of the labour market.

As the International Labour Organization observes, "there is a range of employment relationships, from truly autonomous self-employed workers to wholly dependent, protected employees."[3] However, this statement implies a single dimension on which employment relationships vary – the degree of worker independence. Our extensive review of four distinct areas of scholarly research on employment relationships – industrial and employment relations, legal, organizational and social-psychological – found no consensus definition of an employment relationship, largely because the issue has been examined from various angles by different social science disciplines. For example, some researchers examine the legal underpinning of these relationships with an emphasis on legislative frameworks, contractual obligations and rights. Yet this focus on formal rules and regulations sheds little light on the interpersonal elements of these relationships. Others examine employment relationships in terms of the psychological and social expectations and interactions between parties, while still others examine how employment experiences are shaped by the institutional context in which they are situated. In short, scholars from different disciplines examine limited aspects of these relationships.

A Model for Understanding Employment Relationships

After reviewing the relevant literatures, we concluded that a multi-dimensional approach to employment relationships is required. Key themes in the literature provide a basis for a comprehensive, interdisciplinary model presented in Figure 2-2. By drawing on diverse scholarly perspectives, we have designed a model of employment relationships that encompasses variations at the broad level of institutional and legal regulation down to the experiences of individual workers in specific workplaces.

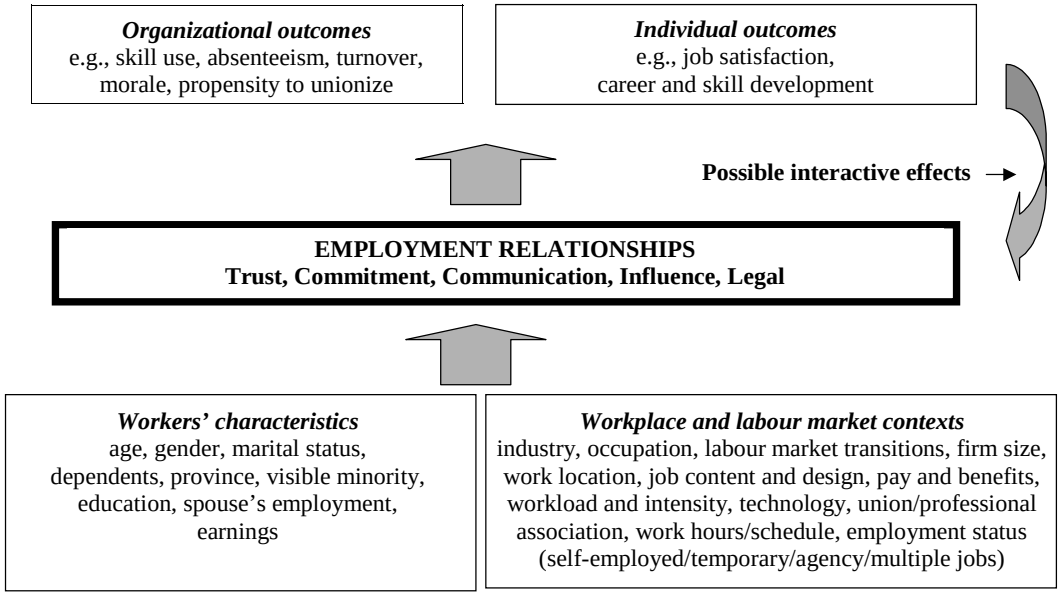
Beyond the legal basis of employment relationships, the core dimensions are trust, commitment, influence and communication. Trust is based on the expectation that an employer or client will act fairly; it assumes interdependence, mutual exchange and norms of reciprocity. For employees, trust flows from the perception that their employer is concerned about their well-being, is competent to handle organizational change, and is open and honest about change. Commitment refers to an individual's personal identification with an organization and its goals. Influence means having a say in decisions affecting one's work, including exercising discretion over work schedules and how the work gets done. Communication is a basic feature of any effective and cooperative work relationship: workers having a clear understanding of their role, receiving the information required to perform this role, and receiving feedback on how they do it.[4]

Figure 2-2 also outlines the logic that guided the development of the CER survey and how we approached the data analysis in this report. We are interested in how the characteristics of individual workers, their workplace and their labour market situations (the two boxes at the bottom of the figure) influence the nature of their employment relationships (middle of the figure), and in turn how these relationships are associated with the quality of work life and organizational effectiveness (top of the figure).

While there are causal assumptions imbedded in the model, largely reflecting what published research has to say on the factors in the bottom and top layers of boxes in Figure 2-2, we recognize that cross-sectional data are inadequate for fully testing the direct effects of employment relationships on outcomes. Furthermore, previous research also would suggest that some of the outcomes may reinforce workers' perceptions of their working conditions, and this could apply as well to employment relationships. For example, individuals who have a

Figure 2-2

The Organic Links between Work Environments, Employment Relationships, Quality of Work Life, and Organizational Performance



satisfying, healthy and rewarding work environment may feel stronger trust and commitment than workers who do not have these conditions. These are cautionary notes to bear in mind when interpreting the CER survey data (or any survey data taken at a single time point). However, we are confident that the consistency, strength, and direction of the associations we identify in the survey, and corroborated through focus group discussions, confirm the basic soundness of the model.

3

Studying Employment Relationships

Guiding Questions

As background for the study, CPRN commissioned a report on the gendered nature of self-employment and a discussion paper that reviewed relevant research literature to construct a conceptual framework for studying employment relationships.[5] Based on these documents and on the feedback received from several CPRN roundtables and Advisory Committee meetings, we developed the following research questions to guide the project:

1. How can we improve our understanding of labour market structural locations by looking at the underlying relationships?

2. What are the key dimensions of employment relationships and what does the labour market look like when remapped from this perspective?

3. How do employment relationships vary by class of worker, standard or non-standard work arrangement, industry, occupation, and other workplace and labour market contextual factors?

4. By viewing the labour market from the perspective of employment relations, what new insights can we gain about the determinants and distribution of work rewards and quality of work life?

5. To what extent do employment relationships influence organizational outcomes that are important for employers and unions?

6. What are the key implications of this research for workers, employers, and public policy?

Research Design

These questions required new quantitative and qualitative information on Canadians' work situations. This we obtained by designing a survey and linked focus groups, both of which were conducted by Ekos Research Associates, a partner in this study:

- In the CPRN-Ekos Changing Employment Relationships Survey (referred to as the CERS throughout this report), 2,500 employed Canadians were interviewed by telephone. These workers are representative of the employed labour force in Canada. The CERS documented patterns and variations in employment relationships (see Box 1).

- Eight focus group discussions conducted in four cities across the country gave employees and self-employed individuals an opportunity to explore in depth how they experienced employment relationships (see Box 2).

A strength of this research design is its integration of the breadth of a national survey with the depth of focus group discussions. It is worth pointing out several features of the CERS that distinguish it from various Statistics Canada surveys that have been the main source of policy information on work restructuring. First, the latter tend to focus on

Box 1

The CPRN-Ekos Changing Employment Relationships Survey

This telephone survey interviewed 2,500 currently employed Canadian residents 18 years of age or older. Quotas were assigned by region (determined by each province's population as a percentage of the whole Canadian population) to ensure that the sample would be nationally representative. A probability sample of this size and design has a margin of error of plus or minus 2 percent, 19 times out of 20.

The survey used a household-based sample frame by drawing from a randomized database comprised of all telephone directories published in Canada, supplemented with randomly generated telephone numbers to ensure that unlisted telephone numbers also had an equal chance of being called. Interviews were conducted by trained, experienced and bilingual Ekos staff using a computer-assisted telephone interviewing (CATI) system. Households were called eight times before a number was retired in the absence of a response. The initial sample contained 17,361 phone numbers: 3,128 had to be eliminated because the numbers were not in service, were business fax or modems, or were duplicates. This left a functional sample of 14,233 numbers. The response rate from the functional sample was 39.2 percent (the functional comprises all cooperative contacts: 2,500 individuals who completed interviews plus the 3,083 contacts that would have completed interviews if we had not imposed criteria on the survey).

The survey instrument was pre-tested in early February 2000 and the field work spanned from mid-February to mid-March 2000. The average duration of completed interviews was 22 minutes.

The data were reviewed against the population distribution of province, age, gender and industry, using Statistics Canada's Labour Force Survey. To correct for slight variations in the CERS sample, these data are weighted for gender and age. Table 3-1 presents a description of the socio-demographic and labour force characteristics of the (weighted) sample.

In addition to measuring trust, commitment, communications, influence, and the legal aspects of employment relationships, the questionnaire also collected information on respondents' socio-demographic characteristics, labour market and workplace contexts, and individual and organizational outcomes of relevance to employment relationships (see Appendix B). Where possible, questionnaire items were replicated or adapted from academic research and Statistics Canada surveys, and several recent policy-oriented surveys conducted in Europe.

one set of issues (e.g., work arrangements and preferences, human resources management practices, technology use, health), while the CERS trades off some of the detail obtained through a narrow focus for a broader coverage of a wider range of issues. Second, few Statistics Canada surveys probe workers' experiences, expectations, values, and relationships – the sociological and psychological aspects of work embodied in employment relationships.

Although neither a national survey of this size nor a series of focus groups can provide definitive answers to all the above questions, we believe that our research findings are a major step in this direction, pointing the way for future research on the changes and importance of employment relationships in the lives of working Canadians. In this respect, the exploratory nature of the CER study serves to pinpoint the "grey zones" in the labour market that remain, and which other researchers, including Statistics Canada, can address in the near future.

A Profile of Survey Respondents

A profile of the individuals who responded to the CERS is provided in Tables 3-1 and 3-2. As noted already, the CERS data are weighted for age and gender to achieve representativeness with the national employed labour force, using 1999 Labour Force Survey (LFS) annual averages as the comparison. The CER sample is 18 years and older, whereas the Labour Force Survey includes individuals 15 years and older. Note that 43 respondents did not give their age (reported in Table 3-1 as "missing data"). There is some overlap in the self-identification of Aboriginal and visible minority

Box 2

Focus Groups on Changing Employment Relationships Survey

In order to explore qualitatively the main themes arising from the CPRN–Ekos Changing Employment Relationships Survey, eight focus groups were conducted in Vancouver, Toronto, Montreal and Halifax (two in each city). Focus groups were moderated by experienced moderators from Ekos Research Associates, who provided detailed summaries of the discussions. The first group was made up of full- and part-time employed individuals, including multiple job holders. The second group included a mix of own-account self-employed individuals and self-employed employers. The discussion guides for each group contained only minor differences.

Groups had between 8 and 11 participants each. To the extent possible, participants were selected from among survey respondents (35 of the 75 participants were survey respondents) and other participants were randomly selected from the general employed population. Each of the focus groups included representatives from many different types of industries, as well as a good mix of men and women, and persons in different age groups.

To determine which dimensions of employment relationships were most important to participants, the groups began with a series of general probes asking participants to identify the ingredients of a good job, the good and bad aspects of their relationships with their employers or clients, and the importance of the quality of employment relationships to overall job satisfaction.

The second part of the discussions was designed to get participants to explore each of the five dimensions of employment relationships that emerged as most important from the survey. These five dimensions were: commitment, trust, communication, influence and legal protections. Participants were asked to define each dimension, rate the strength and importance of each dimension in their own work, and discuss the factors that contribute to the strength or weakness of each dimension.

Toward the end of each focus group, participants were asked to discuss a number of potential factors that could have an influence on their employment relationships.

Table 3-1

Socio-demographic Characteristics of the CERS Sample, Compared with the Labour Force Survey

	CERS sample[1]		1999 LFS
	Number	Percent	
Male	1,351	54.0	54.1
Female	1,149	46.0	45.9
18-24 years	373	14.9	15.2
25-34 years	537	21.5	23.7
35-44 years	754	30.2	28.8
45-54 years	542	21.7	22.1
55 + years	251	10.1	10.2
Missing data	43	1.7	-
Aboriginal	138	5.5	-
Visible minority	303	12.1	-

1 CERS data are weighted for age and gender. The CERS sample includes individuals 18 years of age and older, whereas the Labour Force Survey includes individuals 15 years and older.

Source: CPRN-Ekos Changing Employment Relationships Survey; Statistics Canada, 1999 Labour Force Survey annual averages.

Table 3-2

Labour Market Status of the CERS Sample, Compared with the Labour Force Survey

	CERS sample[1]		1999 LFS
	Number	Percent	
Self-employed	382	15.3	16.9
Own-account	227	9.1	10.9
Employer	155	6.2	5.8
Employee	2,118	84.7	83.1
Permanent	1,885	75.4	73.0
Temporary	216	8.6	10.0
Missing data	17	0.7	-
Total part-time (<30 hours)	357	14.3	18.5
Total multiple job holders	258	10.3	5.0

1 CERS data are weighted for age and gender. The CERS sample includes individuals 18 years of age and older, whereas the Labour Force Survey includes individuals 15 years and older.

Source: CPRN-Ekos Changing Employment Relationships Survey; Statistics Canada, 1999 Labour Force Survey annual averages.

status. Respondents could answer both questions, and 51 persons did so. Neither of these characteristics is measured by the LFS.

The CERS includes an adequate number of respondents in "non-standard" work categories for analytical purposes. Compared to the LFS, it is important to bear in mind that the CERS sample has a slight over-representation of younger workers (under age 25) and a slight under-representation of 24- to 35-year-old workers. There are also somewhat higher proportions of high school graduates, as well as multiple job holders, in the CERS sample than in the LFS. Industry breakdowns show that the CER sample has somewhat fewer workers in the goods-producing industries than the LFS and somewhat more from the public sector, cultural industries and consumer services.

4

A Deeper Understanding of Non-standard Work

The growing diversity of non-standard employment relationships over the past two decades has surpassed the explanatory limits of the structural model of the labour market, which revolves around the distinction between standard and non-standard forms of employment. Consider two examples. Clear distinctions between permanent and temporary jobs often are difficult to make given the wide array of contract, casual, seasonal and temporary help agency employment now available. Likewise, the spread of self-employment coupled with changing relationships between self-employed workers and their clients blurs the line between paid employment and self-employment.

In this section, we use results from the CERS to deepen our understanding of non-standard work. We examine the grey areas between some of the traditional conceptual boxes in Figure 2-1. Our focus is on two growing labour market trends of the past decade: temporary work and self-employment. We critically assess current definitions and measures of temporary employment and examine the issue of "disguised employment" among self-employed contract workers, freelancers and consultants who have strong ties to a single client. And finally, we explore how for some self-employed individuals, their family members and homes are key resources, providing access to benefits, business partners and work locations.

Temporary Help Agencies

Confusion surrounding the definition and measurement of temporary employment makes it difficult to accurately judge this trend. Especially problematic in this regard are jobs obtained through temporary help agencies, where individuals may have continuous employment over an extended period with a single agency. Although these individuals may work at different clients' job sites, perhaps experiencing some uncertainty about future assignments, their employment may be no more precarious than that of permanent employees. Consequently, some individuals employed through temporary staffing agencies may not consider themselves to be "temporary." This creates potential measurement error, given that the Labour Force Survey and most other surveys of employment trends rely on self-reported status to classify employees as either permanent or temporary.

Using the Labour Force Survey definition of permanent employment as a job that has no specific end date, the CERS identified temporary workers by asking all employees: "Is your job permanent, that is, has no specified end-date, or is it temporary?" We later asked employees if they received their pay cheque from a temporary help or employment staffing agency, allowing us to determine how many individuals are employed through such agencies regardless of whether they perceive their jobs as temporary or not.

One in 10 paid employees in the CERS sample identified their job as being temporary. Looking more closely at this group, we found that 15 percent of these self-identified temporary workers received a pay cheque from a temporary help or employment

staffing agency. However, among the CERS respondents who identified their job as *permanent*, 5 percent also received a pay cheque from a temporary help or employment staffing agency. This confirms that sizeable numbers of temporary agency workers see themselves as ongoing employees of an agency – a conclusion supported by the fact that about 50 percent of this group did not answer other questions pertaining to temporary jobs.

These findings call for more accurate ways to identify temporary employment. Should temporary agency workers be considered permanent employees if they have continuity of work through one agency? Or should all temporary agency workers be classified as temporary? Such measurement decisions have direct bearing on our understanding of labour market trends. Extrapolating CERS findings (5 percent of permanent workers in temporary agencies) to the Labour Force Survey would increase the number of temporary workers in Canada by approximately 500,000, raising the national incidence of temporary employment by more than 4 percentage points, to just over 16 percent.[6]

Much needed, then, are more precise definitions and measures of temporary work, especially regarding the role of labour market intermediaries such as temporary help agencies. Without this information it will be difficult to formulate clear policy directions to address the needs of temporary workers and to respond effectively to the labour market implications of the growing temporary help "industry." Recent research suggests that temporary agency work has contributed to the precariousness of employment in Canada, especially for women who predominate among temps – a point reinforced by some of the CERS findings.[7] This underscores the need for a comprehensive review of the policy implications of how the growing temporary help industry is fundamentally recasting the employment relationship.

Temporary Jobs and Longer Term Relationships

The broader issue here is the nature of the relationship that workers have to whoever pays them, even though the specific job this person performs may be of short duration. Temporary jobs are generally defined as those having a specified end-date, which can be tied to the completion of a task or project, or the end of a season. But while a job may be temporary, the relationship between an employee and employer may not be. Indeed, the relationship between two parties may be formalized and ongoing, even though the work is organized into sequential short-term assignments or jobs. For example, Parks Canada has many seasonal jobs in national parks that are filled by the same individuals year after year.

Most temporary jobs are not short, one-off spells of employment, but rather are links in a chain of jobs that span a longer period of time. Of the CERS respondents who identified themselves as temporary employees, 61 percent said they had had at least one previous contract or term of employment with their employer over the previous three years, and 39 percent said they had had at least two previous contracts or terms of employment (Table 4-1). And two-thirds of temporary workers say that it is somewhat or very likely that their temporary job will be renewed. This was especially the case among workers aged 25 or older and among those employed on temporary, term or contract jobs. Thus, while a temporary job per se is characterized by a specific end-date, in many instances the relationship between the employer and the term, contract or seasonal employee has a longer duration.

Yet despite this history, many temporary workers view their current conditions of employment and future prospects as inadequate – a point confirmed by CERS findings about access to benefits, preferences and expectations regarding permanent work. Analysts have raised concerns that workers in temporary jobs may be excluded from workplace benefits and protections.[8] Likewise, eligibility for protections and benefits under provincial and federal labour laws are tied to length of continuous service.[9] Employer pension and medical plans are often tied to minimum service requirements of several months, which excludes temporary workers. This may be particularly problematic for individuals employed in a sequence of temporary jobs, as their exclusion from benefits would span a longer period of time. In this context, it is not surprising that temporary workers responding to the CERS are

Table 4-1

Employment Relationships among Temporary Workers, by Gender, Age and Type of Job, Canada, 2000

		Percent who have had at least one previous contract or term of employment with their current employer	Percent who say it is somewhat or very likely that their temporary job with the organization will be renewed	Percent who say it is somewhat or very likely that their temporary job will lead to a permanent position with the organization	Percent of temporary workers who would prefer to have a permanent job
All temporary workers	(216)	61	68	43	76
Men	(102)	65	63	49	83*
Women	(114)	58	71	38	70
Age group					
Less than 25 years	(78)	50*	61	34	65*
Aged 25 or older	(139)	68	72	48	83
Type of temporary status					
Temporary, term or contract job	(81)	60	74*	46	87*
Other[1]	(116)	62	61	39	63

1 Includes seasonal workers, casual workers and workers in temporary help agencies who identified themselves as "temporary."
* Differences between groups statistically significant ($p < 0.05$), Chi-square test.
Source: CPRN-Ekos Changing Employment Relationships Survey.

far less likely than their permanent counterparts to agree that their benefits are good. Indeed, 40 percent of temporary employees agreed or strongly agreed that their job offered good benefits compared with 69 percent of permanent employees.

This may partly explain why many temporary workers (76 percent) expressed a preference in the CERS for a permanent job. This figure is higher than it was in 1989, when the General Social Survey found 65 percent of temps preferring permanent work.[10] And of those temporary workers in the CERS employed in term or contract jobs, almost all (87 percent) would prefer a permanent job. Thus what may be most attractive to these temporary workers who want a permanent job is not some abstract notion of security but the knowledge that these jobs typically provide benefits as well as higher pay.

This preference for permanent work raises questions about whether temporary positions are stepping stones to more secure employment or dead-end traps. Most temporary workers do not expect their current position to lead to something more secure. As reported in Table 4-1, 43 percent of the (self-identified) temporary employees in the CERS consider it somewhat or very likely that their job will lead to a permanent position with their employer. Temporary workers in larger firms (100 or more workers) are most optimistic in this regard, with 57 percent of this sub-group expecting a permanent position to develop, compared with 37 percent in firms with fewer than 100 staff. This may reflect greater reliance by larger firms on temporary positions for recruitment purposes, perhaps as a way to circumvent probationary employment requirements.

Self-employment as Disguised Employment

Distinctions between self-employment and paid employment also have become more difficult to make. This partly reflects the diversity of employment

relationships among the own-account self-employed. As the OECD notes, while usually it is easy to determine if a person is self-employed, this is far less clear-cut for "… people whose status lies between that of wage and salary employment and self-employment, such as free-lance workers, consultants and people working very short hours."[11] Downsizing, restructuring and contracting out have contributed to this, to the extent that former employees set up shop as self-employed freelancers, consultants and independent contractors and end up performing many of the same tasks. Further complicating these kinds of employment relationships is that the work activities of the self-employed individual may be integrated into the activities of client firms.

Legally, the degree of control that a worker exercises is the key to distinguishing between employment and self-employment.[12] This includes having control over how one's job is performed, being able to subcontract to others, and ownership of tools and equipment needed to do the work. An employee would have less control over these factors. However, while control is central to defining the status of a worker, we have noted a blurring of the lines between these statuses and a growing diversity of work arrangements within each.

The CERS illuminates these issues by examining specific aspects of the relationships between self-employed individuals and their clients. At issue is the extent to which some of the self-employed have relationships with a client that can be characterized by a higher level of integration and dependence than one might expect among a group of workers that is commonly thought to be independent. A crucial distinction in the following discussion is between two kinds of self-employed individuals: the *own-account* self-employed, who work on their own, and those self-employed *employers* who hire other individuals.

Close to one in four own-account self-employed often or always work alongside their client's employees, and a comparable proportion often or always use their client's tools or equipment (see Table 4-2). The incidence of the latter is much less (9 percent) among self-employed employers. Finally, 15 percent of all self-employed previously

Table 4-2

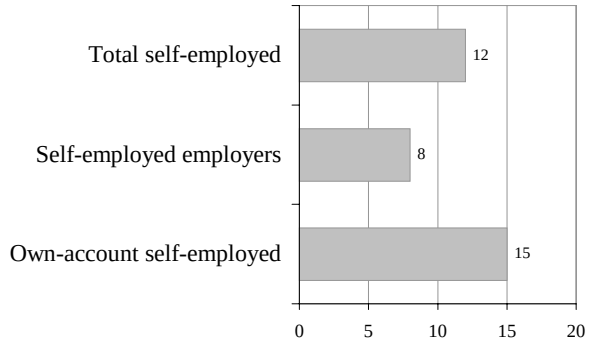
Self-employed Individuals' Relationships with Clients, by Type of Self-employment, Canada, 2000

	Type of self-employment		
	Own-account (n=227)	Employers (n=155)	All self-employed (n=382)
Working relationships			
Percent who often or always use client's tools or equipment in typical month	23	9	17
Percent who often or always work alongside client's staff in typical month	24	25	24
Percent who ever worked for client as paid employee	14	16	15
Financial relationships			
Percent who serve fewer than five clients in a typical month	50	29	41
Percent who received more than 50 percent of total revenue from one client in last fiscal year	35	22	30

Source: CPRN-Ekos Changing Employment Relationships Survey.

