

► Brief

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This series of 'how to' notes expands on key topics introduced in the [ILO's guide on Value Chain Development for Decent Work](#). It aims to help advanced practitioners, who are designing and delivering value chain projects, navigate tricky issues where it has proved difficult to move from 'theory' to 'practice'.

The focus of this note is on measuring job quality.¹ A short introduction sets out the common challenges facing value chain projects; after which a simple, 5-step process is introduced to help projects put in place a practical framework to measure, monitor and report on changes in job quality linked to project activities.

“How to” Measure Job Quality in value chain development projects

Introduction: Why job quality?

The four pillars of the ILO Decent Work Agenda – employment creation, social protection, rights at work, and social dialogue – are integral elements of the 2030 'Agenda for Sustainable Development', more commonly known as the Sustainable Development Goals (SDGs). Sustainable Development Goal 8 calls for the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work.

However, the ILO recently issued a warning that progress on reducing unemployment around the world is not being matched by improvements in the quality of work, and progress towards SDG8 has been slower than expected. At the current pace, the achievement of SDG8 is unrealistic for many countries – underlining the imperative for value chain projects to consider job quality.²

For development cooperation projects, there are three possible job-related aims:³

Aim of intervention	What's measured	Key question	Topics covered
More jobs	Job creation	How many jobs?	Direct, indirect and induced jobs; un/underemployment
Inclusive jobs	Job access	For who?	Access to disadvantaged groups, by gender, geography
Better jobs	Job quality	In what conditions?	Productivity, earnings, skills, working conditions

1 While this guide focuses on value chain development projects, it can be read in conjunction with the extensive ILO literature on measuring decent work and job quality. This includes the [Decent Work Indicators](#), and the forthcoming guidance on 'Measuring Job-Related Outcomes of ILO Projects'. This guide also builds on an earlier paper prepared by the ILO SME Unit for the Swiss State Secretariat for Economic Affairs (SECO) and the Swiss Agency for Development and Cooperation (SDC).

2 For global data, see https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_794834/lang--en/index.htm

3 See the bodies of work of Thomas Farole from the World Bank and of the ILO Lab project.

► **ILO brief**

“How to” Measure Job Quality
in value chain development projects

Traditionally, value chain development projects have focused on measuring job creation.⁴ Yet there is now clear recognition that not only the number, but also the quality of jobs matters to poverty alleviation and economic development.⁵ This means it is equally important to improve the quality of existing jobs: It is not necessarily that the poorest people are excluded from labour markets but rather that they are often adversely included⁶. Indeed, focusing on job creation alone is not enough: new, low-quality jobs keep people locked into cycles of poverty.⁷ In turn, any new jobs being created should ideally be secure, well-paying, decent jobs.

How do value chain development projects impact job quality?

Projects that use the market systems approach to develop specific value chains – from commodities such as soybeans to cross-cutting sectors such as inputs – often pursue economic upgrading strategies. These range from measures to increase efficiency and output, to innovations for accessing new market channels and strengthening industry knowledge. In order to both contribute to and benefit from improvements at both the firm- and industry-level, upgrading needs to be socially and economically inclusive – especially for workers.

Indeed, boosting levels of job quality is both an obligation and an opportunity. It is an obligation because working in safe and good conditions is a fundamental human right, enshrined both by the ILO’s international labour standards and national laws. But it can also be an opportunity as improving working conditions can enhance worker well-being, increase productivity and enhance market access by opening up new market opportunities (see Box 1).

There is growing evidence that a market systems approach can contribute to job quality outcomes.⁸ In an ILO-commissioned study, value chain projects were found to overwhelmingly focus on income-related aspects of job quality;

In Numbers: The Global Decent Jobs Challenge

A third of the global labour force are not earning enough to lift themselves and their families above the poverty line.

Two-thirds of the world’s workforce are categorised as informal.

Three-quarters of workers in Africa and Asia are in vulnerable employment.

Millions more work in unsafe jobs or suffer from discrimination – and lack the necessary voice or agency to improve their situation.

Conservative estimates suggest that 2.3 million deaths a year result from occupational accidents.

More than one in five young people are not in employment, education or training, with the global youth unemployment rate four times the adult rate.

Source: Policy Brief: A systemic approach to creating more and better jobs (ILO Lab, 2019)

but to also regularly address issues such as the safety and ethics of employment – especially safety at work and improving access to jobs for marginalised populations (e.g. women and youth) – and skills development and training.

