



Overview of the Canadian Workplace and Employee Survey and Selected Research

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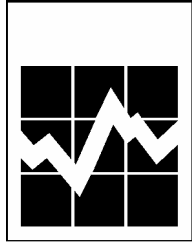
Business and Labour Market Analysis

Statistics Canada

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Presentation to the 3rd Workplace Panel Survey Conference

Seoul, February 2006



Background of WES

- 1990s: Fundamental changes to nature of work and employer-employee relationships
- Buzzwords: New competitive environment, knowledge-based economy, flexible, adaptive, high performance workplace practices, empower, skill set, disposable
- Existing datasets (Labour Market Activities Survey, Survey of Labour and Income Dynamics, Longitudinal Workers File) were not able to address fundamental information gaps
- Gaps hampered development of policy pertaining to both human resources and industrial strategies.



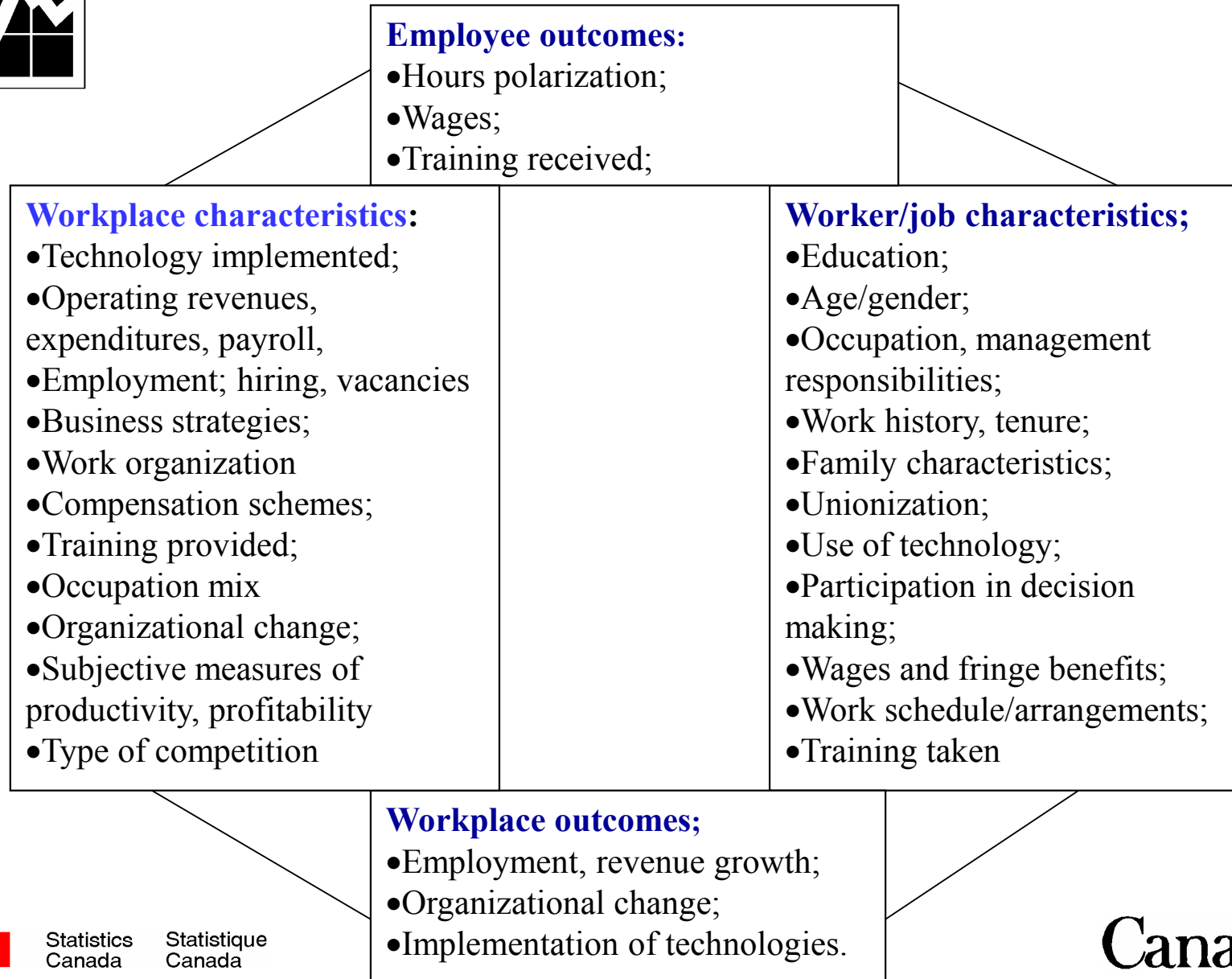
Goals of WES

To develop an ongoing survey that will...