Figure 4-1

Overlap between Self-employment and Employment,* Canada, 2000



* This figure reports the percentage of self-employed respondents who scored 5 or more on a scale that combines two items (use client's tools and equipment; work alongside client's staff) and who also relied on a single client for at least half of revenue in the past fiscal year.

Source: CPRN-Ekos Changing Employment Relationships Survey (n=382).

worked as a paid employee of one of their clients. These findings raise the possibility that a minority of self-employed people, especially the own-account, may be "disguised employees."

For some of the self-employed, economic viability depends on their relationship with one or a few clients. One-half of own-account self-employed workers serve fewer than five clients in a typical month and about one-third received at least 50 percent of their total revenue from a single client in the last fiscal year. Comparable figures for self-employed employers are lower, but judging from both measures close to one in four appear to be dependent on a few clients. While we do not know how much continuity there is over time regarding these main clients, the apparently close ties between some self-employed individuals and their clients raise questions about the extent of independence among these self-employed individuals.

To gain a more comprehensive sense of the overlap between self-employment and employment, we combined the three measures just discussed. First we combined two measures – using a client's tools or equipment and working alongside client's staff – into a single scale with a minimum value of 2 (indicating a highly autonomous working relationship) and a maximum value of 8 (indicating a high degree of integration and dependence). We then identified those self-employed individuals with a close working relationship (a score of 5 or more out of 8 on the scale) who also reported a close financial relationship (50 percent or more of total revenue).

Figure 4-1 shows that 15 percent of own account and 8 percent of employer self-employed have a potentially high overlap with paid employment, based on these criteria. We underscore "potential" because only further research can determine if these self-employed individuals are in practice disguised employees or, alternatively, if they occupy a distinct location between truly independent self-employed workers and the traditional "dependent" employee.

Still, this is an important finding with direct policy implications, particularly for tax policies and labour market programs. In fact, the higher than expected non-responses among self-employed individuals to questions regarding the use of their client's tools or equipment (9 percent did not respond) and working alongside the client's staff (12 percent did not respond) further supports our argument that earlier estimates of disguised employment may be low. These are among the criteria used by the Canada Revenue and Customs Agency to determine if a person is self-employed and entitled to a wider range of work-related tax deductions. So disguised employees may be reluctant to answer these questions if they are motivated by tax advantages to claim self-employment status, assuming they claim a range of work-related expenses for which employees are not eligible. However, the possible trade-off is these disguised employees do not have access to Employment Insurance, employer-provided benefits plans, or the greater protections that employees often have regarding termination notice, severance pay, paid vacations, overtime and other employment standards. They also must pay both the employer and employee portions for the Canada/ Quebec Pension Plan.

Links between Paid Work, Family and Home

The CERS also addresses the web of relationships necessary for paid work that extends into families and homes. We looked at three ways in which paid employment relationships may extend into families or homes, drawing on them as resources: obtaining benefits coverage through the employment of one's spouse; the inclusion of family members in small businesses; and home-based work activities.

Turning first to benefits, the growing prevalence of temporary jobs, part-time jobs and self-employment in the 1990s raised concerns regarding the extent to which Canadians have access to workplace benefits. The CERS sketches a more complete picture in this respect.

Respondents were asked if they had access to medical or dental benefits through their business or employer, and if not, whether they received such benefits through their spouse's employment (Table 4-3). Overall, about one in four (23 percent) of all CERS respondents does not have any access to a medical or dental plan. Most (65 percent) have access to such benefits through their own employment while a smaller group (12 percent) has access through their spouse's employment. Spousal benefits are especially important for non-standard workers. For example, when spousal benefit coverage is taken into account, the proportion of all self-employed workers who receive medical and dental coverage increases from 20 to 45 percent (Figure 4-2). Indeed, for individuals in own-account self-employment, the share who receive benefits via their spouse is three times higher than the share who receive benefits through their own employment (30 percent compared with 10 percent). This indirect coverage obviously does not apply to benefits such as pensions, paid parental leave or paid sick leave, all of which are more extensively available to employees compared with the self-employed (Figure 4-3).

The close links between work, family and home have long been a feature of self-employment going back to the time that agriculture was the predominant

Table 4-3

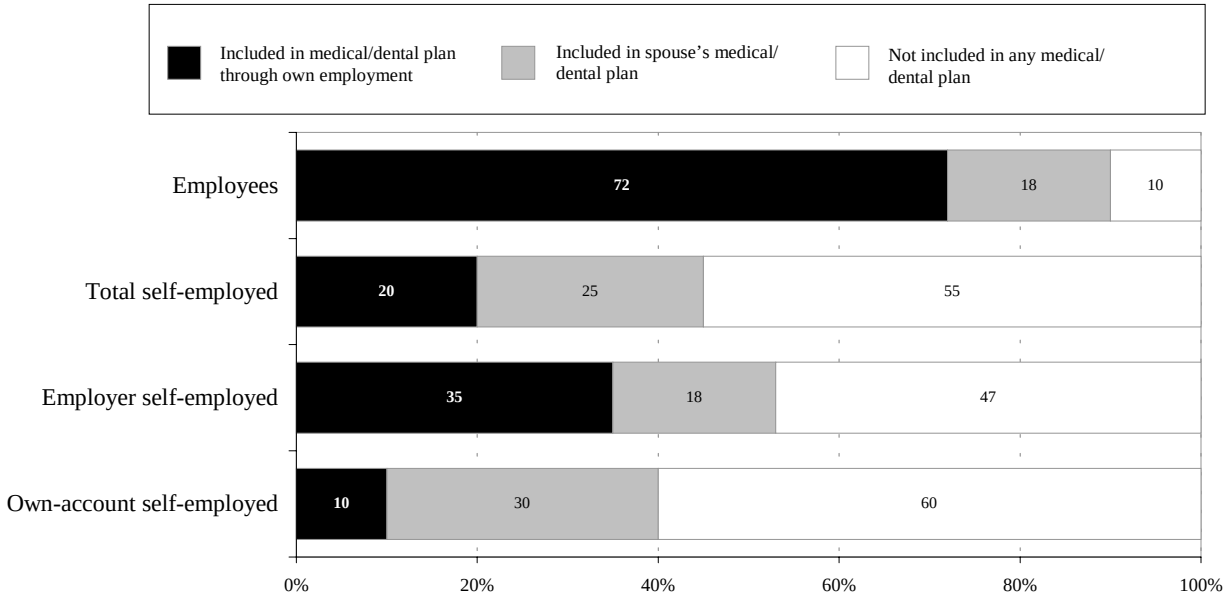
Access to Medical and Dental Benefits, by Selected Characteristics, Canada, 2000

		Included in medical/dental plan through ...			
		Own employment	Spouse's employment	Not included in medical/dental plan	Total (percent)
Total employed	(2,500)	65	12	23	100
Men	(1,351)	67	10	23	100*
Women	(1,149)	62	14	24	100
Paid employees	(2,118)	72	10	18	100
Full-time	(1,828)	79	7	14	100*
Part-time	(290)	31	27	42	100
Permanent	(1,885)	77	8	15	100*
Temporary	(216)	37	22	42	100
Self-employed	(382)	20	25	55	100
Own-account	(227)	9	30	61	100*
Employers	(155)	35	18	47	100

* Differences between groups statistically significant ($p < 0.05$), Chi-square test.
Source: CPRN-Ekos Changing Employment Relationships Survey.

Figure 4-2

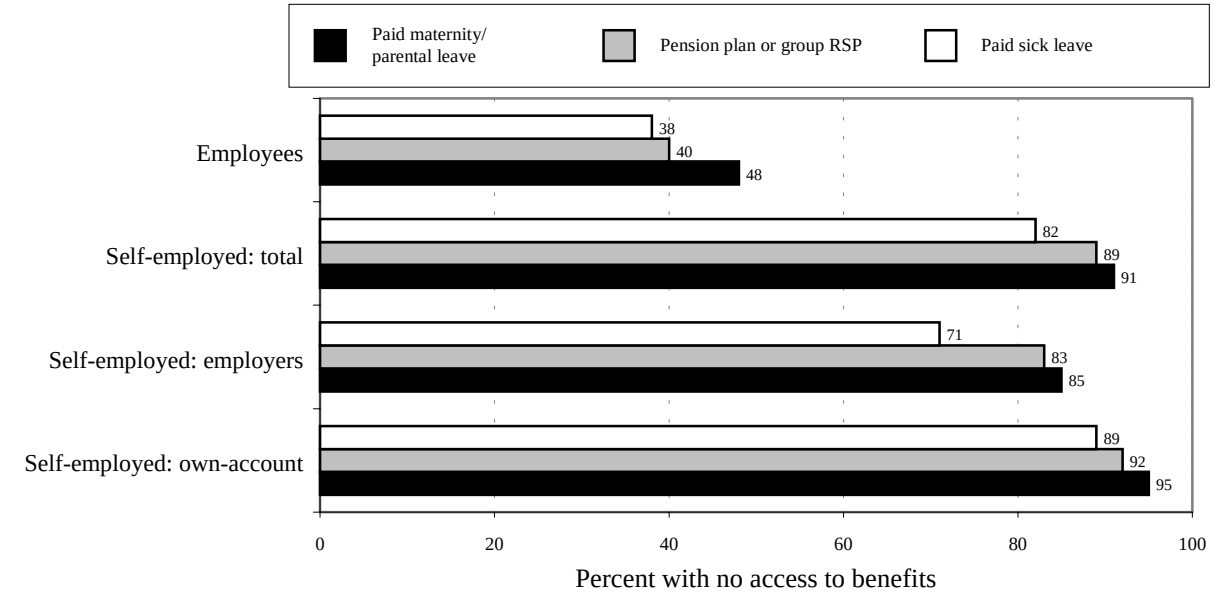
Access to Medical/Dental Benefits, by Class of Worker, Canada, 2000



Source: CPRN-Ekos Changing Employment Relationships Survey (n=2,500).

Figure 4-3

Lack of Access to Family Leave, Pensions and Sick Leave Benefits, by Class of Worker, Canada, 2000



Source: CPRN-Ekos Changing Employment Relationships Survey (n=2,500).

industry in Canada. With the upsurge in self-employment during the 1990s, we might expect to find closer integration between paid work and households. Indeed, fully 79 percent of own-account respondents in the CERS reported that their business is home-based (Table 4-4). This figure is 48 percent among self-employed employers. Furthermore, almost one-half (48 percent) of self-employed employers employ at least one family member and one-half have a business partner, who in most cases is a family member.

These findings raise interesting research questions and policy issues about the role of these family business partners: Are they involved operationally in the business, or is this arrangement mainly for tax purposes? Assuming these family members are active in the business, how do individuals "manage" this intersection of business and family and, furthermore, to what extent are families and households integral business resources for Canada's self-employed?

Another way that employment relationships are merging with households is through home-based work. The rapid spread of information technology enables the decentralization of work activity, raising a host of definitional and conceptual issues. Thus the number of persons working from home in Canada ranges from 4 to 11 percent depending on how home work or telework is defined. Using a broad definition, the CERS puts the figure far higher than this, with 27 percent of employees saying they do at least one hour of paid or unpaid hours at home in a typical week; 14 percent say they do six or more hours of work at home each week.

Our data suggest that this is a response to heavy workloads and high expectations, as home work is most prevalent among those employees who work long hours and are not paid for their overtime. Indeed, of those employees who typically work 45 or more hours during the week and who are not compensated for overtime, 59 percent work at home for at least one hour each week, and 36 percent work six or more hours at home each week.[13] Among workers who usually work between 30 and 44 hours weekly, and who are not paid for overtime, taking work home is less widespread: 36 percent report doing one or more hour of work at home in a typical week, and 17 percent work at home six or more hours weekly. It is important to note that workers who are compensated for overtime work are far less likely to report doing work at home – they do it at the job site and get paid. Furthermore, home work is most prevalent among employees who report that they often or always have difficulty keeping up with their workload (Figure 4-4). This suggests that for many employees, doing some of their work at home is a way of coping with heavy workloads, rather than a result of greater flexibility and choice through employers' flex-time or telework policies.

Table 4-4

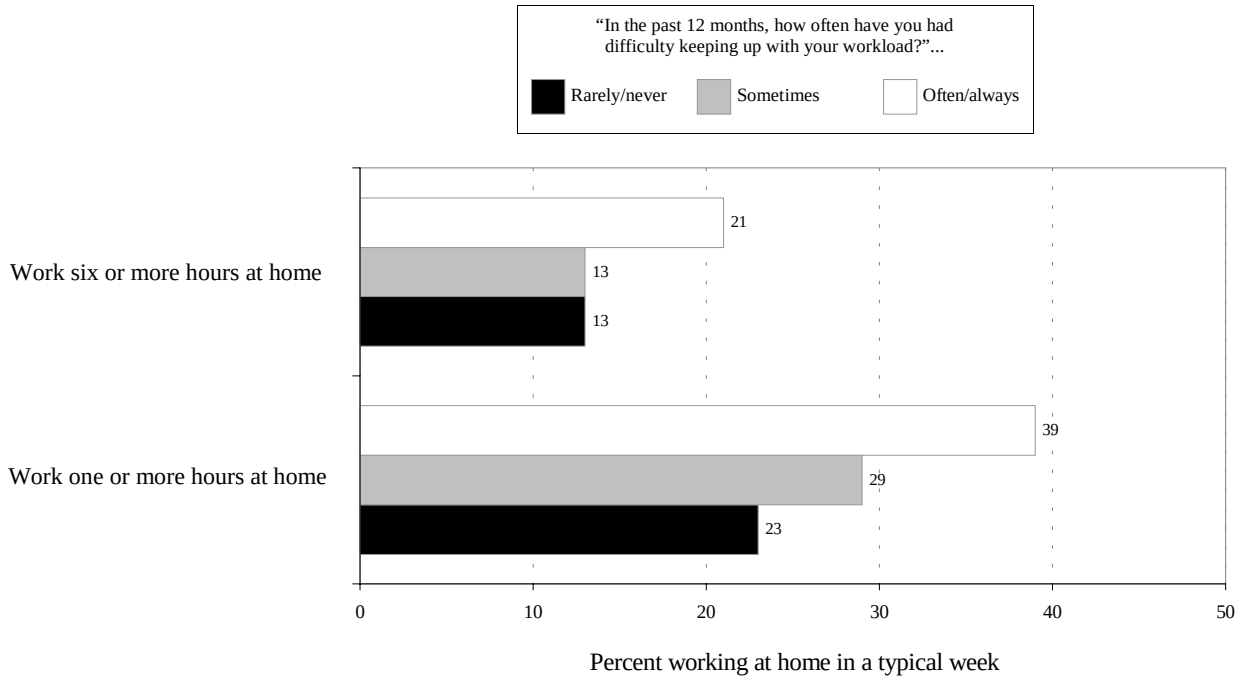
Links between Self-employment, Home and Family, Canada, 2000

	Own-account (n=227)	Employer (n=155)	Total self-employed (n=382)
Percent with a home-based business	79	48	67
Percent who have a business partner who is a family member	12	36	22
Percent who employ family members (as employees)	not applicable	48	–
Percent who have a business partner	20	51	32
Percent who are "very satisfied" with their relationship with their business partner	80	77	78

Source: CPRN-Ekos Changing Employment Relationships Survey.

Figure 4-4

Usual Weekly Hours Worked at Home in a Typical Week, by Workload, Paid Employees, Canada, 2000



Source: CPRN-Ekos Changing Employment Relationships Survey (n=2,118).

Conclusion

To summarize, we lack clear legal definitions of the distinctions between standard and non-standard work, temporary and permanent workers, and self-employed and employee. Given that most employment policies were designed for "standard jobs," policymakers lack some of the analytic tools needed to address the needs of individuals in non-standard work arrangements. As varieties of non-standard work proliferate, the traditional line between employee and employer becomes increasingly blurred. To further explore the nature of employment relationships, we now will examine the legal arrangements that in part define these relationships.

5

The Legal Basis of Employment Relationships among Employees

In this section, we examine the legal form of employment relationships: the extent to which employees have informal verbal agreements or more formal written contracts with their employers. The content of these agreements are subsequently considered, along with the role played by third parties – unions, staff associations and professional associations – in employment relationships. Finally, we focus attention on the degree to which Canadians' employment relationships are formalized, ranging from informal agreements that leave many aspects of the relationship implicit, to more formalized written contracts that specify expectations, processes and responsibilities in detail.

The Form of Employment Agreements

The legal aspects of employment relationships are set out in federal and provincial labour codes, human rights legislation, and health and safety legislation. In addition, working conditions and the entitlements, obligations and responsibilities of employers and employees may take a wide range of forms, from detailed written regulations and terms to brief verbal agreements based on a handshake.

The particular form of the employment contract largely determines the rights and protections available to workers. Verbal agreements may be less precise than written contracts in defining the expectations, entitlements and responsibilities. In the case of disputes, employees could have difficulty verifying the terms of the agreement if nothing is written down. However, verbal agreements may depend on a higher level of trust between the parties.

Few national studies have attempted to document the legal basis of employment relationships. To begin to fill this gap, employees in the CERS sample were asked if "the duties, pay, hours or other conditions and requirements of their job are set out" by a verbal agreement, a letter, an individual employment contract, a union or professional association contract, or written policies or manuals. We categorized responses (some individuals identified more than one) into four groups, and these are presented below in ascending order of formality:

1) Job requirements are established only through a verbal agreement (least formal employment relationship).

2) Job requirements are set out in written policies or manuals. These individuals may or may not have a verbal agreement with the employer, but they do not have a written letter or employment contract.

3) Individuals who have a letter from their employer specifying the requirements of the job. These individuals may or may not have a written policy or verbal agreement, but they do not have an employment contract.

4) Individuals who have an employment contract with their employer (most formal employment relationship).

Overall, we discovered that 61 percent of all employees surveyed have a written employment contract that defines the conditions and requirements of their job. However, while virtually all unionized workers have such a contract, this is the case for less than one-half (42 percent) of non-unionized workers (Figure 5-1). Indeed, 26 percent of non-union employees have only a verbal agreement with their employer, while another 20 percent have written policies or manuals – but no letter or employment contract specifying the details of the relationship.

Table 5-1 reports these legal arrangements by selected demographic, labour market and workplace characteristics – only a few of which stand out. For instance, we found that women are slightly more likely than men to have a written employment contract. This probably is because a large proportion of women are employed in public administration, health care and education – sectors characterized by high rates of unionization and membership in professional and staff associations. Employees who have below average earnings or education are among the most likely to have only a verbal agreement with their employer. These individuals are unlikely to have the resources or bargaining power (via a union or professional association) that would enable them to seek redress should a dispute arise over aspects of the employment relationship.

Not surprisingly, employment relationships are less formalized in small firms, where over half of all non-unionized employees have a verbal agreement with their employer. Perhaps less expected, however, is the high degree of formalization in the employment relationships among non-standard workers. For example, there is little difference in the form employment relationships take when we compare part-time and full-time workers. Moreover, over two-thirds (69 percent) of all temporary workers are in a formalized relationship with a written contract defining the terms of their employment. In other words, the contingent nature of such employment is legally defined by the employer.

Figure 5-1

Legal Arrangements among Non-union Employees, Canada, 2000

Source: CPRN-Ekos Changing Employment Relationships Survey (n=1,412).

Table 5-1

Forms of Employment Agreements, by Selected Characteristics, Paid Employees, Canada, 2000

		Verbal agreement	Written policies or manuals	Letter	Contract	Total (percent)
All Employees						
All	(2,118)	17	14	8	61	100
Men	(1,110)	19	14	8	59	100
Women	(1,008)	15	14	8	63	100
Unionized	(677)	n/a	n/a	n/a	97	100
Non-unionized	(1,412)	26	20	12	43	100
Part-time	(290)	19	17	n/a	57	100
Full-time	(1,828)	17	13	8	62	100
Temporary	(216)	18	n/a	n/a	69	100
Permanent	(1,885)	17	14	9	60	100
Non-unionized employees						
All	(1,412)					
Men	(750)	28	20	12	41	100
Women	(662)	23	20	11	46	100
Age						
Less than 25 years	(286)	27	19	7	47	100
25 to 34 years	(332)	23	19	13	46	100
35 to 44 years	(392)	25	21	13	41	100
45 or older	(376)	29	19	12	41	100
Firm Size (All locations)						
Less than 10 employees	(236)	52	12	n/a	29	100
10 to 24 employees	(214)	37	18	n/a	36	100
25 to 99 employees	(302)	25	21	8	46	100
100 to 499 employees	(255)	18	23	14	46	100
500 or more employees	(349)	10	23	15	52	100
Single establishment	(511)	40	17	8	35	100
Multi-establishment	(886)	17	21	13	48	100
Education						
Less than high school	(115)	41	n/a	n/a	32	100
High school	(504)	32	18	9	42	100
Certificate or diploma	(486)	22	22	11	44	100
University degree	(299)	15	21	16	49	100
Weekly Earnings						
Less than $300	(250)	32	21	9	39	100
$300 to $599	(375)	32	16	9	44	100
$600 to $899	(245)	22	20	8	50	100
$900 to $1,199	(134)	17	21	18	45	100
$1,200 or more	(139)	n/a	21	19	49	100

n/a = Sample size too small to provide a reliable estimate. Totals may not sum to 100 percent because of rounding.

N. B.: Eighteen CER respondents indicated that the duties, pay, hours, and other conditions and requirements of their job were set out in some "other" way. These cases are not included in the table.

Source: CPRN-Ekos Changing Employment Relationships Survey.

Issues Covered by Employment Agreements

Now that we have a clearer picture of the forms of employment agreements, we need to know what issues each typically addresses. This is examined in Table 5-2, which shows that most verbal agreements include a description of job responsibilities and expected hours of work, but do not cover methods for evaluating job performance or terms for layoff or firing. In this respect, verbal agreements appear to be silent on important aspects of employment relationships. Only a few (14 percent) employees with a verbal agreement said that none of the four items listed in Table 5-2 were included in their agreement.

By contrast, employment relationships that are codified in written documents are more comprehensive in the issues they cover, with written contracts being the most comprehensive in scope. That is, over 80 percent of contracts describe job responsibilities and hours of work, 74 percent set out terms for layoffs or dismissal, and 66 percent state methods for evaluating job performance. Close to half (45 percent) of contracts cover all four of these issues.

Assessing the Formalization of Employment Agreements

We can use the content of employment agreements to get a sense of the extent to which Canadian

Table 5-2

Types and Number of Issues Covered in Employment Agreements, Paid Employees, Canada, 2000

	Form of employment contract				
	Verbal agreement	Written policies or manuals	Letter	Contract	Total
	(Percent)				
Type of issue covered					
Description of job responsibilities	62	80	73	82	78
Expected hours of work	74	63	73	81	76
Terms for layoff or firing	28	58	48	74	62
Method of evaluating job performance	46	70	65	66	63
None of the above	14	n/a	n/a	3	5
(N)	(353)	(275)	(162)	(1,240)	(2,030)
Number of Specified Issues Included in Employment Agreement					
None	14	n/a	n/a	3	5
One	22	15	13	9	12
Two	24	20	23	16	18
Three	22	27	23	27	26
Four	18	34	33	45	38
Total	100	100	100	100	100
Percent of persons whose job is measured against standard goals and objectives	49	75	69	73	69

n/a = Sample size too small to provide a reliable estimate.
N. B.: This table includes both unionized and non-unionized employees.
Source: CPRN-Ekos Changing Employment Relationships Survey.

employees have formalized employment relationships. As outlined on the left side of Figure 5-2, the formality of an employment relationship depends on the presence or absence of the following: a written employment contract; written policies or manuals; a formal job evaluation process; procedures for termination or layoff; and the presence of a third party. We determined if the employees responding to the survey (these conditions are not relevant to self-employed individuals) had each of these conditions. An employee with all conditions was assigned a score of 5, those meeting none were scored 0, and so on. However, while it may be the case that more formalized relationships will provide clearer statements, procedures and conditions regarding the rights, entitlements and obligations of employees, we should caution against concluding that employees therefore receive a higher degree of legal protection.

