

What roles do work, employment and joblessness play in shaping our happiness? **Jan-Emmanuel De Neve** and **George Ward** summarise global evidence from the *World Happiness Report* on which elements of people's working lives drive their reported job satisfaction, engagement at work and overall wellbeing.

Happiness at work

Since most of us spend much of our lives working, it is inevitable that work plays a key role in shaping our levels of happiness. In a chapter of the *World Happiness Report 2017* – which is published annually to coincide with the United Nations' International Day of Happiness – we look more closely at the relationship between work and happiness.

We draw largely on the Gallup World Poll, which has been surveying people in over 150 countries around the world since 2006. These efforts allow us to analyse data from hundreds of thousands of individuals across the globe and investigate the ways in which elements of people's working lives drive their wellbeing.

Subjective wellbeing – often loosely referred to as happiness – can be measured along multiple dimensions. We look primarily at how people evaluate the quality of their lives overall, something Gallup measures according to the Cantril Ladder, an 11-point scale where the top step is your best possible life and the bottom step is your worst possible life. Gallup then asks respondents to indicate which step they're currently on.

We look at this rating, and also investigate the extent to which people experience positive and negative affective states, such as enjoyment, stress and worry, in their day-to-day lives, as well as analysing responses to more workplace-

specific measures, such as job satisfaction and employee engagement.

Which jobs are happiest?

Eleven broad job types are recorded in the Gallup World Poll. The categories cover many kinds of jobs, including being a business owner, office worker or manager, and working in farming, construction, mining or transport. Which groups of workers are generally happier?

The first thing we notice is that people working in blue-collar jobs report lower levels of overall happiness in every region around the world. This is the case across a variety of labour-intensive industries, such as construction, mining, manufacturing, transport, farming, fishing and forestry. People around the world who categorise themselves as a manager, an executive, an official or a professional worker evaluate the quality of their lives at a little over 6 out



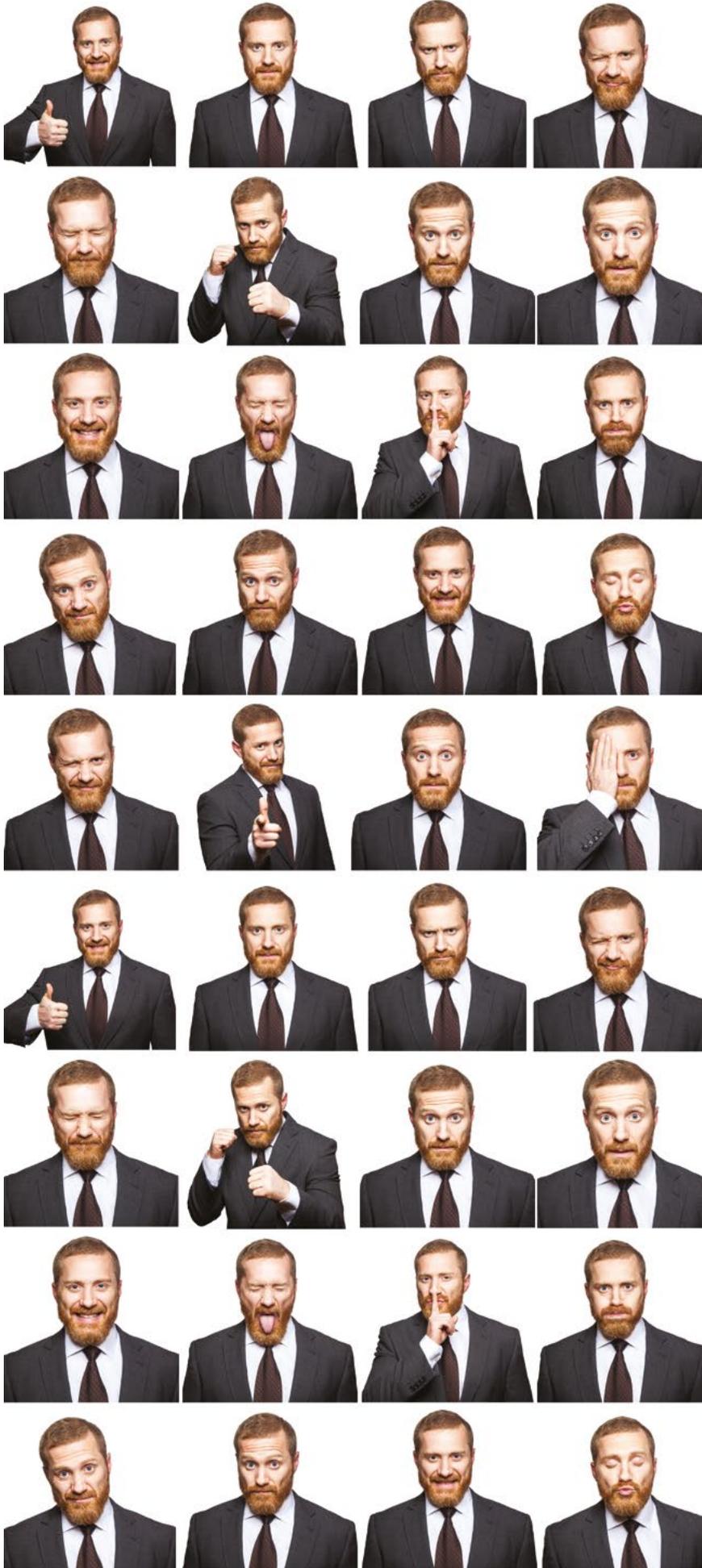
of 10, whereas people working in farming, fishing or forestry evaluate their lives around 4.5 out of 10 on average.