Box 1: Job quality and value chain upgrading

Several studies have shown that the work environment has an effect on the performance of employees. According to a study on workers’ productivity in Nigeria, 86% of productivity problems reside in the work environment of organizations. Poor working conditions, such as unhealthy or unsafe working environments, decrease labour productivity and product quality through, for example, time lost due to injuries and illness. Weak quality and productivity can lead to situations where these firms fail to meet market requirements. Furthermore, good labour practices are increasingly becoming a precondition for exporting to markets in many countries. If SMEs can comply with labour practices that meet minimum labour standards or codes of conduct of multinational companies, they can claim, and rightly so to have a competitive advantage.

Source: ILO Value Chain Development Briefing paper 3: Improving Working Conditions through Value Chain Development

4 See [Measuring Job Creation in Private Sector Development](#) (DCED). Conceptually, a job can be defined as “a set of tasks and duties executed, or meant to be executed, by one person, including for an employer or in self-employment” (DCED, based on ILO)

5 German Development Institute, [MSEs as drivers for job creation and decent work](#), Oct. 2015

6 Chronic Poverty Advisory Network blog post, “Can social protection and labour market programmes contribute to social inclusion?”. May 2014

7 Morgan Simon, “Managing vs Measuring Impact”. Stanford Social Innovation Review

8 https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_seed/documents/briefingnote/wcms_568541.pdf

What do we mean by job quality?

Broadly speaking, job quality is seen as operationalising the ILO’s Decent Work Agenda; and often is synonymous with working conditions.

One key challenge in understanding job quality, is that it is a multidimensional concept which currently does not have a single generally accepted framework in use.⁹ While the ILO’s decent work statistical indicators¹⁰ outline a comprehensive set of indicators to measure job quality at the macro level of the wider economy and labour market system, projects usually measure job quality at the level of an individual ‘job’ or firm.

This can be complex as there are multiple aspects of jobs that should be taken into account. Job quality can also be framed from both an objective perspective (the observed characterised of a job, independent of personal circumstances) and a subjective perspective (reflecting the preferences of the worker), which are not necessarily in line.¹¹

Nonetheless, there is general consensus on which topics should be considered, even if these tend to be grouped in many different ways.¹² Annex 1 includes some prominent groupings of job quality themes, and Table 1 below presents an illustrative grouping of different dimensions of job quality.

Table 1. Dimensions of job quality.¹³

Dimension	Topics covered
PAY and benefits	Timeliness and type of payment (for example, fixed salary, performance pay) and non-wage fringe benefits (such as pension and health cover)
Job security and STABILITY	Presence of a contract / informality / nature of contract length / perceptions of job security
SKILLS and employability	Opportunities for training, development and in-work progression
HEALTH and well-being	Physical safety and health in the workplace, and psycho-social risks
Work INTENSITY	Working time arrangements such as duration, scheduling and flexibility, as well as the ability to fulfil family and social obligation
Representation and VOICE	Trade union involvement/representation and employee involvement in decision-making
EQUALITY of opportunity and treatment	Equality and treatment at work and non-discrimination
Human RIGHTS	Child labour, forced labour and human trafficking
Job SATISFACTION	Intrinsic aspects of job quality (such as autonomy, control, variety, work effort) and satisfaction (such as meaningfulness, fulfilment, social support and powerfulness)



9 For an overview, see <https://www.cipd.co.uk/knowledge/work/job-quality-value-creation/measuring-job-quality-report>

10 https://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_229374.pdf

11 It is therefore possible to have an objectively bad, subjectively good job. <https://www.jstor.org/stable/24694938>

12 https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_seed/documents/publication/wcms_117730.pdf

13 Adapted from the Expert Group on Measuring Quality of Employment, which devised a statistical framework for measuring the qualitative dimension of employment, which distinguishes seven dimensions of the quality of employment. The framework is based on the ILO manual on defining and using decent work indicators.

► ILO brief

“How to” Measure Job Quality
in value chain development projects



How do value chain projects measure job quality?

Projects use a variety of methods to factor in job quality. Some look at individual aspects of quality to track metrics such as income change or a reduction in working hours. Others approach quality through the lens of job creation; only counting jobs supported if they pay above a wage threshold or are created in formal enterprises (positive screens), or not counting any jobs created that are likely to be carried out by children or in hazardous conditions (negative screens).