The distribution of employees on this 0 to 5 scale of formalization is reported in Figure 5-2. The largest share of paid employees (42 percent) are in a highly formalized employment relationship (scoring 4 or 5 out of 5), while less than one-fifth (17 percent) are in an informal employment relationship (scoring 0 or 1 out of 5). The remainder (41 percent) fall in the moderate category (2 or 3).

Table 5-3 reports how formalization varies by selected socio-demographic, organizational and labour market characteristics. The table reports mean scores on the formalization scale, which, as noted, range from 0 to 5. Gender and age differences are very minor, with women (compared with men) and workers over the age of 30 (compared with those under 30) tending to be in slightly more formalized employment arrangements. As we might expect, full-time and permanent workers have somewhat more formalized conditions of employment than do part-time or temporary workers. And not surprisingly, jobs in smaller firms are far less formalized than those in larger firms (scores of 1.9 and 3.5, respectively).

Perhaps most interesting from a policy perspective, an employee's education and income clearly show who does and does not have formalized employment relationships. Employees with low levels of education and low weekly earnings report the least formalized employment relationships. That professional, semi-professionals and technical workers score highest on the formalization scale is consistent with the well-documented connection between a person's education and earnings, on one hand, and their occupation on the other hand. The interesting anomaly in this regard is managers, who rank with manual workers on the formalization scale. In contrast to professionals, this may reflect managers' lack of third-party representation and their wider distribution across all firm sizes and industrial sectors, including areas where informality is the norm.

The Role of Unions and Associations in Employment Relationships

Employee membership in a union, staff association or professional association may provide an individual with resources to negotiate an employment contract, contributing to a more formalized employment relationship. The CERS documents membership in labour market organizations, which enables us to move beyond existing research on the role of these "third parties" by looking at the effects of such membership on the legal form and content of employment agreements.

Slightly more than half of employees do not belong to any labour market organization, while 32 percent are union members (almost identical to the Labour Force Survey estimate), 19 percent belong to a professional association, and 10 percent are members of a staff association (Figure 5-3). It is important to note that some individuals have dual membership, most likely in both a union and professional association (16 percent of union members belong to both).

Figure 5-4 addresses this issue of overlapping memberships. About one-quarter of employees belong to a union only. Another 9 percent of paid employees belong to a professional association only. What is notable is the overlap between these two types of labour market organization. Five percent of all employees are represented by both unions and professional associations. Examples would be nurses, teachers and social workers. There also is

Figure 5-2

Distribution of Employees by the Level of Formalization of Their Employment Agreement, Canada, 2000

THE FORMALIZATION SCALE:

The formality of an employment agreement is determined by the following:

1) **Presence of written employment contract**:

   – is the employment contract formalized in a written letter or contract?

2) **Presence of written policies or manuals**:

   – are elements of the job specified in manuals or policies?

3) **Presence of formalized job evaluation process**:

   – is job performance measured against standard goals and objectives?

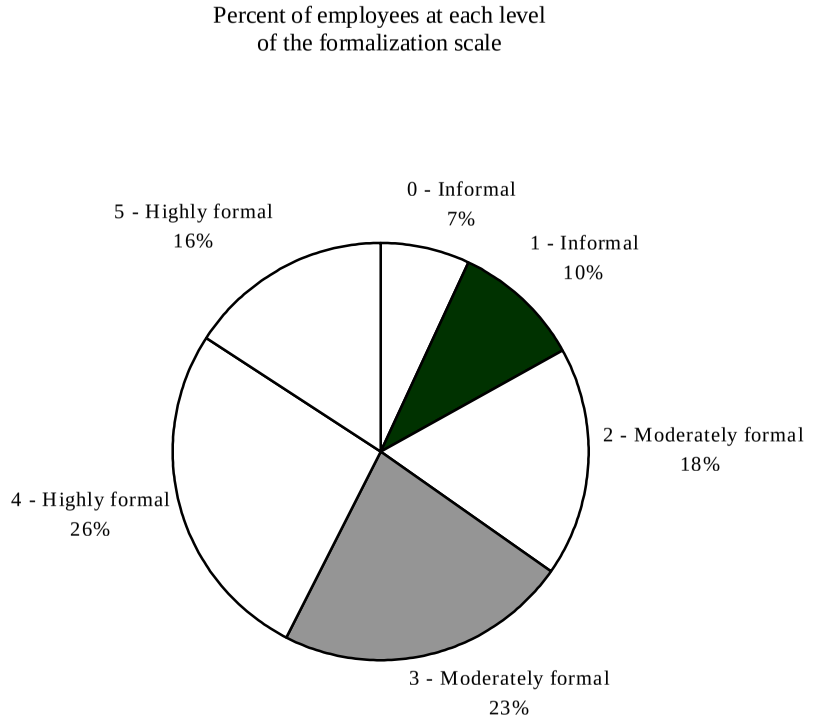
4) **Presence of termination terms**:

   – are terms for the termination of the job specified?

5) **Presence of a third party**:

   – is the employer-employee relationship mediated by a union or association?

Employees responding to the CER survey were coded as "0" or "1" on each of these dimensions and assigned a score ranging from 0 to 5 (mean scores are reported in Table 5-3). A highly formalized employment relationship would have a score of 4 or 5, a moderately formalized employment relationship would have a score of 2 or 3, and an unformalized employment relationship would have a score of 0 or 1.



Source: CPRN-Ekos Changing Employment Relationships Survey (n=2,118).

Table 5-3

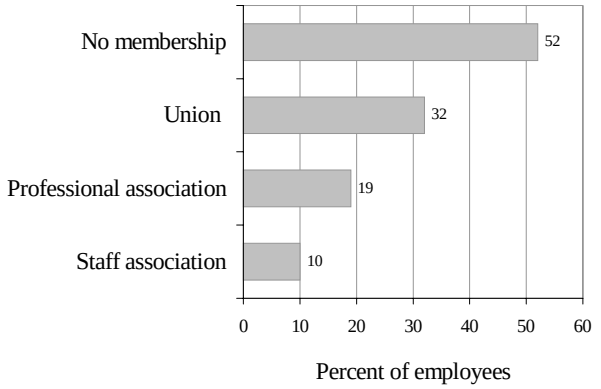
Mean Scores on the Formalization Scale,[1] by Selected Characteristics, Paid Employees, Canada, 2000

		Mean score on formalization scale
All	(2,118)	3.0
Men	(1,110)	2.9*
Women	(1,008)	3.1
Age group		
Less than 25 years	(355)	2.5*
25 to 34 years	(475)	3.0
35 to 44 years	(629)	3.2
45 years or older	(620)	3.1
Workplace size		
Less than 10 employees (all locations)	(262)	1.9*
10 to 24 employees	(270)	2.4
25 to 99 employees	(447)	2.9
100 to 499 employees	(436)	3.3
500 or more employees	(607)	3.5
Education		
Less than high school	(170)	2.6*
High school or some post-secondary	(732)	2.7
Completed certificate or diploma	(730)	3.1
University Degree	(475)	3.4
Occupation		
Managers	(199)	2.9*
Professionals	(437)	3.5
Technical or semi-professional	(258)	3.3
Clerical	(120)	3.0
Sales or service	(547)	2.6
Skill manual workers	(205)	2.8
Semi-/unskilled manual workers	(180)	2.9
Other	(166)	2.9
Weekly earnings		
Weekly earnings less than $300	(302)	2.3*
$300 to $599	(524)	2.7
$600 to $899	(449)	3.4
$900 to $1,199	(254)	3.4
$1,200 or more	(201)	3.3
Hours		
Part-time	(290)	2.6*
Full-time	(1,828)	3.1
Temporary status		
Temporary	(216)	2.7*
Permanent	(1,885)	3.0

1 Scores range from 0 to 5. See text and Figure 5-2 for description of how scores are calculated.
* Differences between groups statistically significant ($p < 0.05$).
Source: CPRN-Ekos Changing Employment Relationships Survey.

Figure 5-3

Membership in Labour Market Organizations, Employees, Canada, 2000*



* Respondents could select more than one type of membership so the total is more than 100 percent.
Source: CPRN-Ekos Changing Employment Relationships Survey (n=2,118).

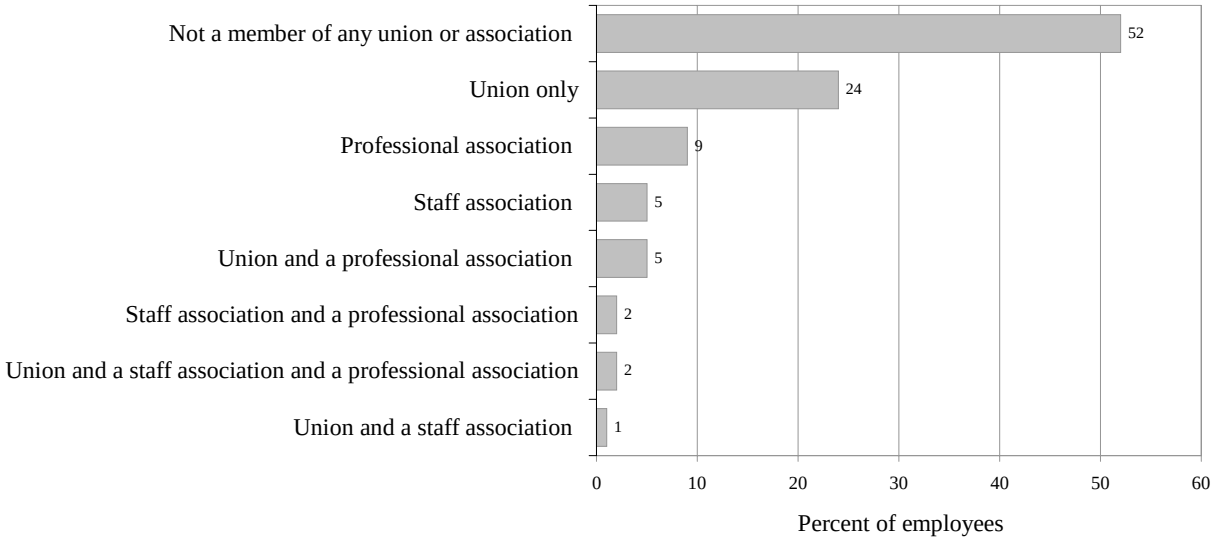
crossover membership between these two organizations and staff associations. Another 5 percent of paid employees are not unionized but are members of a staff association (as is the case with university and college instructors in some provinces). This figure rises to 7 percent if we include persons who are members of both a staff association and a professional association.

Overall, looking only at the level of union membership in the workforce understates the forms of collective representation available to employees. While 32 percent of employees are unionized, another 16 percent are non-unionized but belong to a professional and/or staff association. In sum, close to half (48 percent) of Canadian employees have some form of third-party representation while just over half (52 percent) do not.

While there is extensive research on how unions and collective agreements shape employment relationships, far less is known about the role of

Figure 5-4

Membership in Labour Market Organizations, Employees, by Type of Membership, Canada, 2000



* Respondents could select more than one type of membership, permitting this analysis of overlapping memberships.
Source: CPRN-Ekos Changing Employment Relationships Survey (n=2,118).

Table 5-4

Form of Employment Agreement, by Organizational Membership, Paid Employees, Canada, 2000

		Form of employment agreement				
		Verbal agreement	Written policies or manuals	Letter	Contract	Total (percent)
Unionized employees						
All[1]	(677)	n/a	n/a	n/a	97	100
Non-unionized employees						
All	(1,412)	26	20	12	43	100
Staff association member[2]	(141)	n/a	15	n/a	67	100
Professional association member	(193)	14	15	13	58	100
Not a member of any association	(1,078)	30	21	11	38	100*

n/a = Sample size too small to provide a reliable estimate.
1 Includes unionized employees who may or may not belong to a staff and/or professional association.
2 Includes persons who are members of a staff association and who may or may not belong to a professional association.
* Difference between non-unionized persons who are not a member of any association and non-unionized persons who are a member statistically significant ($p < 0.05$), Chi-square test.
Source: CPRN-Ekos Changing Employment Relationships Survey.

professional associations and staff associations in this regard. The roles and mandates of such associations vary widely. Yet considering that these organizations cover one in seven Canadian employees, their influence on employment relationships clearly deserves more attention by policy researchers. The CERS findings suggest that membership in a staff or professional association does contribute to a more highly formalized employment relationship. So while 38 percent of employees who are not union or association members have their employment governed by a contract that they and their employer sign, such contracts cover 58 percent of professional association members and 67 percent of staff association members (Table 5-4).

How Workers Experience Legal and Regulatory Aspects of Employment

The legal and regulatory frameworks that underpin people's employment relationships are, for most people, abstract features of their work life. Many workers may become aware of their legal rights and obligations only when they encounter a problem. This section explores how individual workers experience the legal side of work, drawing on focus group discussions, showing that indeed these are not viewed as immediate concerns.

Focus group participants did not identify regulatory or legal issues when asked to describe their employment relationships. Later in the discussion, when assessing the key dimensions of employment relationships, nobody identified legal arrangements as most important. The overall conclusion from the focus groups, then, is that participants held negative views regarding the legal and regulatory frameworks surrounding their employment. This is captured in the following statements by several employees in the focus groups:

- *I have to … be certified to get my liability insurance. I have a professional association who would support the process. It's unconscious but it's there a lot. You learn to live with it. If you got hung up on it, you couldn't work, you'd always be worried about it.*

- *I always have contracts with agents, record companies … If I could do without them, I would.*

- *I've never been bound by a contract. We have company policies … which I think are very good. I don't want to be bound by one.*

A number of employed participants had to sign contracts for their employment, which were usually set out by the employer to stipulate company policy or exclusive employment relations. Only a few employed participants indicated displeasure with their current contractual relationships with their employer. Most indicated that they would rather not involve themselves in formalizing working conditions into a contract. But this view was not unanimous. For example, a few participants who did physical labour said that health and safety regulations made them feel more secure, especially when dealing with hazardous chemical materials or electrical equipment. And several self-employed participants voiced an interest in having more regulations surrounding their work. For example, one who does creative glass work pointed to the need for better regulation of hazardous chemicals and materials in his industry, and a costume designer who had problems with employees argued for legislation that would protect her creative work.

Yet very few participants were mindful of legal regulations pertaining to their employment relationships. Given this low level of awareness, there was little indication that they made any distinctions between laws at different levels of government. Nevertheless, they were generally aware of the regulations stemming from their company or corporate policy, although many indicated that they were not entirely clear on the details of such policies.

No participants considered legal issues the most important aspects of employment relationships. While many would be willing to do away with contractual relations between themselves and their employer, most felt a need to maintain broader legal and regulatory frameworks, despite being somewhat unaware of the particulars. In some instances, participants (particularly those belonging to a trade union) articulated a need for specific regulations.

Conclusion

This section attempted to document the form and content of the legal arrangements that define employees' rights, entitlements and working conditions. This is only a first step, however, in addressing a key public policy issue – how the legal basis of employment can be adapted to changing labour market and workplace trends. The broader issue we have addressed is a worker's labour market bargaining power, which may be the determining factor in how far any particular legal arrangement provides greater protections and enforceable rights for one party over the other. In this regard, membership in labour market organizations shapes the form and content of the employment relationship. However, our discussion above has assumed that more formalized employment relationships should be better for workers, increasing their rights and entitlements, as well as for employers by virtue of creating a standardized approach to human resources management. While this may generally be true for the unionized workforce, it remains an open question for professional and staff association members.

6

Remapping Employment Relationships

Earlier we argued that a multi-dimensional approach is the best way to capture the complexities of the psychological and social ingredients of employment relationships and, beyond this, to understand their impact on individuals and organizations. As noted earlier, for both conceptual and measurement reasons, we assessed the legal aspects of employment relationships separately. So in this section of the report, we outline how we measure the four dimensions of employment relationships, using insights arising from the focus groups about how individual workers view these features of employment relationships to illustrate and validate this approach.

Four Dimensions of Employment Relationships

The CERS measured the social and psychological aspects of employment relationships – the "soft" underside of the workplace – by reading respondents a series of statements about their employment. Respondents were asked to indicate how strongly they agreed or disagreed with each statement using 5-point Likert response categories, or to indicate the frequency of an event or condition (for example, difficulty keeping up with the workload in the past year). To more accurately measure each dimension, we constructed scales by combining responses from several items into a single scale. The wording of scale items and their internal consistency (Cronbach's reliability alpha) are shown in Box 3. Scales range from 2 (weakest relationships) to 10 (strongest relationships). The items for the scales were derived or adapted from previous organizational and work research.[14]

Because these scales each tap one key feature of a person's overall work relationship, there is a moderate to strong correlation between the four scales.[15] At a later stage in the analysis, we thus are able to combine these into an Employment Relationships Summary Scale. This simplifies our investigation of how employment relationships vary within the work force and to what extent these variations in employment relationships seem to influence individual and organizational outcomes.

How Workers Experience Employment Relationships

Focus group participants provided insights into the meaning and actual daily experiences of employment relationships. These focus group discussions also corroborated the validity of the measures we used in the survey. Indeed, employment relationships define in fundamental ways people's work experiences.

The focus groups began with a general discussion of the ingredients of a decent job, the good and bad aspects of their relationships with their employers or clients, and the importance of the quality of employment relationships to overall job satisfaction. The quality of employment relationships was considered even more important to overall job satisfaction than pay and benefits. In the words of one

Box 3

Measuring Four Dimensions of Employment Relationships

The four dimensions of employment relationships were measured in the CPRN-Ekos Changing Employment Relationships Survey using multi-item scales:

- **Trust**: I trust my *employer/main client* to treat me fairly; I trust my __ to keep me informed about matters affecting my future; Your __ treats you with respect (Cronbach's alpha* = 0.80).
- **Commitment**: I find that my values and __ values are similar; I am proud to be working for __; I feel very little loyalty to __; Your __ has a strong commitment to you; I'm willing to work harder than I have to in order to help __ succeed (Cronbach's alpha = 0.77).
- **Communication**: Communication is good among the people you work with; You have clear guidelines about what is required of you in your job; You receive recognition for work well done; How frequently have you received the feedback you need to do your job? (Cronbach's alpha = 0.69).
- **Influence:** You are free to decide how to do your work; You can influence ___ decisions that affect your job or work life; You can choose your own schedule (Cronbach's alpha = 0.60).

* A statistical measure of the internal consistency of the items comprising a scale. The alpha ranges from 0 to 1.0 and the closer to 1 it gets, the more the items in the scale are measuring the same concept. All four scales have alphas at acceptable levels.

participant, "Of course money is important, but that's not what's going to make you jump out of bed in the morning." There was a consensus on this point in both employed and self-employed groups.

Dissatisfaction with previous employment relationships was often what pushed individuals into self-employment. Specifically, the self-employed focus group participants had been dissatisfied as employees with workplace politics, relationships with supervisors, having to work under someone else's direction (and an implied lack of influence), as well as working in an overly structured environment. Once self-employed, major sources of satisfaction were increased control over their working conditions, the ability to choose whom they work for and under what conditions, as well as greater flexibility in scheduling and the ability to have a say in the kind of work they do. The following are typical remarks from self-employed participants:

- *When you're self-employed, you are doing what you want to do. You dance to the beat of your own drum.*
- *My primary reason for going into business was so I could raise my children and still work rather than working and putting them into child care. I can structure the hours around the children. I have more than 9 to 5 to work and I can schedule clients in the evenings.*
- *I was a secretary for a lot of years, but I got tired of office politics. There's a lot of backstabbing and in-fighting.*
- *I like being able to tell people, "No, I don't want to work for you. I don't like you." There's a lot of power in that, being able to say no to someone.*

Employed participants pointed to only a few of the dimensions of employment relationships that emerged from the survey results in their opening remarks. Interestingly, the legal or regulatory basis of employment relations was not raised at all. Greatest emphasis was placed on social relations (including communication) and commitment, particularly with immediate supervisors and co-workers. These were viewed as prerequisites for a good job. Issues of respect, recognition, support and teamwork were identified most frequently. Indeed, respect

was often identified as the crux of good employee-employer relations. Being given responsibility and the freedom to carry out tasks were also considered quite important. Here are illustrative comments from employed participants:

- *People like to be recognized … that their work is meaningful and that they are contributing.*

- *I love my job, I love what I do, but what makes that happen is the teamwork around me. I get support from my team members, but [not] from a management position … they suck.*

- *The way my job makes me feel is more important than how much I'm paid. It's about how people treat you or your co-workers treat you.*

- *Everyone here would take more money and more time off – that's a given. But some of the things that really make the job a good job or a bad job are your relations with your boss. If your boss gives you a project and supports you and let's you do it your way and gives you a lot of feedback, you take on a sense of ownership and that's the key.*

Most of all, the focus groups highlighted the importance of focusing more closely on commitment and trust – two issues that are rarely discussed in the context of employment policy. Below we summarize the main themes arising from focus group discussions of these issues.

Commitment

For employed focus group participants, commitment was most strongly identified as taking on the objectives of the employer and ensuring company success. Employees also spoke of the need to perform well in order to get ahead, which links personal success to commitment to the employer. Beyond this, several respondents indicated that they chose their careers because of strong commitment to the broader purpose of their industry or profession.

Many participants saw commitment as a two-way street between the employee and employer, revolving around mutual recognition, trust and responsibility. This was expressed as a recognition of the mutual needs between an employer and employee. For many employees, commitment to the employer was also tied to the recognition that the employer must be profitable to survive. But participants also believed that their employer has an obligation to recognize that individual employees have family and other needs that go beyond the workplace, as well as providing the necessary conditions and resources for workers to be productive.

Relations between co-workers were also a prominent theme articulated by employed participants. Several pointed to the need for employees to respect one another by being dependable and not expecting their co-workers to pick up the slack because they are not performing adequately – essentially, taking responsibility for the work that is expected of them. Others identified dedication to a job or project as important elements of commitment. Here is how some employees talked about commitment:

- *Loyalty to an employer and vice versa – a mutual respect of objective needs.*

- *It's being prepared to go the extra mile. If you're committed, the company will grow and so will you.*

- *The main thing as far as commitment goes is working towards a common goal that is mutually set. If it means working weekends or working nights to get to that common goal, then that's what it takes.*

- *I will do whatever I can for my clients. My definition of commitment is I want someone to treat me the way I would treat them. I'm committed to my job and my job is my clients.*

Self-employed participants strongly identified with the more personalized dynamics of a small business, which generate stronger feelings of customer and client loyalty. Commitment was primarily seen as a highly personalized form of customer service and the resulting satisfaction – the key advantage of small business. There was a sense that their customers and clients choose to deal with them because of the more personalized nature of the service relationship. This demonstrated loyalty

on the part of their customers that obligated them to be loyal in turn, which benefited their business. Beyond loyalty, some saw commitment as a contractual relationship where they were obligated to complete their end of the bargain.

Personalized client relationships defined self-employed participants' sense of commitment. They spoke passionately about developing lasting relationships by understanding their clients' individual needs and expectations, accommodating them and doing whatever possible to ensure their needs are satisfied. Honesty, integrity and understanding were considered important in dealings with clients. Much like the employed participants' views that commitment involved recognizing and taking on the objectives of the employer as one's own, self-employed participants approached doing work for clients as though they were doing it for themselves. The following are some typical comments by self-employed focus group participants explaining what commitment means to them:

- *I want to tell [clients] I worked 18 hours a day so that they know I worked as hard as I could, as hard as they would have if they were doing it.*

- *Dependability makes a huge difference. When [clients] call you they have to know that they can count on you.*

- *You can take someone to the cleaners and never see them again, but if you take care of someone they'll be beating your door down for 20 years.*

Trust

Focus group participants felt there was very little trust between employees and employers, particularly for those working in larger organizations. Simply put, participants did not trust upper management or owners. Many suggested that upper level decision makers have other commitments than to employees. Essentially, the feeling was that they answered to the bottom line and that took precedence over employee concerns. Trust with upper management was generally talked about in terms of job security and few felt that they would be spared job cuts should times get tough again. This concern placed a definite limit on the level of trust these employees would extend to their employer.