This picture is true not only for overall life evaluation but also for the specific, day-to-day emotional experiences of workers. White-collar workers generally report experiencing more positive emotional states, such as smiling, laughing and enjoyment, and fewer negative feelings, such as worry, stress, sadness and anger.

These descriptive statistics represent the raw differences in happiness across job types. Of course, there are likely to be many things that differ across people working in these diverse fields that could potentially be driving these happiness differentials. Perhaps surprisingly, much of the picture remains similar even once we adjust our estimates to take account of differences in income and education, as well as a number of other demographic variables, such as age, gender and marital status.

It is more difficult to generalise about happiness associated with self-employment since this appears to have a multi-faceted relationship with wellbeing. When we look at global averages, we see that being self-employed is generally associated with lower levels of happiness compared with being a full-time employee. But follow-up analysis indicates that this very much depends on the region of the world and the measure of subjective wellbeing used.

Work-life balance is a particularly strong predictor of people's happiness



In most developed countries, being self-employed is associated both with higher overall life evaluation and with more negative daily emotions, such as stress and worry. For anyone who owns a business, it will be no surprise that being self-employed can be both rewarding and stressful.

Being unemployed is miserable

One of the most robust findings in the economics of happiness is that unemployment is highly damaging for people's wellbeing. We find that this is true around the world. The employed evaluate the quality of their lives much more highly on average compared with the unemployed. Individuals who are unemployed also report around 30% more negative emotional experiences in their day-to-day lives.

The importance of having a job entails more than just salary. A large body of research shows that the non-monetary aspects of employment are also key drivers of people's wellbeing. Social status, social relations, daily structure and goals all exert a strong influence on people's happiness.

Not only are the unemployed generally unhappier than those in work, but we also find that people generally do not adapt over time to becoming unemployed unlike their responses to many other negative shocks. What's more, spells of unemployment also seem to have a 'scarring' effect on people's wellbeing, even after regaining employment.

The experience of joblessness can be devastating to the individual in question, but it also affects those around them. Family and friends of the unemployed are typically affected, of course, but the spillover effects go even further. High levels of unemployment typically heighten people's sense of job insecurity, and negatively affect the happiness even of those who are still in employment.

High degrees of job satisfaction can hide low levels of engagement at work

Happiness helps to shape job market outcomes, productivity and firm performance

Job satisfaction around the world

What about wellbeing measures specific to the workplace, such as job satisfaction? The Gallup World Poll asks respondents a yes/no question as to whether they are satisfied with their jobs. The percentage of respondents who report being 'satisfied' (as opposed to 'dissatisfied') is higher in countries across North and South America, Europe, Australia and New Zealand.

Specifically, Austria takes the top spot with 95% of respondents reporting being satisfied with their jobs. Austria is followed closely by Norway and Iceland. We see a moderate correlation between job satisfaction responses and life evaluation for individuals in the Gallup World Poll.

To find out why some societies seem to generate greater job satisfaction than others, we turn to more fine-grained data from the European Social Survey. This provides more information on job quality by revealing particular workplace characteristics related to employee happiness. As might be expected, people in well-paying jobs are happier and more satisfied with their lives and their jobs, but a number of other aspects of people's jobs are also strongly predictive of varied measures of happiness.

Work-life balance emerges as a particularly strong predictor. Other factors include job variety and the need to learn new things, as well as the level of individual autonomy that employees enjoy.

Moreover, job security and social capital (as measured through the support received from fellow workers) are also positively correlated with happiness, while jobs that involve risks to health and safety are generally associated with lower levels of wellbeing. We suspect that countries that rank high in terms of job satisfaction provide better quality jobs by catering to these non-pecuniary job characteristics.

Engagement at work

The Gallup World Poll also asks whether individuals feel 'actively engaged', 'not engaged' or 'actively disengaged' in their

jobs. In contrast to the relatively high job satisfaction numbers, these data paint a much bleaker picture. The number of people saying they are actively engaged is typically under 20%, and around 10% in Western Europe and much lower again in East Asia.

The difference in the global results between job satisfaction and employee engagement may partially be attributable to measurement issues. But it also has to do with the fact that both concepts measure different aspects of happiness at work. Job satisfaction can perhaps be reduced to feeling content with one's job, but the notion of active employee engagement requires individuals to be positively absorbed by their work and committed to advancing their employer's interests. Increased employee engagement thus represents a more difficult hurdle to clear.

Although we focus here on the role of work and employment in shaping people's happiness, it is worth noting that the relationship between happiness and employment is a complex and dynamic interaction that runs in both directions. Indeed, a growing body of research shows that work and employment are not only drivers of people's happiness, but that happiness can itself help to shape job market outcomes, productivity and even firm performance.

This article summarises 'Happiness at Work' by Jan-Emmanuel De Neve and George Ward, CEP Discussion Paper No. 1474 (<http://cep.lse.ac.uk/pubs/download/dp1474.pdf>) and published as a chapter in the *World Happiness Report 2017* (<http://worldhappiness.report/ed/2017/>).

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People in blue-collar jobs report lower happiness everywhere in the world