These are valid approaches, but tend not to reflect the multi-dimensional nature of job quality, nor the fact that many aspects of job quality are inter-related and cannot be understood separately¹⁴. Many projects also seek out more aggregate measures – a single ‘job quality’ indicator to report on to donors, or across portfolios (see Box 2) – especially as value chain projects tend to track a number of outcomes, of which job quality will only be one among many. Thus, a simple, streamlined approach is required.

The steps below suggest a process to organise measurement activities in relation to job quality. As a result, the guidance is designed to help projects navigate ‘how’ to measure job quality – but not ‘what’ to measure in terms of specific indicators. For each technical topic – e.g. safety and well-being – projects can use a number of resources produced by the ILO and others.

Box 2: Reporting Headline Metrics on Job Quality

Projects often need to report to donors on standardised indicators in a way that allows for the results of development cooperation to be aggregated across portfolios. SDC, for example, reports on the “Numbers of persons having new or better employment”; GiZ on the “Number of people who have benefitted from improved working conditions as a result of its contribution” and SECO on the “Number of persons benefitting from measures for improved working conditions” as well as “Number of jobs created or retained or improved”.

Measuring Job Quality: The five steps for value chain development projects

The measurement approach set out below is based on two principles:

- First, that elements of job quality are mutually supportive (e.g. a construction worker needs to not be injured or permanently incapacitated in order to keep earning).
- Second, that it is neither feasible nor possible to ‘measure everything’. Resources should be focused on understanding dimensions of job quality that a project is seeking to influence and improve.

Considerable flexibility is built into the approach as it does not prescribe specific indicators nor data collection methods – and can thus be embedded within existing project monitoring and evaluation systems.

For value chain projects, measuring job quality involves a five-step process:

- Focus.** Decide which dimensions of job quality are material to measure
- Select.** Choose a set of metrics
- Set.** Develop a baseline score for every issue using the Job Quality Assessment Tool
- Plan.** Establish a data collection plan
- Assess.** Gather data according to the agreed reporting cycle and update scores

Step 1: Focus on priority dimensions

The first part of this step is to define the ‘universe’ of job quality issues, against which the measurement framework will be deployed. This guide uses 9 dimensions of job quality – as previously outlined in Table 1. However, different organisations and projects may wish to use their own framework. Examples of other ways to organise job quality topics are included in Annex 1.

The next step is to decide which of these aspects of job quality to focus on. These will be topics where the project is expected to make a positive impact. The most material (i.e. relevant and significant to project objectives) dimensions of job quality that the project is expected to affect should be selected, using whichever job quality framework has been selected by the implementing organisation. We recommend choosing no more than 3-4 topics to avoid over-burdening monitoring and evaluation systems.

The dimensions should also be chosen in accordance with the intentionality of impact (and therefore reflected

¹⁴ For example, academic research has shown that increased wages can lead to decreased worker well-being if achieved through anti-social hours (<https://onlinelibrary.wiley.com/doi/full/10.1111/irj.12241>).

► ILO brief

“How to” Measure Job Quality
in value chain development projects

in Theories of Change or Results Chains). That is, the project should focus on dimensions where it will undertake concrete activities to bring about the desired changes.

These priority dimensions are where the project will focus its measurement resources - seeking to collect data as a core part of monitoring and evaluation, and tracking changes closely over time. All other dimensions of job quality will also be tracked in order to understand unintended effects, both positive and negative, but in a much more light-touch way as shown in the next step.

Box 3. Understanding measurement limitations

No single approach to measuring job quality is ‘perfect’. Each will come with limitations and risks, related to the choice of framework and quality of its application. In value chain projects, practitioners can mitigate these risks by:

- Clearly articulating the aspects of job quality they hope to address in intervention results chains (e.g. better health benefits, improved work safety).
- Define precisely what counts as an improvement; and any related thresholds, for instance, related to living wages.
- Considering how sustainable any given change in working conditions is likely to be. For example, if an employer distributes protective gear such as gloves and helmets, but has no intention to replace defect gear in the future.
- Using a best practice results measurement system such as that advocated by the DCED Standard for Results Measurement, especially to track unintended changes where some aspects of job quality may get worse as others improve.