Nevertheless, some did point to working in organizations where there was a high degree of openness in the decision-making process, strong communication and good feedback between senior personnel and themselves. It was apparent from the views of employees that even large corporations could develop a trusting relationship with their employees by implementing certain innovative management policies and programs.

Participants were much more likely to feel a strong sense of trust in their relationships with immediate supervisors. Most pointed to trust as being characterized by honesty and openness. Those who focused on these aspects of trust tended to put a strong emphasis on good communication. Fair treatment by supervisors is a significant dimension of trust. A number of participants emphasized the importance of supervisors treating people equitably or following corporate policy as ways of being fair and thereby garnering trust. Playing favourites, for example, was seen by several participants as something that would seriously undermine trust between employees and supervisory personnel.

Others felt that trust is something that develops over time as both employees and employers learn that they can rely on one another. A number of participants pointed favourably to experiences of learning that they could rely on a co-worker or employer, and vice versa, for building trust in employment relationships. This is particularly true for reliability, considered by many as crucial for trust, especially among co-workers. Many spoke of how they learned to depend on co-workers to meet their work goals and how this generated strong feelings of trust. Here are some typical comments:

- *You have to be straight up with people, open and honest. My boss is always up front with me, so I trust him. He tells us what's what.*

- *Job security just isn't there anymore. The days of working for the same employer for your entire career are gone. Employers will cut you at the drop of a hat.*

Self-employed participants tended to focus almost exclusively on contractual or remunerative relationships with their clients when thinking about trust. Virtually all of the self-employed indicated that they on occasion had not been paid for services rendered. It was a rule of thumb among most in this group that this is one area where they do not really trust their clients, at least in the early stages of a business relationship. There was near consensus on the notion that trust with clients, at least regarding payment and contractual matters, is something that develops over time, but is never complete.

Yet when probed if there might be other aspects of their relationships with clients that would involve elements of trust a number of self-employed participants noted the need to be able to trust that clients understand their own needs. As well, trust was seen as a key facet of customer satisfaction. It was generally felt that it is their clients who must trust them rather than the other way around. This involved meeting the clients' expectations. As several focus group participants explained:

- *Consistency builds trust. People know what to expect. Prove to them they can trust you.*
- *It's all about meeting the expectations of your clients. You have to make them feel good about doing business with you. That will build trust.*
- *If I didn't have trust with my clients, I wouldn't have a job. You build trust by providing a good service.*

Conclusion

To summarize, the CERS built on a wide range of relevant research and scholarly perspectives to create a four-dimensional approach to examining employment relationships. These four dimensions – trust, commitment, communication, influence – resonated with focus group participants, providing validation of the importance of these particular features of employment relationships. Especially important in the daily work experiences of these individuals were trust and commitment – the core of the psychological contract of employment. In the next section, we carry our analysis one step further, outlining how employment relationships vary systematically by workers' socio-demographic characteristics, labour market situation, and the features of their jobs and workplaces.

7

Explaining Variations in Employment Relationships

A key question guiding this study concerns the sources of variation in employment relationships. If we want to view the labour market from the vantage point of employment relationships, then we must be able to identify the characteristics of workers and workplaces that are high or low (or in the middle) on the four scales that measure employment relationships, as set out earlier in Box 3. If we find systematic patterns in this regard, such information will make it easier to focus policy responses on specific groups and work locations.

Socio-demographic Characteristics

We first looked for variations in the employment relationships (ER) scales by workers' demographic characteristics and found only modest differences (Table 7-1). Women reported slightly higher levels than men on trust, commitment and communications scales and somewhat lower on influence. Likewise, workers under 25 years of age tend to express higher levels of trust, commitment and communications than older workers, and have less influence on the job.

Labour Market Location

One of our aims is to provide a view of the labour market that complements existing structural models, so we juxtaposed our ER scales against some of the labour market locations in Figure 2-1. This yielded two important insights (Table 7-2). First, we documented a significant difference between self-employed workers and paid employees on the ER scales, with the former group reporting higher levels of trust, commitment, communication and (especially) influence. Second, and equally interesting, non-standard work arrangements among paid employees were not associated with significant differences in trust, commitment and communications, although workers in non-standard jobs tended to be somewhat lower on the influence scale. In short, structural locations in the labour market revolving around the standard/non-standard distinctions do not account for variations in individuals' employment relationships.

While our main purpose in this section is to offer an overview of the key patterns of variation in employment relationships, it is worth pointing out that each ER dimension contains more insights than we are able to mine in the context of a single report. As illustration of this, we provide a more detailed analysis of commitment in Box 4.

Work Environment

Table 7-3 shows the mean scores on the ER scales by three work environment measures: the demands of a person's job; access to resources needed to do the job; and being in a healthy, safe and supportive work environment. The job demands scale comprises three questions: "Do you agree-disagree that: your job is very hectic; …your job is very stressful; and 'How frequently have

Table 7-1

Mean Scores[1] on Employment Relationship Scales, by Selected Socio-demographic Characteristics, Canada, 2000

		Employment relationship scale			
		Trust	Commitment	Communication	Influence
Gender					
Men	(1,351)	7.6	7.4	7.5	6.9
Women	(1,149)	7.7*	7.6*	7.7*	6.6*
Age group					
Less than 25 years	(373)	8.1*	7.6*	7.9*	6.5*
25 to 34	(537)	7.6	7.5	7.5	6.7
35 to 44	(754)	7.5	7.5	7.5	6.9
45 to 54	(542)	7.5	7.4	7.6	6.8
55 or older	(251)	7.7	7.6	7.6	7.2
Education[2]					
Less than high school	(217)	7.8*	7.4	7.6	6.4 *
High school	(857)	7.7	7.5	7.6	6.7
Certificate or diploma	(839)	7.6	7.5	7.6	6.8
Bachelor's degree	(346)	7.6	7.6	7.6	7.1
Master's degree or higher	(229)	7.5	7.7	7.6	6.9
Weekly earnings[2]					
Less than $300	(350)	7.8*	7.4	7.7	6.7 *
$300 to 599	(596)	7.7	7.5	7.6	6.6
$600 to 899	(488)	7.6	7.5	7.5	6.7
$900 to 1,199	(279)	7.7	7.4	7.7	7.0
$1,200 or more	(253)	7.4	7.4	7.5	7.2

1 Mean scores have been age standardized.
2 Scale scores range from 2 to 10 with a higher score reflecting a stronger relationship. See text for details.
* Mean scores between groups statistically significant ($p < 0.05$).
Source: CPRN-Ekos Changing Employment Relationships Survey.

you had difficulty keeping up with the workload in the past year?'" The scale has a low of 1 (meaning a very demanding job) and a high of 5 (meaning that the job is not demanding in terms of workload, pace or stress). The resources scale includes three questions: "You have access to the information you need to do your job well (agree-disagree); you receive the training you need to do your job effectively (agree-disagree); how frequently have you lacked the necessary tools, equipment and other resources to do your job well in the past year?" Finally, we assessed the extent to which the work environment is healthy, safe and supportive using five questions (all agree-disagree): "Your job allows you to balance your work and family/personal life"; "the work environment is healthy"; "the work environment is safe"; "the people you work with are helpful and friendly"; and "you are free from conflicting demands that others make."[16]

Table 7-3 shows that the work environment is associated with variations in employment relationships. These relationships between the work environment, on the one hand, and employment relationships follow a remarkably strong and consistent pattern. Individuals who have adequate resources to do their job and report their work environment to be healthy, safe and supportive, are significantly more likely than workers lacking these conditions to have

Table 7-2

Mean Scores[1] on Employment Relationship Scales, by Selected Labour Market Characteristics, Canada, 2000

		Employment relationship scale			
		Trust	Commitment	Communication	Influence
Total employed[2]					
Paid employees	(2,118)	7.6*	7.4*	7.5*	6.6*
Self-employed	(382)	7.9	7.9	8.0	8.0
Self-employed[2]					
Own-account	(227)	7.9	7.9	8.0	8.0
Employers	(155)	8.0	7.9	8.0	8.1
Paid employees[2]					
Permanent	(1,885)	7.6	7.4	7.5	6.6
Temporary	(216)	7.6	7.3	7.6	6.3*
Full-time[2]	(1,828)	7.6	7.4	7.5	6.6
Part-time	(290)	7.7	7.4	7.6	6.3*
Involuntary part-time	(104)	7.7	7.2	7.5	6.0*
Unionized[2]	(677)	7.1	7.1	7.2	6.1
Non-union	(1,412)	7.8*	7.6*	7.7*	6.8*

1 Mean scores have been age standardized.
2 Scale scores range from 2 to 10 with a higher score reflecting a stronger relationship. See text for details.
* Mean scores between groups statistically significant ($p < 0.05$).
Source: CPRN-Ekos Changing Employment Relationships Survey.

higher trust, commitment, better communications and more influence. For example, note the very large spread in ER scale scores between those individuals reporting the best and the worst situations in terms of job resources and a healthy, safe and supportive work environment. The influence of job demands on employment relationships is less strong, but does follow the same pattern. In short, a person's immediate work context can exert a powerful positive or negative influence on their employment relationships.

Organizational Change

Another way of looking at the possible influence of work context is through various forms of organizational change. There has been research and popular commentaries suggesting that downsizing has had negative impacts on worker morale, and that teamwork can improve worker cooperation and integration.

To test these and other possible effects of organizational change on employees, we asked employees in the CERS sample (self-employed were not asked these questions) if their jobs had been affected over the previous 12 months by: downsizing; their employer's use of temporary, part-time or contract workers; organizational restructuring (reducing the number of layers, merging or separating different functions); and a change in their job duties or responsibilities. Employees who were affected by any of these changes scored noticeably lower on each of the ER scales than those not affected (Table 7-4). This extends and corroborates previous research, reinforcing the point that organizational downsizing and restructuring can diminish the level of trust, commitment, communication and worker influence – creating potentially

Box 4

The Duality of Employee Commitment

Workplace transformations in the 1990s made employee commitment a pressing human resources management concern. Corporate downsizing and restructuring had eroded workers' commitment to their employer, given that these practices signaled weak employer commitment to employees. The balance of reciprocity necessary to sustain commitment was thrown out of kilter. Old notions of loyalty directed exclusively to one's employer shifted as new, decentralized and transitory forms of business emerged – partnerships, strategic alliances, and projects. At the same time, workers got the clear message that they had to take responsibility for keeping their "employability skills" current and be ready for more career changes ahead. Growing numbers of Canadian employees put this individualistic ethos of "Me Incorporated" into action by becoming self-employed. And now, facing difficulties in hiring and keeping skilled workers, employers in many industries, from high tech to government, are struggling to rekindle long-term commitment by strengthening corporate cultures, "branding" themselves as the "employer of choice," and offering attractive perks and financial incentives.

What, then, is happening to commitment? We have addressed this in Section 7 in terms of commitment to one's employer or, for the self-employed, to one's clients. But the new landscape of workplaces calls for a more nuanced view of commitment. As organizational psychologists have long documented, workers can have multiple commitments: to an employer, but as well to their profession, work group or union. Crucial in this regard is the relationship between commitments to one's work and one's employer. The nature of this duality has broader relevance for the economy: a person who lacks commitment to their work may also have a more fundamental problem – a weak work ethic. And employers should worry about those employees with strong commitment to their work but who lack commitment to the firm. This dissatisfaction with management practices and working conditions is a signal of potential retention problems.

The CERS explored these issues by asking respondents about two types of commitment: toward their employer and toward the type of work they do. Here we compare these two types of commitment, and find the following:

- Few employed Canadians (11 percent) say that they have a low level of commitment to the type of work they do. Individuals with a low level of commitment to their work typically also have a low employer commitment.
- Another 21 percent of employees have a strong work commitment but weak commitment to their employer.
- The largest group, about two-thirds of employed Canadians, are committed to *both* the type of work they do and to their employer.

Two implications flow from these findings:

- The work ethic is healthy in Canada judging from generally strong work commitment.
- However, Canada has a "commitment problem" considering that just over 30 percent of employees are either low on both types of commitment, or low on employer commitment and high on work commitment.

This commitment problem can affect productivity (low work and employer commitment) and points to retention concerns for some employers (high work commitment but low employer commitment). To shed light on where these commitment problems may be most acute, the graph below shows the share of paid employees in specific occupations who are in two groups: (1) those with low levels of commitment to the work they are doing and (2) those with high levels of commitment to their work but low levels of commitment to their employer. The length of the horizontal bar for each group shows the percentage of employees in an occupation who are in these groups, and hence have a commitment problem.

At the top of the list are health care professionals. An astonishing 49 percent feel low levels of commitment, surely a result of the massive restructuring, cuts and deteriorating working conditions in the health care system. While very few (3 percent) say they have a low level of commitment to the type of work they do, almost one-half (46 percent) have a high level of commitment to their work but a low level of commitment to their employer. No doubt many of these workers feel trapped, not wanting to leave their profession yet knowing that one Canadian health care employer may be no better than the next, and we can see why some of these professionals have moved to the United States. Regardless, it is clear that this human resources management problem has a direct bearing on the effectiveness of the health care system.

(continued)

Box 4 (cont'd)

Semi-skilled and unskilled blue collar workers rank second, with 43 percent reporting low levels of commitment. However, unlike the health care professionals whose lack of commitment is directed almost exclusively at their employer, blue collar workers have low commitment for a different mix of reasons. Fifteen percent of these individuals have a low level of commitment to the work they do and another 28 percent have a high level of commitment to their work but a low level of commitment to their employer.

Several other occupations also warrant comment. The "new economy" depends largely on scientists, engineers and other science-based professionals. Yet note that one in three of these workers have low employer commitment, which could be a contributing factor in high job turnover in the high-tech sector. Also of interest is the fact that managers and administrators seem to have relatively high overall commitment, which may be surprising given that some of these workers would have experienced much of the organizational turbulence of the 1990s.

Paid Employees with Selected Commitment Characteristics, by Occupation, Canada, 2000

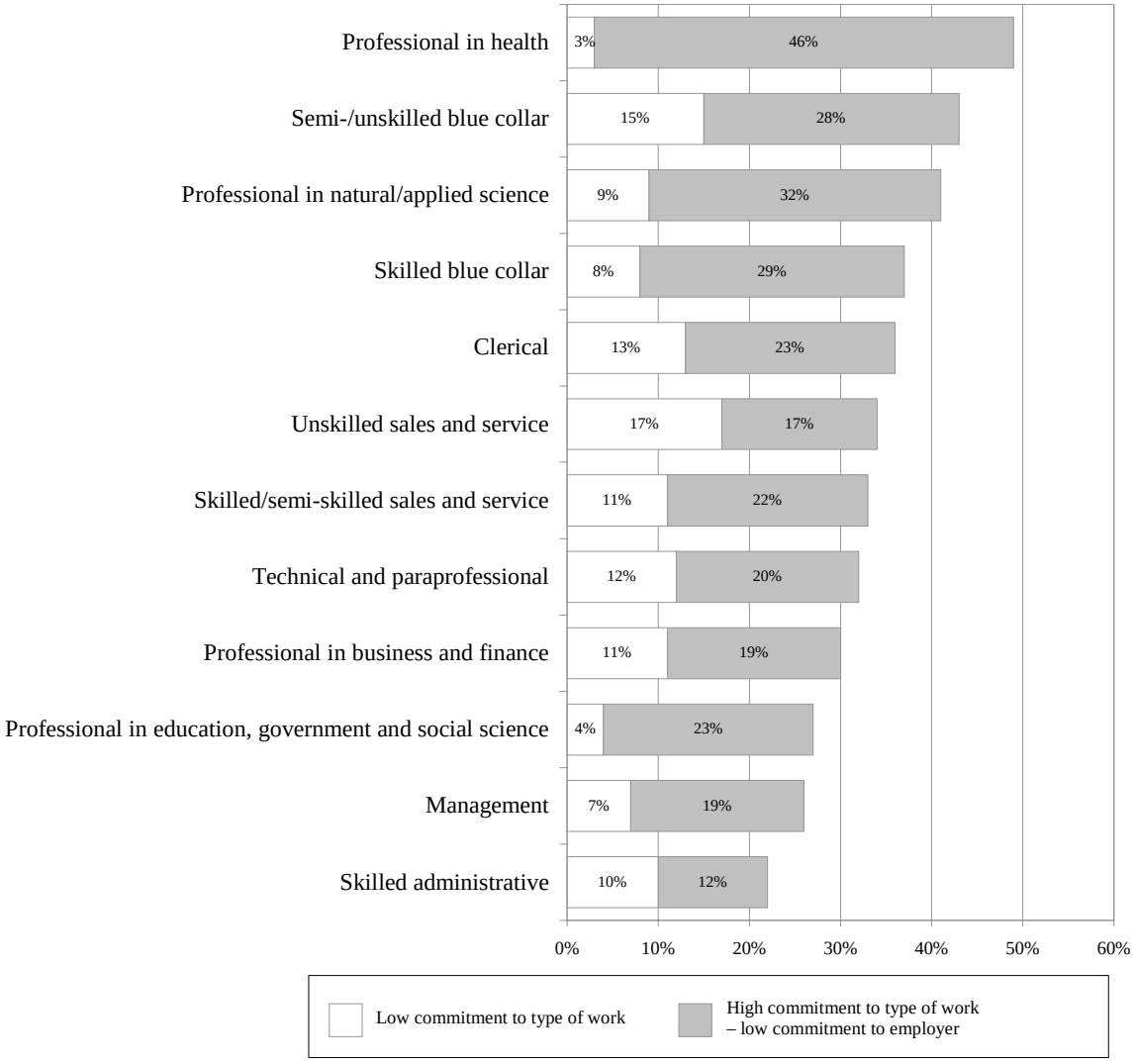


Table 7-3

Mean Scores on Employment Relationship Scales, by Characteristics of the Work Environment, Employees and Self-employed, Canada, 2000

		Employment relationship scale[1]			
		Trust	Commitment	Communication	Influence
Resource support scale					
Low	(227)	5.4*	6.0*	5.8*	5.6*
Moderate	(752)	7.2	7.1	7.1	6.5
High	(1,520)	8.2	7.9	8.1	7.1
Healthy and supportive work environment scale					
Low	(241)	5.4*	5.8*	5.8*	5.3*
Moderate	(1,017)	7.3	7.2	7.3	6.5
High	(1,240)	8.4	8.1	8.2	7.3
Job demands scale					
High	(339)	8.0*	7.6*	7.7*	7.0
Moderate	(744)	7.8	7.6	7.7	6.8
Low	(1,417)	7.5	7.4	7.5	6.8

1 Scale scores range from 2 to 10 with a higher score reflecting a stronger relationship. See text for details.
* Differences between groups statistically significant ($p < 0.05$).
Source: CPRN-Ekos Changing Employment Relationships Survey.

negative outcomes for both employees and their employers.[17]

Employee participation is a feature of the "high performance" workplace model – also called a "flexible," "high trust-high skills," "high involvement" workplace – that gives greater priority to human resources considerations in business strategies.[18] Again, employees in the CERS were asked if, in the past 12 months, their job had been affected by employee participation programs (e.g., suggestion programs, labour-management committees, quality circles) or if they had participated in team work (e.g., self-directed work groups). Neither is associated with variations in employment relationships, despite the popular management rhetoric suggesting that they should.

However, perhaps organizational change affects individuals' employment relationships in cumulative ways, such that clusters of changes have a greater impact than a single change. To test this proposition, CERS respondents were grouped on the basis of the number of organizational changes experienced in terms of restructuring (up to four changes) and participation (up to two changes). Individuals may have experienced none of these changes in the past year or all of these changes. As shown in Table 7-5, there is a direct negative relationship between the number of organizational changes experienced and scores on each of the ER dimensions. For example, employees who experienced none of these changes in the 12 months prior to the survey scored 8.0 (out of a possible 10) on the trust scale, compared with a score of 6.3 for employees affected by all four kinds of change.

Interestingly, while Table 7-5 suggests that formal participation programs and team work have little positive influence on employment relationships, when it comes to the communication scale, we do detect a slight positive association with these combined forms of participation. This can be explained by the improved communication among workers and between workers and managers, which often is the goal of such programs. This is not the final

Table 7-4

Mean Scores on Employment Relationship Scales, by Organizational Changes Experienced over Past 12 Months, Employees, Canada, 2000

"In past 12 months, have any of the following affected your job?"		Employment relationship scale[1]			
		Trust	Commitment	Communication	Influence
Downsizing					
No	(1,675)	7.8*	7.6*	7.7*	6.7*
Yes	(429)	6.7	6.7	6.9	6.0
Use of temporary workers					
No	(1,502)	7.8*	7.5*	7.6*	6.7*
Yes	(602)	7.2	7.2	7.2	6.4
Organizational restructuring					
No	(1,481)	7.8*	7.6*	7.7*	6.6*
Yes	(623)	7.1	7.1	7.2	6.4
Change in your duties					
No	(1,507)	7.8*	7.5*	7.6*	6.6
Yes	(597)	7.2	7.2	7.3	6.5
Employee participation programs					
No	(1,718)				
Yes	(386)	7.6	7.4	7.5	6.6
		7.7	7.5	7.6	6.6
Participation in work team					
No	(1,673)	7.6	7.4*	7.5	6.5
Yes	(431)	7.6	7.5	7.6	6.7

1 Scale scores range from 2 to 10 with a higher score reflecting a stronger relationship. See text for details.
* Differences between groups statistically significant ($p < 0.05$).
Source: CPRN-Ekos Changing Employment Relationships Survey.

word on the role of participation in shaping employment relations. In fact, to anticipate our multivariate analysis below, we think these programs actually have a somewhat stronger positive influence than suggested by the simple cross-tabulations reported in Table 7-5.

Exploring the Importance of Workplace Contexts

These results point to the tentative conclusion that downsizing and restructuring in their various forms are consistently and quite strongly associated with lower levels of trust, commitment, communication and influence among employees. These are the unintended negative impact of organizational change. However, the intended positive effects on employment relationships of initiatives hoped for by advocates of employee participation programs and team work also appear to be absent or, at best, weak.

The larger issue raised by these findings is the role played by individuals' immediate work context in shaping the trust, commitment, communication and influence in their job. But just how important is one's work context and which characteristics positively or negatively influence employment relationships? To dig more deeply into how workplace features may affect employment relationships, we examine the relative impact of a range of socio-demographic, labour market location, job content, work environment and organizational factors on

Table 7-5

Mean Scores on Employment Relationship Scales,[1] by Number of Organizational Changes Experienced in Past 12 Months, Employees, Canada, 2000

		Trust	Commitment	Communication	Influence
Restructuring[2]					
None	(897)	8.0*	7.7*	7.9*	6.7*
One	(535)	7.8	7.5	7.7	6.7
Two	(425)	7.1	7.1	7.1	6.3
Three	(176)	6.9	6.9	7.0	6.4
Four	(84)	6.3	6.5	6.7	6.0
Participation[3]					
None	(1,506)	7.6	7.4	7.5*	6.5
One	(378)	7.5	7.5	7.4	6.6
Two	(219)	7.8	7.6	7.8	6.6

1 Scale scores range from 2 to 10 with a higher score reflecting a stronger relationship. See text for details.
2 Includes downsizing, use of contingent workers, organizational restructuring and change in duties.
3 Includes employee participation programs and work teams.
* Differences between groups statistically significant ($p < 0.05$).
Source: CPRN-Ekos Changing Employment Relationships Survey.

employment relationships. Our main analytic tool is a multi-variate statistical model that allows us to isolate the impact of each of these sets of factors after accounting for the effects of all other factors.[19]

The results of this multivariate analysis are summarized in Figure 7-1 for employees and in Figure 7-2 for self-employed respondents to the CERS (see Appendix A, Tables A-2 to A-5 for details). We could not examine these two groups together because a number of different work context measures were required to accurately capture their work situations. These two tables list in order of importance the factors that have the strongest net effect (i.e., after taking into account the influence of all other factors) on each of the four ER scales. The numbers in each column rank the relative influence of each predictor variable on the employment relationship dimension, with a "+" sign indicating that the variable has a positive association and a "-" sign indicating a negative association. For self-employed individuals, the variables are listed in order of importance from top to bottom.

There can be no doubt that a healthy and supportive work environment is the most important factor associated with strong employment relationships, ranking first on all four dimensions for both paid employees and self-employed individuals. The component parts of the "healthy and supportive environment" scale include the physical, social and psychological aspects of the workplace. Individuals who score high on this scale not only feel safe at their job, but also view their work environment as friendly, congenial and accommodating. Such an environment seems to contribute to the overall well-being of individuals and, in turn, fosters trust and commitment. This is consistent with our earlier argument that high levels of trust among employees are linked to perceptions that their employer cares about them. And focus group participants also tied this notion of trust to commitment as well. In terms of communication, it makes sense that more congenial, friendly and supportive work environments are conducive to better communication. Indeed, it is precisely such environments that encourage the generation and sharing of information through collaborative efforts.

Receiving the resources needed to do the job well is a second ingredient necessary for strong employment relationships. An employer's investment in training and equipment and the sharing of information – all vital workplace resources – may

Figure 7-1

Explaining Variations in Employment Relationships, Paid Employees, Canada, 2000

Key predictors (top 6) in regression equations[1]	Commitment	Trust	Communication	Influence
Healthy and supportive work environment	1 (+)	1 (+)	1 (+)	1 (+)
Receive resources needed to do job well	2 (+)	2 (+)	2 (+)	6 (+)
Agree that job security is good	3 (+)	6 (+)	6 (+)	4 (+)
Agree that job requires high level of skill	4 (+)			5 (+)
Union member	5 (-)	4 (-)	5 (-)	3 (-)
Agree that pay is good	6 (+)	3 (+)	3 (+)	
Job tenure		5 (-)		
Rapid pace of work			4 (-)	
Weekly earnings				2 (+)
Adjusted R^2	0.468	0.499	0.497	0.259

1 See Appendix A for detailed regression equations.
Source: CPRN-Ekos Changing Employment Relationships Survey (n=2,118).

Figure 7-2

Explaining Variations in Employment Relationships, Self-employed Individuals, Canada, 2000

Commitment[1]	Trust	Communication	Influence
Healthy and supportive work environment (+)	Healthy and supportive work environment (+)	Healthy and supportive work environment (+)	Healthy and supportive work environment (+)
Agree that job security is good (+)	Agree that job security is good (+)	Agree that job requires high degree of skill (+)	Less than high school education (-)
Agree that job requires high degree of skill (+)	Business is home-based (+)	Work in public administration (-)	Agree that pay is good (+)
Receives resources needed to do job well (+)		Receives resources needed to do job well (+)	
Job tenure (-)			
Adjusted R^2 = 0.302	Adjusted R^2 = 0.340	Adjusted R^2 = 0.222	Adjusted R^2 = 0.220

1 See Appendix A for detailed regression equations.
Source: CPRN-Ekos Changing Employment Relationships Survey (n=382).

signal to employees the firm's commitment or good will toward them, which invites reciprocity. Resources are also likely to have a positive impact on day-to-day work, making workloads more manageable, reducing stress, and increasing effectiveness. Moreover, individuals would presumably have the time and means to communicate effectively with their co-workers, supervisors and clients in work environments where resources are adequate to do the job. In this vein, it is worth noting that reasonable job demands are also significantly associated with higher levels of both trust and communication. Finally, having the resources needed to do an effective job makes it easier for workers to achieve organizational and personal goals, with the resulting sense of accomplishment and efficacy contributing to a strengthening of employment relationships.

There is another interpretation of these findings worth noting, which was suggested in our discussion of Figure 2-2 above, regarding the possibility of mutually reinforcing links between employment relationships and work contexts. For example, employers may be most willing to provide the training, equipment and information to those employees who are perceived to have the highest levels of trust and commitment, and who have some influence on these investments. This is suggested by the literature on training: employers are most likely to provide training to those "core" employees from whom they expect the greatest return on investment.[20]

Turning to other factors associated with variations in employment relationships, actual reported weekly earnings are significantly associated with only one dimension of the employment relationship (influence). However, the perception of whether or not the job pays well is significantly associated with all four dimensions, which suggests that perceptions of pay are embedded in workers' views about equity and fair treatment.

Union status is consistently associated with lower scores on all four of the employment relationship scales, after taking other factors such as gender, age, income and organizational change into account. This raises the possibility that union members have higher expectations in all these relationships, as a function of their greater collective voice in workplace matters. This is consistent with arguments in the research literature about union members having "dual commitment" (to both union and management),[21] and in circumstances when this engenders divided loyalties, then the employment relationship with management may suffer. A counter explanation rests on the organizational impact of unions, creating more bureaucratized relationships with management and making conflicts of interest more transparent. Obviously we have identified an issue for further investigation.

Finally, the multivariate analysis (see Table A-11 for details) confirms our earlier suggestion that organizational change such as downsizing and restructuring is associated with lower scores on the trust, commitment and communication scales. And while the descriptive analysis above suggests that employee participation programs and work teams have little impact on employment relationships, we indeed do find a slightly stronger association between these factors and the employment relationship scales once we take into account other factors.

Conclusion

This section has documented that the strength of individuals' employment relationships is not a function of their personal characteristics; rather, it reflects the context in which they work. So workers' age, gender, level of education or visible minority status does not predispose them (with some very minor exceptions noted above) to being more or less trusting, committed, or to engage in more communication or exert more influence. The features of the work environment have a pervasive effect on all groups of employees, regardless of their personal background. Particularly important in this regard are the extent to which the workplace is perceived to be healthy and supportive, the resources available, the organizational changes undertaken, and perceptions of pay and security. Practically speaking, for employers this suggests that cultivating high levels of trust and commitment, in particular, hinge on being able to provide work that is carried out in a supportive and well-resourced work environment.

8

How Employment Relationships Matter

Now that we have shown that employment relationships are anchored in work contexts, we can turn our attention to why all of this matters. Do employment relationships have important outcomes for individual workers, employers and unions? In more specific terms, does having a high score on the communication scale, for example, make a positive difference for an individual's quality of work life? Or does having employees who are low on the commitment scale have negative repercussions for employers that might affect the performance of their firm? And among non-union employees, does the strength of a worker's relationship with her or his employer have any bearing on that individual's predisposition toward unions?

This section focuses on the patterns of association between employment relationships and the following outcomes:

- *job satisfaction*, which is a basic indicator of the overall quality of working life;
- *skill development*, which signals whether basic human resources development goals are being met;
- *turnover*, a major concern for many employers in a tight labour market;
- *absenteeism*, which has direct implications for labour costs and organizational performance; and
- *willingness to join a union* among non-unionized workers, which has bearing on unions' future viability in terms of their success in recruiting new members.

Remapping the Labour Market by the Strength of Employment Relationships

But first we need to create a single Employment Relationships Summary Scale (ERSS) by combining the scales of the four social-psychological dimensions specified in Section 7.[22] This has two advantages: 1) it is a more efficient way of examining the outcomes of employment relationships by enabling us to talk about all dimensions at once; and 2) it simplifies our remapping of the Canadian labour market by allowing us to locate particular groups along a single continuum.

Here is what we did to create a single Employment Relationships Summary Scale (ERSS). Respondents' scores on each of the four dimensions were first added together into a single scale; next, we ranked individuals from highest to lowest on this new scale and divided them into three groups of equal size. Those in the *weak* group had an average score between 5.3 and 6.3 on each of the four component scales, those in the *moderate* group had an average score between 6.9 and 8.0, and those in the *strong* group had an average score between from 8.2 to 9.0 (see Table 8-1). We are confident that the ERSS systematically captures variations in the four component scales that tap the core dimensions of employment relationships.

Table 8-1

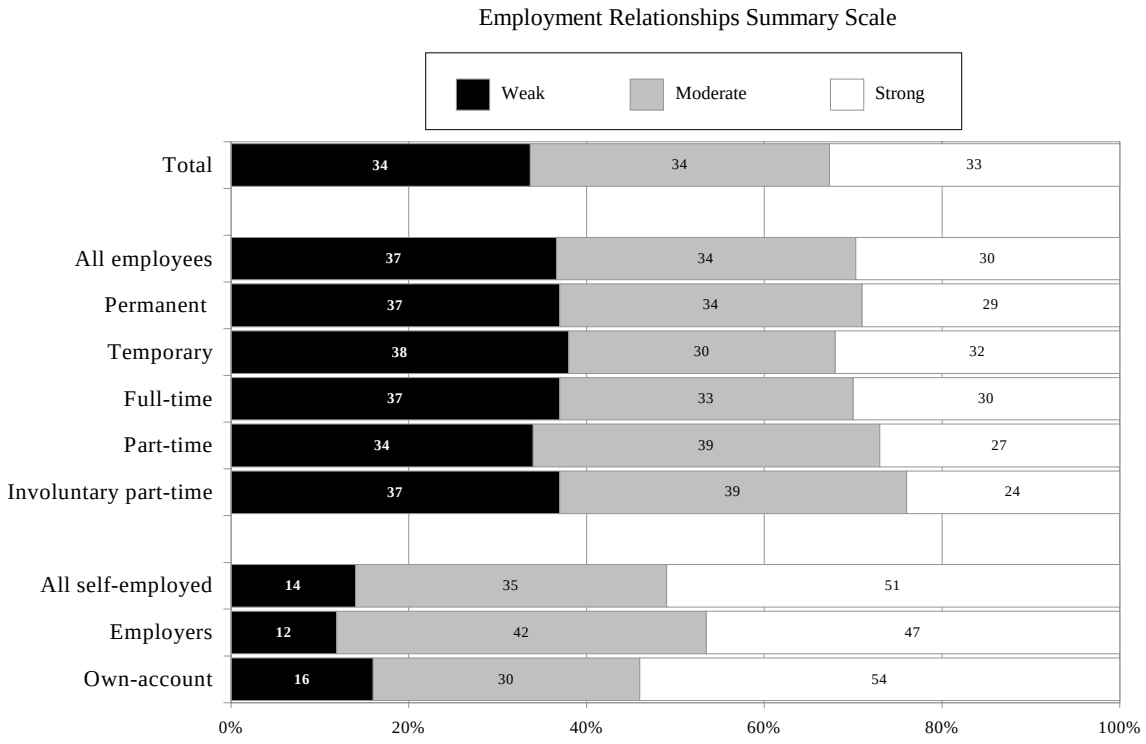
Mean Score on the Employment Relationships Summary Scale, by Each Employment Relationship Scale, Employed and Self-employed, Canada, 2000

		Employment relationship scale[1]			
		Trust	Commitment	Communication	Influence
Employment Relationships Summary Scale					
Weak	(829)	6.0*	6.2*	6.3*	5.3*
Moderate	(833)	8.0	7.7	7.8	6.9
Strong	(808)	9.0	8.6	8.8	8.2
Total	(2,470)	7.7	7.5	7.6	6.8

1 Scale scores range from 2 to 10 with a higher score reflecting a stronger relationship. See text for details.
* Differences between groups statistically significant ($p < 0.05$).
Source: CPRN-Ekos Changing Employment Relationships Survey.

Figure 8-1

Mapping Employment and Self-employment by the Strength of Employment Relationships, Canada, 2000



N. B.: Rows may not add to 100 percent because of rounding.
Source: CPRN-Ekos Changing Employment Relationships Survey (n=2,500).

Figure 8-1 illustrates how workers in different labour market locations are distributed across the three groups, which can be thought of as having "strong," "moderate" or "weak" employment relationships. When viewing the figure, remember that, by definition, one-third of all CERS respondents are in each of the low, moderate and high groups, giving us a useful benchmark for assessing the employment relationships of specific groups of workers.

From an employment relationships vantage point, the labour market looks different than from the structural mapping in Figure 2-1 above. A non-standard job, often associated with below-average work rewards and conditions, does not mean that a worker necessarily will also have weak employment relationships.

More specifically, self-employed workers (both employers and own-account) tend to be heavily concentrated in the strong employment relationships group. This fits the profile of many self-employed, as documented in our focus groups and through other research: a good number of self-employed, dissatisfied with being an employee, sought greater independence and more control over their work life, which certainly would cultivate high commitment to one's work.[23] Temporary workers are more polarized on the ERSS than their permanent counterparts, with higher than average proportions in the weak and strong groups and fewer in the moderate group. Part-timers are somewhat less likely to have strong scores on the ERSS, when compared with full-timers, and this is especially true for involuntary part-time workers. With the exception of part-time workers, generally these findings run counter to the conventional thinking that "non-standard" jobs have less attractive working conditions than "standard" jobs.

Based on the findings of Section 7, we conclude that it is not full-time, permanent employment that creates strong employment relationships. In other words, the model of the "standard job" contains wide variations in the quality of employment relationships. While it is true that standard jobs generally provide better wages and benefits than non-standard jobs, these economic criteria are inadequate for defining a "good job." This point is reinforced by our finding that sizeable numbers of part-time, self-employed and temporary workers – "non-standard jobs" – have strong employment relationships and are in work contexts that foster and build such relationships. The immediate work context appears to be more crucial for employment relationships than a worker's labour market location per se. The fact that the enabling conditions for strong employment relationships are far from universal among full-time, continuous employees is hardly surprising, given that the most wrenching organizational changes in recent years have directly affected segments of this group.

For policymakers and researchers, these findings underscore the need for a more comprehensive analysis of overall work trends that incorporates information on workplace contexts and employment relationships. Looking just at workers' labour market locations provides an incomplete picture of work experiences of Canadians. And as we see below, employment relationships in themselves can round out our understanding of what shapes key policy goals such as quality of work life and productivity.

Job Satisfaction

Job satisfaction is central to the overall quality of working life. More fundamentally, job satisfaction is "a major component of overall satisfaction or happiness."[24] Thus it is important to know how employment relationships may exert either positive or negative influences on an individual's job satisfaction.

To measure job satisfaction, we created a scale that combines responses to three questions: "Your job gives you a feeling of accomplishment"; "On an average day you look forward to going to work"; "On a scale from 1 to 5, how satisfied are you with your job?" This three-item scale was standardized to have a minimum of 2 and a maximum of 10.[25] This is a more comprehensive approach to measuring job satisfaction than taken in most studies of the topic, which often rely on one overall job satisfaction question.

Various facets of a job affect a worker's level of satisfaction: intrinsic rewards (e.g., is it challenging

and interesting?); extrinsic rewards (e.g., do pay and benefits meet the worker's needs and expectations?); organizational context; and social relations with co-workers and managers.[26] Table 8-2 confirms this. People with skilled work are highly satisfied, as are those who find their work interesting.[27] Likewise, individuals who agree that their pay is good and who have higher weekly earnings report greater job satisfaction. In terms of the organizational context, respondents who score "high" on the resource support scale (meaning they have the information, training, equipment or tools needed to do their job well) tend to be significantly more satisfied that those who lack these resources. Likewise, satisfaction is higher among individuals who work in healthy, safe and supportive environments.

While all this is consistent with job satisfaction research, what is new in the CERS findings is that strong employment relationships are associated with high levels of job satisfaction. This suggests that employees seeking satisfying work – and employers

Table 8-2

Mean Scores on the Job Satisfaction Scale, by Selected Characteristics, Paid Employees, Canada, 2000

		Mean score on job satisfaction scale[1]
All	(2,118)	7.7
Men	(1,110)	7.6*
Women	(1,008)	7.8
Age group		
Less than 25	(355)	7.4*
25 to 34	(475)	7.6
35 to 44	(629)	7.7
45 or older	(620)	8.0
The job requires a high level of skill		
Do not agree	(521)	7.0*
Agree	(936)	7.7
Strongly agree	(656)	8.3
The pay is good		
Do not agree	(650)	7.0*
Agree	(1,124)	7.8
Strongly agree	(339)	8.6
Resource support scale		
Low	(213)	6.4*
Moderate	(649)	7.4
High	(1,255)	8.1
Healthy, safe, supportive work environment scale		
Low	(215)	6.2*
Moderate	(882)	7.4
High	(1,020)	8.3
Employment Relationships Summary Scale		
Weak	(778)	6.6*
Moderate	(708)	7.9
Strong	(624)	8.9

1 Scale ranges from 2 to 10 with a higher score indicating greater job satisfaction. See text for details.
* Differences between groups statistically significant ($p < 0.05$).
Source: CPRN-Ekos Changing Employment Relationships Survey.

wanting to provide it – have to add trust, commitment, communication and influence to the list of intrinsic and extrinsic rewards more typically associated with satisfying work. But given the range of factors listed in Table 8-2, it is worthwhile disentangling the effects of each. For example, in Section 7 we underscored the link between the employment relationship and having adequate resources to do one's job. So we need to determine if employment relationships matter in their own right, as proposed in the model in Figure 2-1, or if they become less important once contextual factors are taken into account. If we compare people with similar work environments and find that job satisfaction scores still vary across the Employment Relationships Summary Scale, we can conclude with more assurance that employment relationships matter.

This is indeed the case. Table 8-3 reports the job satisfaction scale scores of employees who have comparable work environments, as measured by our resource support scale. For example, among people who rate the resources available to them as "moderate" (a score of 3 out of 5 on the scale), job satisfaction scores range from 6.7 among those with a weak employment relationship to a high of 8.5 among those with a strong relationship. Overall, employees who lack the resources they need to do their job are more likely to have weak employment relationships than those who have more adequate resources. However, job satisfaction is higher among workers with moderate or strong employment relationships, even when their job resources may be less than adequate.

This raises an intriguing question: Do strong employment relationships buffer the impact of what otherwise would be dissatisfying working conditions by somehow making workers more tolerant or adaptable? We now are speculating, of course, but such a scenario could cut two ways, either helping organizations get through difficult periods, or alleviating one source of pressure on the employer to invest in

Table 8-3

Mean Score on the Job Satisfaction Scale, by Employment Relationships Summary Scale and Resource Support Scale, Paid Employees, Canada, 2000

		Mean score on job satisfaction scale	Distribution of persons across ERSS
Low resources[1]			
Weak ERSS	(182)	6.1	86
Moderate ERSS	(27)	n/a	n/a
Strong ERSS	(4)	n/a	n/a
Total	(213)	6.4	100%
Moderate resources[1]			
Weak ERSS	(319)	6.7*	49
Moderate ERSS	(233)	7.9	36
Strong ERSS	(95)	8.5	15
Total	(647)	7.4	100%
High resources[1]			
Weak ERSS	(277)	6.9*	22
Moderate ERSS	(448)	7.9	36
Strong ERSS	(525)	8.9	42
Total	(1,250)	8.1	100%

n/a = Sample size too small to provide a reliable estimate.
1 On a 5-point scale, low resources defined as persons with scores of 1 or 2, moderate resources defined as persons with score of 3, and high defined as persons with 4 or 5.
* Differences between groups statistically significant ($p < 0.05$).
Source: CPRN-Ekos Changing Employment Relationships Survey.

improving these conditions to the possible detriment of productivity.

We also suggested in Section 7 that employment relationships can be damaged by organizational changes such as downsizing, restructuring, use of temporary workers or changes in job duties. However, some researchers claim that organizational changes implemented in a climate of openness and consultation are less likely to have negative consequences for employees.[28] CERS evidence provides support for this view (Table 8-4). Even among employees who have experienced 3 or 4 kinds of organizational change in the previous year, job satisfaction is still 8.9 out of 10 among those with a high ERSS score.

Workers who trust their employer, report good communications in their workplace, and feel they have some influence in decisions affecting their work – three of the four employment relationship dimensions – are more likely to feel part of the change process than casualties of it. Again, we are inclined to speculate that strong employment relationships shield employees from the most damaging impacts of downsizing and restructuring. We must recognize, though, that this is based on the views of "survivors" of these changes because individuals who changed employers in the past year, became unemployed, or those who left the labour market altogether due to organizational change either did not answer this question or are not in the CERS sample. For employers, the point to emphasize is that the process of planning and implementing organizational change seems to have a larger bearing on the quality of working life than does the type or magnitude of that change. Extensive consultation and collaboration likely are the active ingredients in this regard.

Table 8-4

Mean Score on the Job Satisfaction Scale, by Employment Relationships Summary Scale and Number of Organizational Changes Experienced, Paid Employees, Canada, 2000

		Mean job satisfaction score	Distribution of persons across ERSS
No organizational changes experienced[1]			
Weak ERSS	(253)	6.7*	29
Moderate ERSS	(327)	7.9	37
Strong ERSS	(309)	9.0	35
Total	(889)	7.9	100%
One organizational change experienced[1]			
Weak ERSS	(170)	6.6*	32
Moderate ERSS	(193)	8.0	36
Strong ERSS	(173)	8.7	32
Total	(536)	7.8	100%
Two organizational changes experienced[1]			
Weak ERSS	(211)	6.5*	50
Moderate ERSS	(123)	7.9	29
Strong ERSS	(91)	8.7	21
Total	(425)	7.4	100%
Three or four organizational changes experienced[1]			
Weak ERSS	(144)	6.6*	56
Moderate ERSS	(65)	8.0	25
Strong ERSS	(51)	8.9	19
Total	(260)	7.4	100%

1 Organizational changes include downsizing, organizational restructuring, increased use of temporary employees and change in duties.
* Differences between groups statistically significant ($p < 0.05$).
Source: CPRN-Ekos Changing Employment Relationships Survey.

To explore this, we used multivariate analysis to simultaneously assess the effects of employment relationships on the job satisfaction of employees, along with the full range of socio-demographic, labour market and work context factors examined in Section 7 (see Appendix A, Table A-6). Having a strong employment relationship is the most powerful predictor of a worker being satisfied with her or his job. Coming a distant second in terms of influence is having skilled work. Somewhat less influential, but still noteworthy, are the effects of age (younger workers are less satisfied) and the positive influence of a healthy and supportive work environment.

So far, this analysis of job satisfaction has focused exclusively on employees. Briefly, we now expand our discussion to include the self-employed. Using a modified version of the multivariate model developed for employees, reflecting the fact that some of the job and labour market factors relevant for employees (e.g., organizational restructuring) were not appropriate for self-employed individuals, we obtained strikingly similar results. A strong employment relationship is the single most important predictor of high job satisfaction among self-employed respondents to the CERS. Next in order of influence are having a healthy and supportive work environment, a job that requires a high level of skill, and the perception that the job pays well. Generally, then, it would appear that employees and the self-employed are not that different when it comes to what makes for satisfying work. For both groups, strong employment relationships are crucial, and a skilled job and a healthy, supportive work environment also are important.

Skill Development and Use

For most people, developing their potential through work is essential for a fulfilling life. Equally important, job-related skill development builds the human capital so vital for a healthy economy. Indeed, a central tenet of economic policy in Canada is that investments in human capital – equated with learning and skill development – are a defining feature of a knowledge-based economy.

In order to address human resources development issues, the CERS included several questions on skill use and development. Respondents were asked: "Considering your experience, education, and training, do you feel that you are overqualified for your job?" Just over one-quarter (27 percent) of employees in the survey said they did feel overqualified, with this view more prevalent among younger workers (compared with older workers) and persons with a university degree (compared with individuals who had less education). And not surprisingly, people who say their jobs do not require a high level of skill are most likely to feel overqualified. Moreover, employees in weak employment relationships are far more likely to say they are overqualified for their jobs than persons in strong relationships. Thus strong employment relationships are associated with effective human resources utilization, a point confirmed by multivariate analysis (see Table A-7, Appendix A). Specifically, the odds of feeling overqualified for a job are about one-and-a-half times higher among individuals in weak employment relationships compared with co-workers in strong employment relationships.