Step 2: Select metrics

For each dimension, a set of context-relevant metrics are chosen. For priority issues we recommend choosing no more than 3-4 metrics. For all other issues we recommend around 1-2. Metrics should be considered based on their:

- Relevance. Given the sector in question, are the metrics meaningful?
- Feasibility. Given the resources available to the team, can data be collected in a timely manner?

Metrics can be selected from any source – including sector-specific or global standards such as the Global Reporting Initiative (GRI). To aid selection, the ILO has compiled a database of over 250 possible metrics in the [SME Performance Measurement Toolkit](#), based on those being used by other development projects and sustainability initiatives.

Step 3: Set a targeted baseline

The next step is to establish the ‘starting situation’ before the project began intervening. Informed by the metrics, a score is given for each dimension along a 4-point scale from ‘low’ to ‘critical’ – as in Box 4.

This assessment should be made from the perspective of impact on the target group in the given sector. In other words, how workers are experiencing the issue. For example, it may be that a company has solid safety and health policies in place – but that these are not being followed and there are significant workplace accidents and incidents.

If target groups are doing different jobs in the same sector – for example some are primary producers, and others work in processing facilities – we recommend having two different scores (and different sets of metrics, as applicable).

Box 4. ‘Scoring’ each dimension

Each dimension is given a 1-4 rating. This allows for context to be taken into account rather than using a one size fits all model:

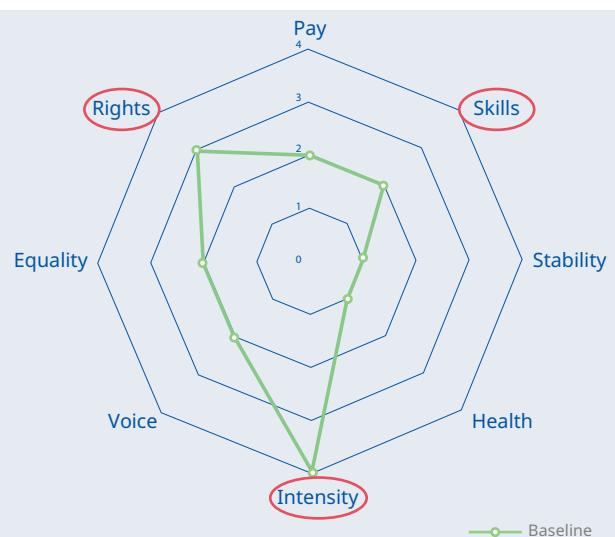
1 = critical issue (widespread/endemic ‘breadth’ of problem with significant challenges with job quality – ‘depth’)

2 = serious issue (problem in certain roles, areas, and significant depth)

3 = moderate issue (problem in certain roles, areas, with some depth)

4 = low/no issues (either not reported or rarely experienced)

The scores can then be plotted onto a Job Quality Assessment Tool as follows (with priority issues circled in red):



Note: a ‘4’ rating does not mean there are no problems, but that available evidence points to the fact that it is not generally considered to be an issue at the firms assessed in the sector.

ILO brief

“How to” Measure Job Quality
in value chain development projects

Step 4: Plan and collect data

Metrics require data in order to make an assessment. For the majority of metrics, data can be gleaned from secondary sources – for example, studies conducted by other projects – or can be assessed using the stock of knowledge and market intelligence already available in project teams (‘expert opinion’). For other metrics, primary data from market players may need to be collected – which can be qualitative (key informant interviews) or quantitative (surveys).

Ideally, data collection should be part of - and leverage – the existing monitoring and evaluation plan and activities – rather than be a whole new process. A number of ILO resources exist on data collection, including on specific dimensions such as [safety and health](#) or cross-cutting topics such as [Youth Employment](#). The [SME Toolkit](#) also has a section on methods.

Proxy indicators can be used for many issues that are not a priority for the project. For example, national union density rates could be used instead of sector-specific measures for evaluating the ‘voice’ dimension. This will lower the cost and time burden of measurement.

Tip

Some job quality topics may be sensitive to ask directly – such as wages, or the health situation of workers. This will require careful framing of any survey questions and adherence to ethical research practices in order to protect respondents. Other metrics require indirect measures to minimise bias. For example, instead of asking whether child labour is an issue in a given company, the age of the youngest worker can be requested (or a proxy measure checking whether a company has ‘systems in place’ to verify ages).