To assess human resources development opportunities, CERS respondents were asked if their job lets them develop their skills and abilities. Almost 6 in 10 employees in strong employment relationships (58 percent) strongly agreed that their job enables them to develop their skills and abilities, compared with only 1 in 10 employees in weak employment relationships. Employees over the age of 25 (compared with younger workers) and women (compared with men) are in somewhat stronger agreement that their job lets them develop their skills and abilities, but these differences are small (Table 8-5).

Far more crucial, skill development opportunities are more plentiful in skilled jobs and in jobs where workers report strong employment relationships. Even among employees who considered themselves to be highly skilled, we find a strong relationship between skill utilization and development, on the one hand, and the strength of their employment relationships, on the other hand (data not shown). So for example, 23 percent of high-skill workers in weak employment relationships strongly agree that their job lets them develop their skills and abilities. In contrast, 78 percent of high-skill workers in strong relationships say their job lets them develop their skills and abilities. In short, the presence of trust,

Table 8-5

Perceptions of Overqualification and Potential for Skill Development, by Selected Characteristics, Paid Employees, Canada, 2000

			"Your job lets you develop your skills and abilities"			
		Percent who feel over-qualified for their job	Do not agree	Agree	Strongly agree	Total (percent)
Total	(2,118)	28	21	53	27	100
Men	(1,110)	29	22	53	24	100*
Women	(1,008)	27	19	52	29	100
Age group						
Less than 25	(355)	41*	27	52	21	100
25 to 34	(475)	31	20	51	29	100
35 to 44	(629)	25	20	53	27	100
45 or older	(620)	21	19	54	28	100
Job requires high level of skill						
Do not agree	(522)	46*	42	46	12	100*
Agree	(936)	25	16	65	19	100
Strongly agree	(656)	19	10	41	49	100
Employment Relationships Summary Scale						
Weak	(778)	36*	40	50	10	100*
Moderate	(708)	26	12	70	17	100
Strong	(624)	21	6	36	58	100

* Differences between groups statistically significant ($p < 0.05$), Chi-square test.
Source: CPRN-Ekos Changing Employment Relationships Survey.

commitment, good communication, and opportunities to influence one's working conditions can enhance or detract from human resources development activities.

The model of employment relationships presented in Section 2 acknowledged that there may be interactive effects between employment relationships and outcomes. In other words, employment relationships influence the ability of individuals to develop their skills and abilities, but conversely, these opportunities for skill development also may have consequences for the employment relationship. Workplaces characterized by high levels of employee influence, trust and commitment, and effective communication seem to foster a climate in which human capital development occurs. The open exchange of information and ideas may be a critical ingredient in this regard. Furthermore, it is also plausible that individuals who have good opportunities to learn and develop their potential on the job will have their sense of trust and commitment in their employer reinforced.

Turnover

With unemployment at its lowest levels in Canada in a quarter-century, many employers are scrambling to deal with workforce recruitment and retention. In short, finding and keeping talented workers has become crucial to an organization's success, whether it is in the public, private or non-profit sector. Against this background, we focus on turnover behaviour among employees as a major outcome of employment relationships.

The CERS asked employees if they had looked for a job with another employer in the 12 months

Table 8-6

Percent of Paid Employees Who Looked for a Job with Another Employer in the Past Year, by Selected Characteristics, Canada, 2000

		Percent who looked for a job with another employer
All	(2,118)	29
Men	(1,110)	30
Women	(1,008)	27
Age group		
Less than 25	(355)	43*
25 to 34	(475)	36
35 to 44	(629)	29
45 or older	(620)	16
Job tenure		
Less than 2 years	(741)	43*
3 to 5 years	(267)	32
6 to 7 years	(236)	23
8 to 10 years	(186)	22
11 or more years	(597)	14
Job pay is good		
Do not agree	(651)	42*
Agree	(1,124)	24
Strongly agree	(339)	20
Number of organizational changes experienced		
None	(897)	24*
One	(535)	30
Two	(425)	31
Three or four	(260)	37
Employment Relationships Summary Scale		
Weak	(778)	39*
Moderate	(708)	25
Strong	(624)	20

* Differences between groups statistically significant ($p < 0.05$), Chi-square test.
Source: CPRN-Ekos Changing Employment Relationships Survey.

prior to the survey. This is a solid behavioural measure of a worker's intention to quit. Table 8-6 documents that the likelihood of having sought another job was higher among younger (than older) workers and among persons with shorter job tenure. Employees who said their job did not pay well were likely to have looked for another position. The organizational context also influenced job search behaviour, as employees whose jobs had been affected by a greater number of organizational changes were more likely than others to have looked elsewhere for employment. Finally, the strength of employment relationships was a key factor. While only 20 percent of CERS respondents in strong employment relationships had looked for another job in the past year, 39 percent of those in weak employment relationships had done so.

To sort out which of these factors are the best predictors of intended turnover, we used logistic regression analysis (see Table A-8, Appendix A). After taking into account an employee's socio-demographic characteristics, employment history, perceptions of the job and organizational context,

we found that employment relationships still influenced job search behaviour. Most decisive was workers' perception that their pay is not good. However, the relative odds of having looked for another job also was about twice as great among employees in weak employment relationships as it was among those in strong employment relationships.[29] Thus, while turnover behaviour is related to many labour market, work and socio-demographic factors – a finding consistent with previous research – what is new is the addition of employment relationships to this list.

Yet we should not place too fine a point on this finding. After all, some firms in low-skill industries use cost-cutting labour strategies that rely in part on the turnover of easily replaceable workers. However, employers in higher skill industries – ranging from the high-tech sector to government administration – are concerned with recruiting and keeping qualified staff, and with the costs incurred from rising labour turnover. Such concerns are accentuated in organizations where large numbers of baby-boomers are expected to retire over the next 5 to 10 years. So in practical terms, these firms must ensure that employees have the job and organizational conditions that foster strong trust and commitment, allow effective communication, and provide opportunities for decision-making influence.

Workplace Morale

Morale is an important ingredient in cultivating healthy work environments and meeting organizational goals. Concerns about employee morale came to the forefront during corporate downsizing of the 1990s.[30] The term morale essentially captures the motivation and enthusiasm with which employees approach their work. It often is used in tandem with the concepts of loyalty, trust and commitment. In this sense, morale is the overall expression of the extent to which individual employees feel trusting of and committed to their employer. For employers, morale indicates the willingness of workers to put effort into their jobs. And while employees' perceptions of morale is an important issue for organizations, it is also an important barometer for workers, indicative of the overall climate in the workplace. In short, morale is a feature of psychologically healthy work and productive work environments.

The CERS asked employees whether they agreed or disagreed (on a 5-point scale) with the statement "The morale in your workplace is low." Over one-half of employees (57 percent) disagreed or strongly disagreed with this statement, while 11 percent were neutral on this issue (i.e., they said that they did not agree or disagree). About one-third of respondents agreed or strongly agreed that morale was low where they worked. As shown in Table 8-7, low workplace morale is associated with a number of factors, particularly organizational characteristics. Consistent with previous research on the impact of downsizing on morale, the number of organizational changes experienced by individuals was associated with perceptions of low workplace morale. Morale was also more likely to be low among individuals whose jobs are stressful and hectic, and who lack the resources necessary to do their job. Having a healthy, safe and supportive work environment also is a critical factor in this regard. The strength of the employment relation is another factor associated with workplace morale. Indeed, over one-half (55 percent) of employees in weak employment relationships report that morale is low in their workplace, compared with only one-quarter (24 percent) of those in moderate relationships, and just over one-tenth (13 percent) of those in strong relationships. This suggests that trust, commitment, communication and influence contribute to the overall climate of a workplace, as reflected in the motivation and enthusiasm workers bring to their jobs.

To develop a more finely-grained picture of the factors that contribute to low workplace morale, we relied on multivariate analysis. The results of the logistic regression model (see Table A-9 in Appendix A) confirm that the strength of the employment relationship has an independent effect on morale, after having taken into account the influence of worker characteristics, job content and organizational context. Indeed, the relative odds of reporting low morale were four times higher among employees in weak employment relationships than among their counterparts in strong relationships. This makes intuitive sense, especially given our cumulative evidence that how individual employees experience their employment relationships mirrors their work environment. So to the extent that one worker lacks trust and commitment, for example, there is a very good chance that co-workers will

Table 8-7

Perceptions of Workplace Morale among Paid Employees, by Selected Characteristics, Canada, 2000

		"The morale in your workplace is low"			
		Disagree or strongly disagree	Neutral	Agree or strongly agree	Total (percent)
All	(2,118)	57	11	32	100
Men	(1,110)	57	11	32	100
Women	(1,008)	56	12	32	100
Number of organizational changes					
None	(897)	67	9	24	100*
One	(535)	57	13	31	100
Two	(425)	47	12	41	100
Three or four	(260)	39	12	49	100
Pace of work scale					
Low	(1,185)	51	12	37	100*
Moderate	(633)	63	11	26	100
High	(299)	67	8	25	100
Resource support scale					
Low	(213)	23	9	69	100*
Moderate	(649)	47	14	39	100
High	(1,255)	68	10	22	100
Healthy, supportive environment scale					
Low	(215)	25	6	69	100*
Moderate	(882)	49	14	37	100
High	(1,020)	70	10	20	100
Employment Relationships Summary Scale					
Weak	(778)	33	12	55	100*
Moderate	(708)	64	13	24	100
Strong	(624)	78	9	13	100

* Differences between groups statistically significant ($p < 0.05$), Chi-square test.
Source: CPRN-Ekos Changing Employment Relationships Survey.

feel the same way. What reinforces this conclusion is the finding that the odds of reporting low morale are 12 times higher among employees on the low end of the healthy and supportive work environment scale compared with employees on the high end of the scale.

Absenteeism

Absenteeism due to injury and ill-health is costly to the Canadian economy and to workers.[31] It can detract from productivity and, if health-related, an employee's overall quality of life. At issue, then, is the extent to which strong or weak employment relationships are associated with low or high rates of absenteeism due to personal illness or injury. The link we are exploring more deeply is between healthy and safe work environments, on the one hand, and the nature of the employment relationship, on the other hand.

Table 8-8 reveals that the number of days missed from work due to personal illness or injury in the year prior to the survey varies sharply across several variables.[32] As we would expect, an individual's overall health status affects absenteeism.

Table 8-8

Average Number of Days Missed from Job in Past Year Due to Own Illness or Injury, by Selected Characteristics, Paid Employees, Canada, 2000

		Average number of days missed due to own illness or injury
All	(2,118)	4.5
Men	(1,110)	4.3
Women	(1,008)	4.6
Union status		
Unionized	(677)	6.3*
Non-union	(1,412)	3.6
Self-assessed health status		
Excellent	(689)	2.5*
Very good	(779)	4.4
Good	(489)	5.2
Fair/poor	(162)	10.8
Employment Relationships Summary Scale		
Weak	(778)	5.9*
Moderate	(708)	3.6
Strong	(624)	3.7

* Differences between groups statistically significant ($p < 0.05$).
Source: CPRN-Ekos Changing Employment Relationships Survey.

Employees whose self-reported overall heath status is fair or poor take almost six times the average number of days off work for reasons related to personal illness or injury compared with persons whose health status is excellent. Beyond minor differences in absenteeism by age, we note a fairly large difference in absenteeism – on average over two days annually – between workers with strong and weak employment relationships. This difference is substantial, considering that survey respondents reported being absent an average of 4.5 days.

Multivariate analysis confirms the association between employment relationships and absenteeism (see Table A-10 in Appendix A). The odds of being absent for three or more days in the past year due to illness or injury were 1.5 times higher among employees in weak employment relationships compared with their counterparts in strong employment relationships. Other significant factors include being a union member, being female, having paid sick leave and having poor health status. What these findings suggest is that employment relationships are part of a cluster of factors that predict absenteeism behaviour, but themselves do not exert a powerful influence, as they do for other outcomes.

Unravelling the relationships between employee health behaviour, most clearly measured in absenteeism, and working conditions is tricky. For one thing, we do not know from the CERS data whether those workers reporting poor health status may have been negatively affected by particular workplace health hazards. When interpreting the positive effects of employment relationships, we may need to consider their influence on psychosocial rather than physical health – again, not something the survey was designed for. And it is also plausible that strong employment relationships have unintended consequences. For example, workers who are ill and could benefit from taking time off to get well may nonetheless feel compelled to come to work, drawn by the strong bonds of commitment.

Willingness to Join a Union

We noted in Section 4 that about one-third of the Canadian workforce is unionized. Union density has remained relatively stable in Canada over the past decade or more. As in other nations, the recruitment of new members must be a major goal for labour movements if they are to survive.[33] Central to the process of membership renewal is the support for union representation among non-union workers. The CERS asked non-union employees whether or not they would be willing to join a union if one existed in their workplace or profession. This is a basic indicator of the desire for collective representation – which could bring major changes to the character of the employment relationship. Here we examine the willingness to join a union as an outcome of employment relationships, which is of direct relevance to unions – as well as to non-unionized employers.

A number of factors are associated with the willingness of non-unionized employees to join a union if one existed in their workplace or profession. Demographic characteristics are important. As shown in Table 8-9, women tend to be somewhat more amenable to unionization than men, as 27 and 23 percent, respectively, said they would be likely or very likely to join. Age is also an important consideration, with unionization more appealing to

Table 8-9

Willingness of Non-unionized Employees to Join a Union if One Existed in Their Workplace or Profession, by Selected Characteristics, Canada, 2000

		Unlikely or very unlikely to join	Neutral	Likely or very likely to join	Total (percent)
All	(1,412)	63	12	25	100
Men	(750)	67	10	23	100*
Women	(662)	60	13	27	100
Age group					
Less than 25	(286)	46	20	34	100*
25 to 34	(332)	61	9	30	100
35 to 44	(392)	69	10	21	100
45 or older	(376)	71	10	19	100
Visible minority status					
Visible minority	(233)	51	16	33	100*
Not visible minority	(1,173)	66	11	23	100
Job security is good					
Do not agree	(399)	53	12	35	100*
Agree	(712)	64	14	22	100
Strongly agree	(280)	78	6	16	100
Job pay is good					
Do not agree	(481)	46	15	39	100*
Agree	(708)	71	12	17	100
Strongly agree	(219)	77	7	17	100
Employment Relationships Summary Scale					
Weak	(421)	48	13	39	100*
Moderate	(503)	66	12	22	100
Strong	(485)	74	11	15	100

* Differences between groups statistically significant ($p < 0.05$), Chi-square test.
Source: CPRN-Ekos Changing Employment Relationships Survey.

younger workers than their older counterparts. Not surprisingly, willingness to join a union is greatest among employees who are less satisfied with their pay and job security. It is also clear from Table 8-9 that the strength of the employment relationships matters. More specifically, CERS respondents in weak employment relationships are more than twice as likely to want to join a union as those in strong relationships (39 and 15 percent, respectively).

To determine whether employment relationships matter in their own right and do not simply reflect other aspects of the job, we relied on multivariate analysis (see Table A-11 in Appendix A). Non-unionized employees were divided into those who said they would be likely or very likely to join a union and those who said they would be very unlikely, unlikely or neutral about joining. We then examined the factors associated with being in the first rather than the second of these groups. Our results indicate that the probability of a non-union employee wanting to join a union are about twice as high among those in weak employment relationships, compared with those in strong relationships. Overall, the importance of the employment relationship remains when other factors, such as gender, age and perceptions of pay and job security, are taken into account. However, we should note that perceived problems with pay and job security are more important influences on willingness to join than is the strength of employment relationships.

This finding is consistent with the new human resources management, which assumes that employees who feel trust and commitment to their employer will not seek third-party representation. Of course, this does nothing to address low wages and job insecurity – much stronger inducements to unionization. Nonetheless, practice suggests that the employers who cultivate trust and commitment, ensure effective communication, and give workers influence in work-related decisions likely will diminish a worker's perceived need for a union. But other new human resources management strategies may be less effective in preventing unionization. For example, there is no statistically significant difference in willingness to join a union among employees who are members of a work team compared with those who are not.

To look at these issues from the labour movement's perspective, unions will continue to appeal to workers seeking a greater voice in their workplace and direct influence on the decisions that shape their working lives. And as we saw in Section 5, unions also ensure that the legal aspects of employment are formalized in collective agreements. In short, workers who lack influence, or who do not trust their employer to act in their best interests, or who want the certainty that comes with negotiated contracts are likely to be most interested in wanting to join or to form a union. This is how employment relationships feed into union organizing strategies. However, basing organizing drives on deficient employment relationships will be less effective than addressing more deep-seated grievances about wages and security.

Conclusion

To summarize the key point of this section, the relative strength or weakness of employment relationships exerts an independent effect on the quality of working life and work organizations. Having sifted through a large volume of data, we now can conclude that employment relationships matter in their own right. They are key ingredients in job satisfaction; they are related to skill use and development; they have a bearing on workplace morale and worker absenteeism; and they play a modest role in support for joining a union among non-union workers. Beyond this, a composite picture is emerging of workplaces that are good for both workers and employers. It seems to be mutually advantageous to nurture strong employment relationships; important in this regard is creating a healthy, supportive and skilled work environment. In a remarkably consistent fashion, these conditions emerged as having the strongest influence on outcomes desired by both workers and employers, notably the quality of work life, skill and career development, retention, morale and absenteeism.

9

Implications for Workers, Employers, and Public Policy

The Changing Employment Relationships Project has viewed Canadians' working conditions through the lens of employment relationships. This perspective adds a new set of analytic tools to the traditional method of examining job structures, which focuses on whether a person works full time or part time, is self-employed or an employee, or is in a permanent or temporary position. Our key contribution is to document why good employment relationships are important for workers and employers.

Our analysis of employment relationships began with legal arrangements, adding to this the social-psychological dimensions of trust, commitment, influence and communication. This approach offers a fresh perspective on what constitutes a "good job." We show that standard jobs are not necessarily the ones with the highest levels of trust, commitment, influence and communication. This underscores the wide diversity of working conditions and job rewards found within standard and non-standard job categories.

In this final section, we consider the implications of our findings for individual workers, employers and unions, and public policy.

Implications for Individual Workers

The strength of employment relationships matters for individuals. The vast majority of Canadians seek satisfying and meaningful work. This puts trust, commitment, communication and influence on their list of job selection criteria. The problem, however, is that these more personal job rewards are far more difficult to assess than are economic rewards such as pay and benefits. Indeed, the factors contributing most to high trust, strong commitment, good communication and worker influence over decisions are embedded in the work environment itself.

Yet there is not much that individual workers can do – short of changing employers or becoming self-employed – to alter their work environment in ways that will improve the quality of employment relationships. One possible exception is training, which workers can obtain on their own. But even here, what makes a difference for workers is having training opportunities provided by their employer so they can do their job effectively. In short, training fosters stronger employment relationships when it is a workplace resource. While the concept of employment relationships implies reciprocity – a "two-way street," in the words of focus group participants – in practice, the values and actions of employers (or clients) are decisive in building up or breaking down employment relationships.

What advice would workers in weak employment relationships give to employers on how to improve these relationships? The CERS asked all respondents to state in their own words the single most important change they would like to make in their employment relationships. The responses,

Box 5

What Employees Would Like to Change in Their Employment Relationship

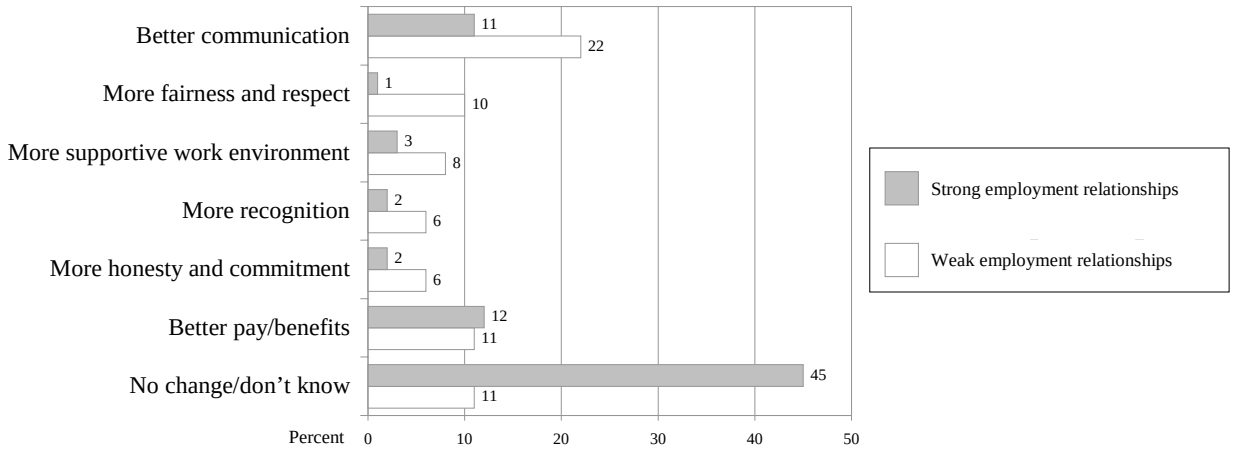
Our analysis of the negative implications of weak employment relationships begs the question: What needs to be changed? To generate public discussion on this issue, we present a summary of what CERS respondents considered the single most important change they would like to see in their relationship with their employer (or main client if self-employed). The question was open-ended, meaning that respondents could in their own words describe any change they wanted, as opposed to choosing from a predetermined list. These qualitative responses corroborate the multi-dimensional approach we have taken in this report to defining employment relationships.

The figure below reports that close to half of the workers in strong employment relationships were more or less happy with their current situation. However, those in weak employment relationships were far more interested in seeing changes. Indeed, 22 percent of those who were in weak employment relationships cited improvements in communication as the single most important change they wanted. This proportion was twice as large as that found among persons in strong relationships, 11 percent of whom cited changes in communication. Here are some typical responses in this category:

- "Better communication – there's a lack of communication between the senior people and the employees."
- "Better communication in the organization as a whole – everyone involved."
- "I would like to see more clarity in the direction the company is headed."
- "More personal evaluation."
- "Awareness of the company's direction and business strategy."

Persons in weak relationships were also far more likely to cite a need for more fairness and respect, a more supportive work environment, and more recognition. Also of interest is that it was not the extrinsic job characteristics – pay, benefits, work hours, and schedules – that differentiated people in weak and strong relationships. Indeed, almost the same proportion of respondents in both groups cited a need for improvements in these areas. The major differences between these two groups revolved around intrinsic aspects of employment: how people relate to one another and are treated on the job. Overall, almost one-quarter of individuals in weak employment relationships mentioned intrinsic aspects of the job they would like to see improved, including more fairness, respect, recognition, and honesty. This rises to over one-half if communication and supportive work environments are added to the list.

The Most Important Change Canadians Would Like to See in Their Employment Relationship,* by Strength of the Relationship



* Based on responses to an open-ended question: "What would be the single most important change you would like to see in your relationship with your employer/main clients?" Verbatim responses were content analyzed to create the categories reported in this figure.

Source: CPRN-Ekos Changing Employment Relationships Survey (n=2,118).

discussed in Box 5, graphically portray the kinds of improvements desired: communication, fairness and respect, recognition, and a more supportive work environment. Also note that individuals in strong employment relationships (which includes a higher proportion of the self-employed than employees) are content with the status quo, recommending no changes (see Table 9-1).

The message that sizeable numbers of our survey respondents want to send to employers is this: give us more opportunities for meaningful input and participation. This approach to developing positive employment relationships is not necessarily costly to implement and the pay-off to employers could be worth the investment. Employees want more information about what is expected from them, feedback on their job performance, and regular updates on the state of the organization and the direction it is heading. This does not require radical change. As one respondent suggested, it would be a good idea to "once a month, sit down and discuss current issues on the basics of the business with everyone."

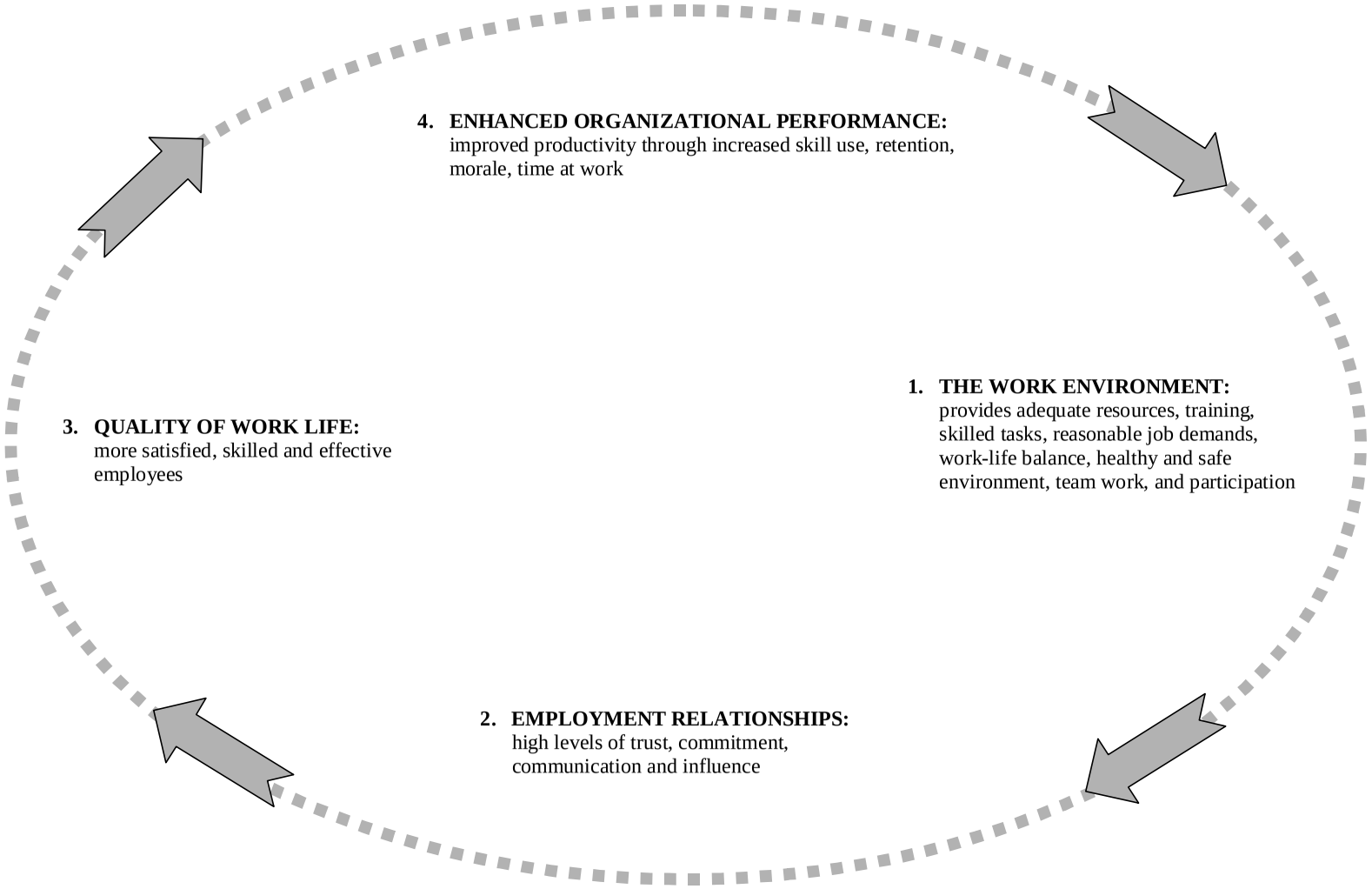
Table 9-1

Types of Changes CERS Respondents Would Most Like to See in Their Relationship with Their Employer or Main Client, Canada, 2000

	All respondents	Weak employment relationship	Moderate employment relationship	Strong employment relationship
Better communication, feedback, information	16	22	15	11
Improved pay or benefits	11	11	11	12
More supportive supervisor or work environment	5	8	4	3
Better/more flexible work hours, schedules, arrangements	5	4	5	5
More fairness and respect	4	10	1	1
More recognition	4	6	3	2
Organizational improvements (less bureaucracy, better job descriptions, organizational effectiveness)	4	4	3	4
More honesty, loyalty, commitment	3	6	2	2
More decision-making control and influence	3	5	3	2
More opportunity for training and advancement	3	3	4	3
More or better resources	3	2	3	3
Healthier work environment (less demanding or stressful, more balanced with personal life)	2	3	3	1
Better job security and stability	2	2	2	2
Improved teamwork, integration, labour-management relations	2	2	2	3
Other changes	3	3	2	3
No change suggested	10	3	12	17
Don't know	19	8	24	28
Total	100%	100%	100%	100%
(N)	(2,171)	(774)	(724)	(673)

Figure 9-1

Linking Work Environments, Employment Relationships, Quality of Work Life, and Organizational Performance



Implications for Employers

For employers, a major insight emerging from this study is that the ingredients of strong employment relationships are embedded in the work environment. Management has direct influence over three features of the work environment that most affect employment relationships: the resources provided to enable people to be effective in their work; how work is organized and managed; and the task content of jobs.

Creating a supportive and healthy work environment is a prerequisite for strong employment relationships. This taps into the physical, social and psychological aspects of the workplace – everything from workloads to respect. It also means providing workers with the resources needed to do their job, such as training, equipment and information.

Equally important is how work is organized. Low levels of commitment and trust are associated with restructuring and downsizing, a clear sign that the turmoil associated with work reorganization in the 1990s continues today despite a booming economy. And workplaces organized to give workers more say, through formal participation programs and team work, have somewhat stronger employment relationships. Finally, job content also is important: workers who perform more skilled and interesting tasks tend to have stronger employment relationships.

Employment relationships require balance and reciprocity if they are to benefit both parties. For their part, employers can demonstrate that they truly value their employees by providing a high quality work environment. While managers at all levels need to understand this basic point, it is especially crucial that it guides the daily actions of front-line supervisors and managers. These supervisors and managers are the firm's human face. Thus employers committed to fostering positive employment relationships may want to consider making employment relationships a topic in management training programs.

Our research findings highlight the links between work environments, employment relationships, the quality of work life and organizational performance. These links are outlined in Figure 9-1. Certainly more research is required to help us better understand these links. Yet it seems from the CERS evidence that a positive work environment fosters strong employment relationships, which in turn contribute to an improved quality of work life and organizational performance. These components are mutually reinforcing in ways that create "good jobs" – the kind that people are enthusiastic about doing and in which they can be highly productive.

The organic links Figure 9-1 proposes between work environments, employment relationships and outcomes also garners support from research on job satisfaction and high performance workplaces.

The CERS used job satisfaction to gauge a person's overall quality of work life. Job satisfaction has been of great interest for employers, too. Research suggests that happy workers tend to be more productive, especially among supervisors, managers and professionals.[34] Being productive also can contribute to a person's job satisfaction, if job performance is rewarded.[35] Our contribution is to document that employment relationships play a key role in shaping both job satisfaction and productivity.

Quality of work life and productivity also are central goals in new workplace models, often referred to as "high performance workplaces."[36] Compared to the traditional workplace, high performance workplaces are more participatory, flexible, high-trust, skill-intensive, and provide more rewarding jobs. When combined, these features can contribute to higher productivity *and* higher job satisfaction – generating mutual benefits for employers and workers.[37] The CERS reinforces this point, by showing that strong employment relationships pay off in terms of employees' work satisfaction, morale and effectiveness.

These are practical issues that the Canadian Policy Research Networks will be further documenting on its new Quality of Employment Indicators Web site (www.jobquality.ca), which will be available to the public in the Spring of 2001.

Implications for Unions

Our findings also raise key issues for unions. In the past 15 years, "new" human resources management strategies have aimed at cultivating employee trust and commitment. Unions often view these attempts to integrate workers into the firm as a way of eliminating the need for a "third party" – a union. As we have documented, increased participation and involvement can build trust and commitment.

While this benefits employees, it poses big challenges for unions. For example, how can unions ensure that employers' efforts to strengthen employment relationships does not spell the decline of third-party representation? How can unions cultivate employment relationships without undermining their own position? Should unions be concerned with our finding that trust is lower among union members, especially knowing that some employers would perceive this as a problem?

We raise these questions as a way of pointing out how the future of unions in part hinges on their ability to adapt to changing employment relationships. The perceived need for unions is greatest among workers who want better pay and job security – the traditional inducements to seek union representation. But, at the same time, there is a substantial untapped interest in union representation, with 25 percent of non-union workers willing to join a union. This reveals considerable potential for union membership growth through new organizing initiatives (a point that we expect will not be lost on today's non-union employers).

Undoubtedly, unions offer the most formalized type of employment contracts. However, this legal aspect of employment does not appear to be a major concern to most employees. Furthermore, it is useful to consider the future role of professional and staff associations in addressing workers' needs. We can imagine a future in which these organizations are attractive to a growing number of knowledge workers who no longer think in terms of standard jobs, careers or employment contracts. This scenario could mean growing competition for unions. More immediately, we need to know more about the current roles of professional and staff associations.

Policy Implications

Most of all, this study gives policymakers and labour market analysts a new way of mapping the changing contours of work in Canada's emerging "new economy." Our perspective on employment relationships draws insights from industrial relations, psychology, sociology, management and other literatures. CERS respondents and focus group participants have reinforced the need for a multidimensional view of employment relationships. This should encourage analysts and policymakers to adopt a relational perspective on work, augmenting the existing structural view that focuses on the characteristics of "standard" and "non-standard" work.

Some of our findings call for revisions to current labour market measures, especially of non-standard work, which have informed a decade of labour market policy thinking. Specifically, it may be useful to distinguish two groups of workers: individuals who straddle the line between self-employment and contract employee; and temporary agency workers. Moreover, based on the importance of employment relationships, and how many aspects of the work environment influence these, it may be more accurate to distinguish between "good and bad workplaces," rather than "good and bad jobs."

For example, temporary workers have been lumped into the non-standard job category. We use a more nuanced assessment of their job quality. In the end, this shows that the levels of trust or commitment expressed by an employee are not related to whether their job is temporary or permanent. This is partly because many temporary workers have an ongoing relationship with one employer. The fact that this "employer" could, in the mind of the temporary worker, be an employment agency calls for further research into the operations of these labour market intermediaries.

By the same token, the fact that self-employed individuals, in comparison with employees, have stronger employment relationships invites a rethinking of the structural model's emphasis on labour market status to identify "good" jobs. Yet while relational aspects of self-employment may be attractive, there are deficiencies such as a lack of benefits. Evidently, the chance to improve one's

employment relationships comes at a cost to the individual. This may be a conscious trade-off for some people who left an employer. However, as these workers age, their lack of adequate pensions and supplementary health insurance could have policy implications.

We also have raised a number of policy concerns regarding the legal aspects of employment. In this regard, examining the lessons learned in other leading industrial nations would be a useful way to inform Canadians' discussions of policy options.

- Legislation and regulations governing employment standards, collective bargaining, health and safety, and workers' compensation were designed for the traditional "standard" job. Consequently, the protections initially intended to be provided by these legal frameworks are available to a diminishing number of workers. Legal reform must address the diversity of employment relationships within both the standard and the non-standard categories.[38]

- A sizeable number of Canadians do not have a written contract that lays out their terms and conditions of employment. Yet despite recognition among scholars and policymakers that such contracts are important, this research suggests that the social-psychological dimensions of employment relationships are more relevant to workers. Verbal and written contracts are equally binding in contract law, but in practice it may be more difficult for a worker to enforce a verbal agreement. Do less formalized employment contracts make it more difficult for workers to seek recourse should an employer not live up to the agreement? Given the policy emphasis on productivity, it also is useful to reflect on the link between formalized employment contracts and the use of performance evaluations for workers.

- Some focus group participants expressed the need for effective health and safety regulations. This echoes calls from occupational health researchers for careful consideration of how best to adapt occupational health and safety legislation to rapidly changing work situations.[39] We make this point with our findings about the importance of healthy and safe work environments for strong employment relationships.

The study also raises implications for current policies promoting continuous learning as a key to future economic innovation. Strong employment relationships tend to be associated with effective human resources development and utilization. But if "knowledge" workers (that is, highly educated managers, professionals and technical experts), rather than manual and service workers in routine jobs, are the main beneficiaries of "good" employment relationships, then this raises the spectre of a new source of labour market polarization.

Our comprehensive view of employment relationships attests to their deep roots in work contexts. This is a useful step toward aligning employment policies and practices with tomorrow's work realities. A relational perspective on work points toward the goal of creating cohesive, prosperous, and personally supportive workplaces and communities. So the defining characteristics of a good job – the qualities of trust, commitment, communication and influence – are important means for achieving broad social and economic ends. At a personal level, robust employment relationships help to meet individuals' work aspirations. Equally vital, Canada's success in today's hard-edged global economy depends greatly on daily human interactions in workplaces.

Appendices

A

Results from Multivariate Analysis

The descriptive tables in Section 7 document the association between the employment relationship scales and selected socio-demographic, labour market and organizational characteristics. However, trust, commitment, communication and influence are likely to be associated with many factors, and it is necessary to isolate the strength of each of these factors independently. This provides a clearer picture of which characteristics matter most when considering the strength of employment relationships.

Ordinary Least Squares (OLS) regression was used to measure the strength of the association between a range of independent variables and each of the employment relationship scales (trust, commitment, communication and influence). The trust and influence scales have a range of values between 3 and 15; the communication scale has a range of values between 4 and 20; and the commitment scale has a range of values between 5 and 25.

A series of independent variables were entered into the regression model through a stepwise procedure. The demographic characteristics included gender, age, number of dependent children at home, full-time student status, visible minority status and educational attainment. Labour market location variables included hours worked, involuntary part-time status, temporary/permanent status, work schedule, multiple job holding, and hours worked at home. Job content variables included perceptions of: skill requirements, physical demands of the job; job security; and pay. Organizational context variables included firm size, job demands, resource support, healthy and supportive work environment, union status, industry, and number of organizational changes experienced in the past year. Remuneration was measured in terms of weekly earnings and pension coverage.

Separate OLS regression models were run for paid employees and self-employed individuals. This was necessary because paid employees and self-employed individuals did not respond to the same sets of questions in the survey. Self-employed individuals were not included in the variables: involuntary part-time status, temporary employment, regular day schedule, number of hours worked at home, number of organizational changes experienced in past year, number of employee participation programs, unionization and firm size. These variables were not included in the OLS regression models for self-employed workers. Instead, the variables pertaining specifically to self-employment (see bottom of Table A-1) were included.

The values for each of the independent variables included in the OLS regression models are listed in Table A-1. The regression results for the four employment relationship scales are provided in Tables A-2 to A-5. Coefficients and standard errors are provided only for variables with significance levels of 0.05 level of confidence or better.

In Section 8, the employment relationship is treated as an independent variable, and its association

Table A-1

Independent Variables Included in OLS Regression Models

Variable	Values
Gender	0 = men; 1 = women
Age	Range 16 to 84
Number of dependent children	Range 0 to 4
Full-time student status	0 = no; 1 = yes
Visible minority status (including Aboriginal)	0 = no; 1 = yes
Education	Less than high school; high school (reference category); post-secondary certificate or diploma; Bachelor's degree; Master's degree or higher
Hours	Range 2 to 100
Involuntary part-time status	0 = no; 1 = yes
Temporary employment	0 = no; 1 = yes
Regular day schedule	0 = no; 1 = yes
Multiple job holder	0 = no; 1 = yes
Number of hours worked at home	0 = none; 1 = 1 or more
Job tenure	Less than 2 years; 2 to 5 years; 6 to 7 years; 8 to 10 years; 11 or more years (reference category)
Work requires high level of skill	Range 1 to 5 (1 = strongly disagree…5 = strongly agree)
Work is physically demanding	Range 1 to 5 (1 = strongly disagree…5 = strongly agree)
Job security is good	Range 1 to 5 (1 = strongly disagree…5 = strongly agree)
Pay is good	Range 1 to 5 (1 = strongly disagree…5 = strongly agree)
Weekly earnings	Range $23.50 to $4,327.00
Pension coverage	0 = no; 1 = yes
Firm size	
Job demands scale	Range 2 to 10 (lower score is positive)
Resource support scale	Range 2 to 10 (higher score is positive)
Healthy, safe and supportive environment scale	Range 2 to 10 (higher score is positive)
Number of organizational changes experienced in past year	Range 0 to 4 (includes downsizing, restructuring, increased use of temporary workers, change of duties)
Number of employee participation programs	Range 0 to 2 (includes employee participation programs, member of work team)
Industry	Goods producing; distributive services; traditional services (reference category); dynamic services, non-market services; public administration
Union status	0 = no; 1 = yes

Table A-1 (cont'd)

Variable	Values
Variables for self-employed only:	
Number of paid workers employed	0 = none; 1 = 1 or more
Home-based business	0 = no; 1 = yes
Incorporation status	0 = unincorporated; 1 = incorporated
Presence of business partner	0 = no; 1 = yes
Involvement of family members	0 = no; 1 = yes
Ever work for client as paid employee	0 = no; 1 = yes
Depend on single client for more than 50 percent of total revenue	0 = no; 1 = yes

Table A-2

OLS Regression Results on Trust Scale

	Unstandardized coefficient	Standard error	Standardized coefficient	Significance
Paid employees				
Healthy, supportive environment scale	0.740	0.046	0.360	0.000
Resource support scale	0.478	0.036	0.276	0.000
Pay security is good	0.331	0.048	0.134	0.000
Union status	-0.564	0.109	-0.098	0.000
Job tenure	-0.036	0.007	-0.093	0.000
Pay is good	0.192	0.047	0.079	0.000
Number of organizational changes experienced	-0.224	0.047	-0.095	0.000
Job requires a high level of skill	0.128	0.049	0.052	0.010
Number of employee participation programs	0.262	0.076	0.065	0.001
Firm size	0.000	0.000	-0.047	0.011
Job demands scale	-0.071	0.031	-0.048	0.021
Industry: public administration	-0.368	0.164	-0.041	0.025
(Constant)	0.812	0.409		0.047
Adjusted R-square = 0.499				
Self-employed workers				
Healthy, supportive environment scale	0.519	0.090	0.343	0.000
Job security is good	0.583	0.095	0.368	0.000
Business is home based	0.646	0.230	0.158	0.005
(Constant)	5.372	0.691		0.000
Adjusted R-square = 0.340				

Table A-3

OLS Regression Results on Commitment Scale

	Unstandardized coefficient	Standard error	Standardized coefficient	Significance
Paid employees				
Healthy, supportive environment scale	0.957	0.063	0.345	0.000
Resource support scale	0.494	0.051	0.211	0.000
Job security is good	0.531	0.067	0.159	0.000
Job requires a high level of skill	0.372	0.067	0.111	0.000
Union status	-0.739	0.163	-0.095	0.000
Pay is good	0.396	0.066	0.120	0.000
Home work	0.552	0.156	0.067	0.000
Number of organizational changes experienced	-0.287	0.065	-0.090	0.000
Number of employee participation programs	0.382	0.106	0.070	0.000
Job tenure	-0.028	0.011	-0.052	0.009
Number of dependent children	0.171	0.064	0.050	0.007
Industry: non-market services	0.393	0.187	0.043	0.036
Hours worked	0.017	0.005	0.065	0.001
Women	0.346	0.142	0.047	0.015
Pension	-0.320	0.158	-0.043	0.043
(Constant)	2.224	0.560		0.000
Adjusted R-square = 0.468				
Self-employed workers				
Healthy, supportive environment scale	0.810	0.144	0.360	0.000
Job security is good	0.479	0.148	0.204	0.001
Job requires a high level of skill	0.439	0.199	0.127	0.028
Resource support scale	0.313	0.147	0.132	0.034
Job tenure	-0.052	0.025	-0.121	0.038
(Constant)	7.827	1.531		0.000
Adjusted R-square = 0.302				

Table A-4

OLS Regression Results on Communication Scale

	Unstandardized coefficient	Standard error	Standardized coefficient	Significance
Paid employees				
Healthy, supportive environment scale	0.862	0.051	0.374	0.000
Resource support scale	0.636	0.041	0.327	0.000
Pay is good	0.268	0.053	0.098	0.000
Job demands scale	-0.150	0.035	-0.090	0.000
Union status	-0.502	0.124	-0.077	0.000
Job security is good	0.224	0.057	0.081	0.000
Job tenure	-0.027	0.008	-0.062	0.001
Job requires a high level of skill	0.173	0.055	0.062	0.002
Number of organizational changes experienced	-0.172	0.053	-0.065	0.001
Number of employee participation programs	0.270	0.085	0.059	0.002
Temporary job	0.426	0.190	0.043	0.025
Job requires a lot of physical effort	0.083	0.041	0.037	0.042
(Constant)	2.103	0.481		0.000
Adjusted R-square = 0.497				
Self-employed workers				
Healthy, supportive environment scale	0.451	0.094	0.310	0.000
Job requires a high level of skill	0.438	0.135	0.196	0.001
Industry: public administration	-2.189	0.748	-0.177	0.004
Resource support scale	0.250	0.098	0.163	0.012
(Constant)	8.648	1.034		0.000
Adjusted R-square = 0.222				

Table A-5

OLS Regression Results on Influence Scale

	Unstandardized coefficient	Standard error	Standardized coefficient	Significance
Paid employees				
Healthy, supportive environment scale	0.553	0.055	0.271	0.000
Weekly earnings	0.001	0.000	0.127	0.000
Union status	-1.000	0.126	-0.174	0.000
Job security is good	0.295	0.058	0.120	0.000
Job requires a high level of skill	0.172	0.058	0.070	0.003
Resource support scale	0.146	0.043	0.085	0.001
Home work	0.500	0.135	0.082	0.000
Pay is good	0.170	0.059	0.070	0.004
Regular day schedule	0.351	0.127	0.061	0.006
(Constant)	1.614	0.432		0.000
Adjusted R-square = 0.259				
Self-employed workers				
Healthy, supportive environment scale	0.515	0.101	0.325	0.000
Education: less than high school	-1.244	0.376	-0.203	0.001
Pay is good	0.259	0.107	0.155	0.017
(Constant)	7.306	0.781		0.000
Adjusted R-square = 0.220				

Table A-6

OLS Regression Results on Job Satisfaction Scale (Paid Employees Only)

	Unstandardized coefficient	Standard error	Standardized coefficient	Significance
Employment Relationships Summary Scale	0.240	0.011	0.521	0.000
Job requires a high level of skill	0.396	0.042	0.178	0.000
Age	0.025	0.005	0.119	0.000
Healthy, supportive environment scale	0.216	0.043	0.117	0.000
Industry: non-market services	0.444	0.109	0.073	0.000
Pay is good	0.187	0.041	0.085	0.000
Home work	0.305	0.098	0.056	0.002
Full-time student	-0.435	0.173	-0.048	0.012
Job tenure	-0.021	0.007	-0.059	0.005
Multiple job holder	-0.367	0.142	-0.045	0.010
Job requires a lot of physical effort	0.074	0.032	0.041	0.020
(Constant)	-0.356	0.350		0.310
Adjusted R-square = 0.340				

with a series of dependent variables is explored. OLS regression was used to measure the strength of the association between the Employment Relationships Summary Scale (ERSS) and job satisfaction. In addition to the ERSS, the variables listed in Table A-1 were included to capture the effects of socio-demographic characteristics, labour market location, job content, and organizational context.