Step 5: Assess progress

Progress on each issue can be assessed on an annual basis, and ideally will be aligned to the overall intervention cycle and project monitoring and evaluation plan. As much as possible, the assessment should be data-informed (using the metrics), but since we are dealing with social systems, the final assessment score (1-4) will be a subjective judgement.

The key is that this is a relative assessment – about whether the particular dimension is getting better or worse over time. The idea is not to compare across sectors or projects; but to be able to measure change as consistently as possible.

Tip

Over time, the jobs that target groups are doing may improve in some respects, but get worse in others. The approach suggested in this note does not try to assess a threshold for whether an individual job is ‘decent’ or not but to identify if and how different dimensions of job quality are changing. Jobs that are getting both better and worse need to be interpreted in context, and whether they can be reported as an improved job should be decided on a case-by-case basis, often in dialogue with the donor.

Tip

To mitigate bias and ensure consistency over time, this exercise should be done in a group/team setting, with a quorum of 3. Along with the numerical score, a short narrative can be attached to each domain to explain and justify the score.

Box 5. Capturing spillover effects

Impact on job quality can happen at two levels: In the project target group (the people the project directly works with), and in the wider system (the indirect ‘spillover’ effect, where people and organizations benefitted by the project influence others). For example, supported firms move from using sub-contracted labour to employees to using permanent contracts – and this has led to a ‘demonstration’ effect in the market and now other competitor firms also offer permanent contracts to their workers.

Indirect impacts should also only be assessed for priority issues where the project has intended to make an impact. This requires the same set of indicators to be applied/tracked for a non-target group and plotted on the assessment tool - as follows (for example for stability of employment):



Annex 1: Mapping the Core Dimensions of Job Quality

Topics in the ILO Decent Work Indicators ¹⁵	Dimensions of the Quality of Employment (UNECE/ILO)	GIIN IRIS+ Quality Jobs Framework	Examples of job quality topics	Examples of issues considered by value chain projects
Adequate earnings and productive work	Income and benefits from employment Skills development and training	Improving earnings and wealth through employment and entrepreneurship	Wages, equal pay for equal work, benefits, productivity, wealth creation	<ul style="list-style-type: none"> ▶ Are wages sufficient to meet basic needs? ▶ Are workers earning a fair or living wage? ▶ Do wage structures provide adequate compensation for moving into higher productivity work? ▶ Are earnings allowing households to build wealth and progress out of poverty? ▶ Do target groups receive non-wage benefits such as housing, transport, meal and other allowances; and/or performance bonuses?
Social dialogue, workers' and employers' representation	Social dialogue	Improving rights, representation and respect in the workplace	Gender, non-discrimination; social dialogue, freedom of association, grievance mechanisms; bonded and child labour	<ul style="list-style-type: none"> ▶ Are employers respecting relevant labour standards, including minimum age for employment? ▶ Have there been reports of child or forced labour in the sector? ▶ Is there discrimination, harassment and intimidation in the workplace? ▶ Are employment opportunities restricted on the basis of sex, gender identity, sexual orientation, political affiliation, skin colour, ethnicity or beliefs? ▶ Do workers have sufficient voice and the freedom to join representative organisations and bargain collectively?
Work that should be abolished	Safety and ethics of employment			
Safe work environment	Workplace relationships and work motivation	Improving health and well-being across the workforce	Occupational safety and health, work-life balance, human resources, worker wellbeing, organizational culture	<ul style="list-style-type: none"> ▶ What levels of occupational health and safety currently exist? ▶ What are the trends in occupational accident and injury rates over time? ▶ How does worker health and well-being affect wider family and community well-being? ▶ Are gender-specific preventive measures in place? ▶ Are there issues related to excessive stress in the workplace?
Equal opportunity and treatment in employment				
Decent hours Combining work, family and personal life				
Stability and security of work Social security	Security of employment, social protection	Increasing security and stability for workers in precarious positions	Informality, gig economy, terms and conditions of employment, social security	<ul style="list-style-type: none"> ▶ Are people working under precarious conditions (including informally)? ▶ Do people face additional disadvantages due to their gender, ethnicity or race? ▶ Do workers have regularised employment, predictable hours, access to benefits?

15 This excludes 'Employment Opportunities', which is relevant to a 'job creation' rather than 'job quality' objective.

Contact details

International Labour Organization
 Route des Morillons 4
 CH-1211 Geneva 22
 Switzerland

T: +41 22 799 7239