Logistic regression was used to measure the strength of the association between the ERSS and the other outcomes discussed in Section 8, including the likelihood of feeling overqualified for the job, employee turnover, workplace morale, absenteeism, and willingness to join a union. Logistic regression is a technique that allows us to assess how the occurrence of an event (such as looking for another job versus not looking for another job) is related to one or more other factors. For a cogent overview of this technique, see: Lipsett, Brenda and Mark Reesor, *Employer-sponsored Pension Plans – Who Benefits?*, Research Paper W-97-2E, Applied Research Branch, Human Resources Development Canada, December 1997.

The independent variables listed above were converted to categorical variables so that odds ratios (i.e., the odds of the event occurring or not) could be computed and compared between groups. As noted in Section 8, the raw ERSS (with a range from 8 to 40) was converted to a categorical variable by ranking CER respondents from highest to lowest on the scale and then dividing them into three groups of equal size. Respondents were classified as being in "weak," "moderate" and "strong" employment relationships on this basis, with the moderate group serving as the reference category.

To examine the variables associated with feeling overqualified for the job, paid employees in the CER were divided into two groups: those who said they were overqualified for their job (who were coded as "1") and those who did not (who were coded as "0"). To examine labour turnover, paid employees were divided into those who had looked for a job with another employer in the past year (coded as "1") and those who had not (coded as "0"). To examine workplace morale, respondents were divided into those who agreed or strongly agreed that morale was low in their workplace (coded as "1") and those who did not agree with this statement (i.e., they strongly disagreed, disagreed or neither disagreed nor agreed with this statement – coded as "0"). To examine absenteeism, the median number of days away from the job because of the paid worker's own illness or injury was computed. The median was two days. Respondents were grouped into those who had been away from the job for two days or less (i.e., those at or below the median – coded as "0") and those who had been away from the job for three or more days (i.e., those above the median – coded as "1"). Finally, to examine willingness to join a union, non-unionized employees were grouped into those who said they would be likely or very likely to want to join a union if one existed in their workplace or profession (coded as "1") and those who said they would not be likely to want to join a union (i.e., they would be very unlikely, unlikely, or neither likely nor unlikely – coded as "0").

Table A-7

Logistic Regression on Likelihood of Feeling Overqualified for the Job (Paid Employees Only)

	Coefficient	Standard error	Significance	Odds ratio
Age group				
Less than 25	0.533	0.169	0.002	1.704
25 to 34	0.169	0.147	0.252	1.184
35 to 44	Reference group			1.000
45 or older	-0.120	0.146	0.412	0.887
Visible minority status				
Visible minority or Aboriginal	0.457	0.140	0.001	1.579
Not visible minority or Aboriginal	Reference group			1.000
Education				
Less than high school	-0.008	0.213	0.969	0.992
High school	Reference group			1.000
Certificate or diploma	0.505	0.135	0.000	1.657
Bachelor's degree	1.038	0.176	0.000	2.824
Master's degree or higher	0.986	0.219	0.000	2.680
Weekly earnings				
Less than $300	0.260	0.138	0.059	1.297
$300 to $599	Reference group			1.000
$600 to $899	0.022	0.111	0.845	1.022
$900 to $1,199	-0.096	0.139	0.492	0.909
$1,200 or more	-0.137	0.157	0.384	0.872
Job is physically demanding				
Strongly disagree	-0.177	0.133	0.182	0.838
Disagree	-0.090	0.100	0.365	0.914
Neither agree nor disagree	-0.411	0.151	0.006	0.663
Agree	Reference group			1.000
Strongly agree	0.433	0.123	0.000	1.542
Job pays well				
Strongly disagree	0.973	0.213	0.000	2.645
Disagree	0.660	0.153	0.000	1.936
Neither agree nor disagree	0.591	0.178	0.001	1.807
Agree	Reference group			1.000
Strongly agree	0.019	0.170	0.913	1.019
Job requires high level of skill				
Strongly disagree	0.512	0.227	0.024	1.669
Disagree	0.326	0.138	0.018	1.385
Neither agree nor disagree	-0.099	0.173	0.566	0.906
Agree	Reference group			1.000
Strongly agree	-0.598	0.131	0.000	0.550
Job demands scale				
One (very hectic)	-0.606	0.184	0.001	0.545
Two	-0.404	0.130	0.002	0.668
Three	Reference group			1.000
Four	0.209	0.166	0.206	1.233
Five (not hectic)	1.204	0.601	0.045	3.335
Employment Relationships Summary Scale				
Weak	0.389	0.128	0.002	1.476
Moderate	Reference group			1.000
Strong	-0.144	0.147	0.326	0.866
Constant	-1.541	0.180	0.000	0.214

Table A-8

Logistic Regression on Likelihood of Having Looked for Another Job in Past Year (Paid Employees Only)

	Coefficient	Standard error	Significance	Odds ratio
Age group				
Less than 25	0.278	0.169	0.101	1.320
25 to 34	0.289	0.147	0.049	1.335
35 to 44	Reference group			1.000
45 or older	-0.783	0.156	0.000	0.457
Involuntary part-time				
Yes	0.674	0.231	0.004	1.963
No	Reference group			1.000
Multiple job holder				
Yes	0.512	0.174	0.003	1.668
No	Reference group			1.000
Job tenure				
Less than 2 years	0.682	0.104	0.000	1.977
3 to 5 years	0.097	0.134	0.466	1.102
6 to 7 years	-0.467	0.157	0.003	0.627
8 to 10 years	-0.319	0.169	0.058	0.727
More than 10 years	Reference group			1.000
Job security is good				
Strongly disagree	0.417	0.231	0.072	1.517
Disagree	0.481	0.174	0.006	1.618
Neither agree nor disagree	0.193	0.181	0.287	1.213
Agree	Reference group			1.000
Strongly agree	-0.099	0.165	0.547	0.906
Pay is good				
Strongly disagree	0.954	0.217	0.000	2.596
Disagree	0.600	0.155	0.000	1.821
Neither agree nor disagree	0.207	0.185	0.263	1.230
Agree	Reference group			1.000
Strongly agree	-0.116	0.179	0.515	0.890
Union Status				
Unionized	-0.467	0.131	0.000	0.627
Non-unionized	Reference group			1.000
Number of organizational changes experienced				
None	Reference group			1.000
One	0.279	0.139	0.044	1.322
Two	0.273	0.153	0.074	1.314
Three or four	0.641	0.175	0.000	1.899
Employment Relationships Summary Scale				
Weak	0.634	0.138	0.000	1.884
Moderate	Reference group			1.000
Strong	-0.136	0.155	0.380	0.873
Constant	-1.721	0.164	0.000	0.179

Table A-9

Logistic Regression on Likelihood of Perceiving Workplace Morale to Be Low (Paid Employees Only)

	Coefficient	Standard error	Significance	Odds ratio
Visible minority status				
Visible minority or Aboriginal	0.884	0.147	0.000	2.420
Not visible minority or Aboriginal	Reference group			1.000
Union status				
Unionized	0.321	0.130	0.014	1.378
Non-unionized	Reference group			1.000
Job security is good				
Strongly disagree	0.218	0.238	0.359	1.244
Disagree	0.495	0.178	0.005	1.641
Neither agree nor disagree	0.161	0.189	0.395	1.175
Agree	Reference group			1.000
Strongly agree	0.085	0.169	0.614	1.089
Resource support scale				
One (low)	0.143	0.429	0.739	1.154
Two	0.667	0.208	0.001	1.947
Three	Reference group			1.000
Four	-0.269	0.131	0.040	0.764
Five (high)	-0.343	0.266	0.198	0.710
Healthy, supportive environment scale				
One (low)	2.489	1.081	0.021	12.052
Two	0.750	0.201	0.000	2.117
Three	Reference group			1.000
Four	-0.168	0.133	0.206	0.845
Five (high)	-0.058	0.389	0.882	0.944
Job demands scale				
One (low)	0.587	0.176	0.001	1.798
Two	0.166	0.142	0.244	1.180
Three	Reference group			1.000
Four	0.209	0.194	0.282	1.233
Five (high)	-0.614	0.903	0.497	0.541
Number of organizational changes experienced				
None	Reference group			1.000
One	0.293	0.147	0.045	1.341
Two	0.351	0.156	0.025	1.420
Three or four	0.651	0.184	0.000	1.918
Industry				
Goods-producing industries	-0.024	0.176	0.890	0.976
Distributive services	0.304	0.230	0.186	1.356
Traditional services	Reference group			1.000
Dynamic services	-0.344	0.187	0.066	0.709
Non-market services	-0.138	0.187	0.463	0.872
Public administration	0.532	0.214	0.013	1.703
Employment Relationships Summary Scale				
Weak	0.853	0.139	0.000	2.346
Moderate	Reference group			1.000
Strong	-0.489	0.176	0.005	0.613
Constant	-1.750	0.218	0.000	0.174

Table A-10

Logistic Regression on Likelihood of Having Been Away from Job for Three or More Days in Past Year Due to Own Illness or Injury (Paid Employees Only)

	Coefficient	Standard error	Significance	Odds ratio
Gender				
Women	0.342	0.099	0.001	1.408
Men	Reference group			1.000
Age group				
Less than 25	0.924	0.158	0.000	2.518
25 to 34	0.410	0.134	0.002	1.506
35 to 44	Reference group			1.000
45 or older	0.002	0.125	0.987	1.002
Part-time/full-time status				
Part-time	-0.547	0.165	0.001	0.578
Full-time	Reference group			1.000
Union status				
Unionized	0.373	0.106	0.000	1.452
Non-unionized	Reference group			1.000
Employment Relationships Summary Scale				
Weak	0.404	0.116	0.001	1.498
Moderate	Reference group			1.000
Strong	0.030	0.124	0.806	1.031
Self-assessed health status				
Excellent	Reference group			1.000
Very good	0.648	0.119	0.000	1.912
Good	0.865	0.134	0.000	2.374
Fair	1.209	0.204	0.000	3.351
Poor	1.864	0.522	0.000	6.449
Receives paid sick leave				
Yes	0.583	0.111	0.000	1.792
No	Reference group			1.000
Constant	-2.030	0.174	0.000	0.131

Table A-11

Logistic Regression on Willingness to Join a Union if One Existed in Workplace or Profession (Non-unionized Employees Only)

	Coefficient	Standard error	Significance	Odds ratio
Gender				
Women	0.306	0.138	0.026	1.358
Men	Reference group			1.000
Age group				
Less than 25	0.732	0.194	0.000	2.079
25 to 34	0.538	0.191	0.005	1.713
35 to 44	Reference group			1.000
45 or older	-0.127	0.197	0.518	0.880
Visible minority status				
Visible minority or Aboriginal	0.495	0.173	0.004	1.640
Not visible minority or Aboriginal	Reference group			1.000
Job security is good				
Strongly disagree	0.930	0.260	0.000	2.535
Disagree	0.202	0.222	0.362	1.224
Neither agree nor disagree	0.198	0.219	0.366	1.219
Agree	Reference group			1.000
Strongly agree	-0.055	0.213	0.797	0.947
Pay is good				
Strongly disagree	0.921	0.248	0.000	2.511
Disagree	0.918	0.185	0.000	2.504
Neither agree nor disagree	0.693	0.214	0.001	1.999
Agree	Reference group			1.000
Strongly agree	0.056	0.234	0.811	1.058
Employment Relationships Summary Scale				
Weak	0.536	0.167	0.001	1.710
Moderate	Reference group			1.000
Strong	-0.284	0.190	0.135	0.753
Constant	-2.178	0.203	0.000	0.113

Table A-12

OLS Regression Results on Job Satisfaction Scale (Self-employed Only)

	Unstandardized coefficient	Standard error	Standardized coefficient	Significance
Employment Relationships Summary Scale	0.157	0.036	0.299	0.000
Healthy, supportive environment scale	0.369	0.097	0.254	0.000
Job requires a high level of skill	0.443	0.125	0.198	0.000
Pay is good	0.198	0.091	0.129	0.030
(Constant)	2.195	1.019		0.032
Adjusted R-square = 0.351				

B

CPRN-Ekos Changing Employment Relationships Survey Questionnaire

Click here to download Appendix B.

Notes

1 This "structural" language for describing work transformations was introduced by the Economic Council of Canada in 1990 and strongly influenced labour market research in the past decade. See: Economic Council of Canada (1990), *Good Jobs, Bad Jobs: Employment in the Service Economy*, Ottawa: Supply and Services Canada.

2 Lowe, Graham, Grant Schellenberg and Katie Davidman (1999), "Re-thinking Employment Relationships," Discussion Paper No. W|05, Changing Employment Relationships Series, Ottawa: Canadian Policy Research Networks.

3 International Labour Organization (1990), *The Promotion of Self-Employment*, Geneva: ILO, p. 1.

4 Each of these concepts is rooted in a fairly extensive academic literature, briefly summarized in Lowe et al., "Re-thinking Employment Relationships." More specifically, on trust see: Creed, W. E. D. and Raymond E. Miles (1996), "Trust in Organizations: A Conceptual Framework Linking Organizational Forms, Managerial Philosophies, and the Opportunity Costs of Controls," in Roderick Kramer and Tom Tyler (eds.), *Trust in Organizations: Frontiers of Theory and Research*, Thousand Oaks: Sage Publications, p. 16-38; Lewicki, Roy J. and Barbara B. Bunker (1996), "Developing and Maintaining Trust in Work Relationships," in Kramer and Tyler, *Trust in Organizations*, p. 114-39; Whitener, Ellen, Susan Brodt, M. A. Korsgaard, and Jon Werner (1998), "Managers As Initiators of Trust: An Exchange Relationship Framework for Understanding Managerial Trustworthy Behavior," *Academy of Management Review* 23(3):513-30. On commitment see: Mowday, R. T., L. W. Porter, and R. M. Steers (1982), *Employee-Organization Linkages: The Psychology of Commitment, Absenteeisn and Turnover*, New York: Academic Press; Lincoln, J. R. and A. L. Kalleberg (1990), *Culture, Control and Commitment: A Study of Work Organization and Work Attitudes in the United States and Japan*, Cambridge: Cambridge University Press; Rousseau, Denise and Kimberly Wade-Benzoni (1995), "Changing Individual-Organization Attachments: A Two-Way Street," in Ann Howard (ed.), *The Changing Nature of Work*, San Francisco: Jossey-Bass Publishers, p. 290-322. On influence, see: Lowe, Graham S. (2000), *The Quality of Work: A People-Centred Agenda*, Don Mills, ON: Oxford University Press; Freeman, Richard B. and Joel Rogers (1999), *What Workers Want*, Ithaca, NY: Cornell University Press; Betcherman, Gordon, Kathryn McMullen, Norm Leckie and Christina Caron (1994), *The Canadian Workplace in Transition*, Kingston: IRC Press, Queen's University. Communication is a fundamental principle in organizational studies and human resources management. Illustrative of how the issue is addressed in the context of emerging forms of work are the following: Wellman, Barry, Janet Salaff, Dimitrina Dimitrova, Laura Garton, Milena Gulia, and Caroline Haythornthwaite (1996), "Computer Networks As Social Networks: Collaborative Work, Telework and Virtual Community," *Annual Revue of Sociology* 22:213-38; Allen, John and Nick Henry (1996), "Fragments of Industry and Employment: Contract Service Work and the Shift Towards Precarious Employment," in Rosemary Crompton, Duncan Gallie, and Kate Purcell (eds.), *Changing Forms of Employment: Organisations, Skills and Gender*, London: Routledge, p. 65-82.

5 Hughes, Karen D. (1999), *Gender and Self-employment in Canada: Assessing Trends and*

Policy Implications, CPRN Study No. W|04, Ottawa: Canadian Policy Research Networks; Lowe et al., "Re-thinking Employment Relationships."

6 Evidence from the United States points to a similar conclusion, although it suggests that some caution should be exercised when making extrapolations of this sort. In a supplement to its February 1995 *Current Population Survey*, the U.S. Bureau of Labor Statistics found that 20 percent of persons who said their wage or salary was paid by an employment agency did not identify themselves as temporary workers. By comparison, the CERS found this to be the case for 71 percent of persons who receive their pay cheque from such an agency – an estimate more than three times higher than that of the BLS. It is not possible to determine how much of this difference is attributable to actual labour market practices and behaviours in Canada and the United States and how much is attributable to other factors, such as the wording of survey questions or the five-year gap between the surveys. Clearly, more research is required on this issue.

7 See the comprehensive analysis of temporary agency work provided in Vosko, Leah F. (2000), *Temporary Work: The Gendered Rise of a Precarious Employment Relationship*, Toronto: University of Toronto Press.

8 Krahn, Harvey (1992), *Quality of Work in the Service Sector*, Ottawa: Statistics Canada, General Social Survey Analysis Series 6 (Cat. no. 11 612E, No. 6); Vosko, *Temporary Work*.

9 Coiquaud, Urwana (1998), *The Legal Regime for New Types of Work*, Working Paper, Labour Program, Human Resources Development Canada, p. 27.

10 Krahn, *Quality of Work in the Service Sector*.

11 Organisation for Economic Co-operation and Development (1992), "Recent Developments in Self-Employment," *Employment Outlook* (July), Paris: OECD, p. 155-6.

12 England, Geoffrey (1987), *Part-Time, Casual and Other Atypical Workers: A Legal View*, Kingston: Industrial Relations Centre, Queen's University.

13 From a slightly different perspective, employees who work 45 hours or more each week and who are not compensated for overtime hours account for just 17 percent of all employees in the CER, but account for almost one-half (44 percent) of those who work six or more hours per week at home.

14 The following sources were helpful in this regard: Freeman, Richard B. and Joel Rogers (1999), *What Workers Want*, Ithaca: ILR Press (influence); Gallie, Duncan, Dobrinka Kostova and Pavel Kuchar (1999), "Employment Experience and Organizational Commitment: An East-West European Comparison," *Work, Employment & Society* 13 (4):621-41 (commitment); Meyer, John P. and Natalie J. Allen (1997), *Commitment in the Workplace: Theory, Research and Application*, Thousand Oaks, CA: Sage Publications (commitment); Nyhan, Ronald C. and Herbert A. Marlowe Jr. (1997), "Development and Psychometric Properties of the Organizational Trust Inventory," *Evaluation Review* 21(5) (commitment); Tyler, Tom R. and Peter Degoey (1996), "Trust in Organizational Authorities: The Influence and Motive Attributions on Willingness to Accept Decision," in Kramer and Tyler, *Trust in Organizations* (trust). Other items are standard job descriptions or job evaluations that are widely used in organizational and work research.

15 Pearson correlations range between 0.38 and 0.71.

16 These three scales have Cronbach reliability alphas of 0.66, 0.63 and 0.71, respectively.

17 See, for example, Murray Axmith & Associates Ltd. (1997), *1997 Canadian Hiring and Dismissal Practices Survey*; Angus Reid Group/Royal Bank (1997), "Workplace 2000: Working Toward the Millennium. A Portrait of Working Canadians," Toronto: Angus Reid Group.

18 For an overview of the high performance workplace model see: Lowe, *The Quality of Work*, chapter 8; Appelbaum, Eileen, Thomas Bailey, Peter Berg and Arne L. Kalleberg (2000), *Manufacturing Advantage: Why High-Performance Work Systems Pay Off*, Ithaca, NY: Cornell University Press; OECD (1999), "New enterprise work practices and their labour market implications," *Employment Outlook* (July), chapter 4, Paris: OECD; Betcherman, Gordon (1997), "Changing workplace strategies," in Government of Canada and OECD, *Changing Workplace Strategies: Achieving Better Outcomes for Enterprises, Workers and Society. Report on the International Conference*. Human Resources Development Canada, Applied Research Branch, Strategic Policy, Research Paper R-97-12E/F; Betcherman et al., *The Canadian Workplace in Transition*.

19 The dependent variables were the raw scores from each of the four scales (with maximum values ranging from 15 to 25). See Appendix A, Table A-1, for a list

of all independent variables and Tables A-2 through A-5 for the full results of each equation.

20 Betcherman, Gordon, Kathryn McMullen, Katie Davidman (1998), *Training for the New Economy – A Synthesis Report*, Ottawa: Canadian Policy Research Networks.

21 See for example: Johnson, W. R., G. J. Johnson, and C. R. Patterson (1999), "Moderators of the relationship between company and union commitment: a meta-analysis," *Journal of Psychology* 133(1):85-103.

22 The four employment relationship scales have moderate to high inter-correlations, as the correlation matrix below shows. This also was confirmed by cluster analysis: groups of individuals low on one scale tended to be low on all other scales.

	Communication	**Commitment**	**Trust**	**Influence**
Communication	1.000			
Commitment	0.590	1.000		
Trust	0.658	0.712	1.000	
Influence	0.381	0.422	0.403	1.000

All correlations statistically significant ($p < 0.01$), 2-tailed t-test.

23 Hughes, Karen D. (2000), "Gender, Self-employment and Economic Restructuring in Canada," presented at the Canadian Sociology and Anthropology Association Annual Meetings, May 28-31, Edmonton.

24 Argyle, Michael (1989), *The Social Psychology of Work, 2nd edition*, London: Penguin, p. 233.

25 All three questions used a 5-point Likert response scale. Summary scale Cronbach's alpha = 0.76.

26 Krahn, Harvey and Graham S. Lowe (1998), *Work, Industry, and Canadian Society, 3rd edition*, Toronto: ITP Nelson, p. 412-6.

27 There is a strong correlation between work that is skilled and work that is interesting – the Pearson correlation between these variables in the CERS is 0.461. To avoid a problem of multicollinearity, only the skill variable was included in the multivariate model.

28 See Lowe, *The Quality of Work*, chapters 7 and 8; Mishra, Karen E., Gretchen M. Spreitzer and Aneil K. Mishra (1998), "Preserving employee morale during downsizing," *Sloan Management Review* (Winter):83-95.

29 The odds ratios in the logistic regression model were 1.88 and 0.87, respectively.

30 Mishra et al., "Preserving Employee Morale."

31 Institute for Work and Health (1998), "How the Workplace Can Influence Employee Illness and Injury," background paper for the National Leadership Roundtable on Employee Health, Toronto: Institute for Work and Health.

32 Twenty-four CERS respondents reported being away from their jobs for more than 150 days due to their own illness or injury. The inclusion of these cases resulted in very high standard deviations around the mean within selected categories (e.g., fair/poor self-assessed health; weak employment relationships). In other words, the inclusion of a few extreme cases dramatically inflated the means in some instances. To alleviate this problem, the 24 cases were excluded from the figures presented in Table 8-10 to reduce the amount of variance around the mean and to provide a more conservative profile.

33 International Labour Organization (1997), *World Labour Report 1997/98*, Geneva: International Labour Office.

34 Petty, M. M., G. McGee, and J. Cavender (1984), "A meta-analysis of the relationship between individual job satisfaction and individual performance," *Academy of Management Review* 9:712–21; Appelbaum et al., *Manufacturing Advantage*, p. 189.

35 Locke, Edwin A. (1976), "The Nature and Causes of Job Satisfaction," in Marvin B. Dunnette (ed.), *Handbook of Industrial and Organizational Psychology*, Chicago: Rand-McNally.

36 Lowe, *The Quality of Work*, chapter 8.

37 Freeman and Rogers, *What Workers Want*; Appelbaum et al., *Manufacturing Advantage*.

38 Fudge, Judy and Leah Vosko (forthcoming), "Prospects for the Current Legal and Legislative Framework," in Richard Chaykowski (ed.), *Labour Policy in the New Millennium*, Toronto: University of Toronto Press.

39 On the importance of addressing the occupational health and safety issues raised by new forms of work, see Sullivan, Terrence (ed.) (2000), *Injury and the New World of Work*, Vancouver: UBC Press; Quinlan, Michael and Claire Mayhew (2000), "Precarious employment and workers' compensation," *International Journal of Law and Psychiatry* 22(5-6):491-520.

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