- ...link workers and workplaces at the micro level
 - provide information from both the demand and supply sides of the labour market
 - ==> enriching research studies
- ...provide longitudinal information allowing researchers to control for workplace effects that are not possible in other data sets
- ...enhance our understanding of what is occurring in companies in this era of substantial change



Survey Content





Target Population

Employer Content

All business locations in Canada that have paid employees
EXCEPT employers in:

- Yukon, NorthWest Territories, Nunavut
- agricultural, fishing, hunting, trapping,
- public administration
- religious organizations
- military

Employee Content

All workers who receives a T4 slip from Revenue Canada



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Survey Frame

Stratified 2 stage design

- Workplace component
 - * created from the Business Register
 - * frame stratified by industry, region, size
 - * size cut-offs are different for industry / region combinations
 - * sampling weights assigned to each unit = the inverse probability of selection with adjustment*

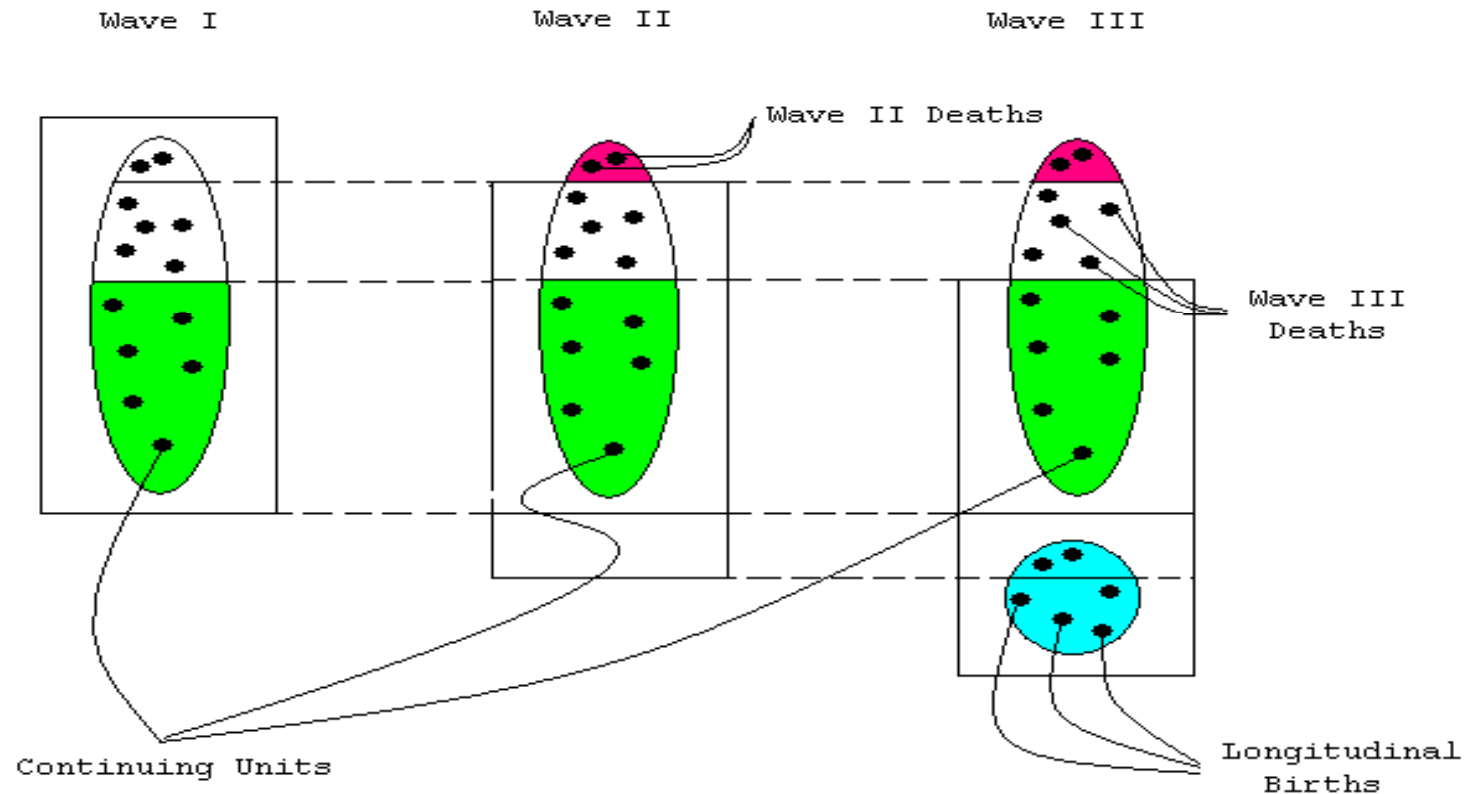
- Worker Component
 - * lists of employee made available by employers





Longitudinal strategy for workplaces

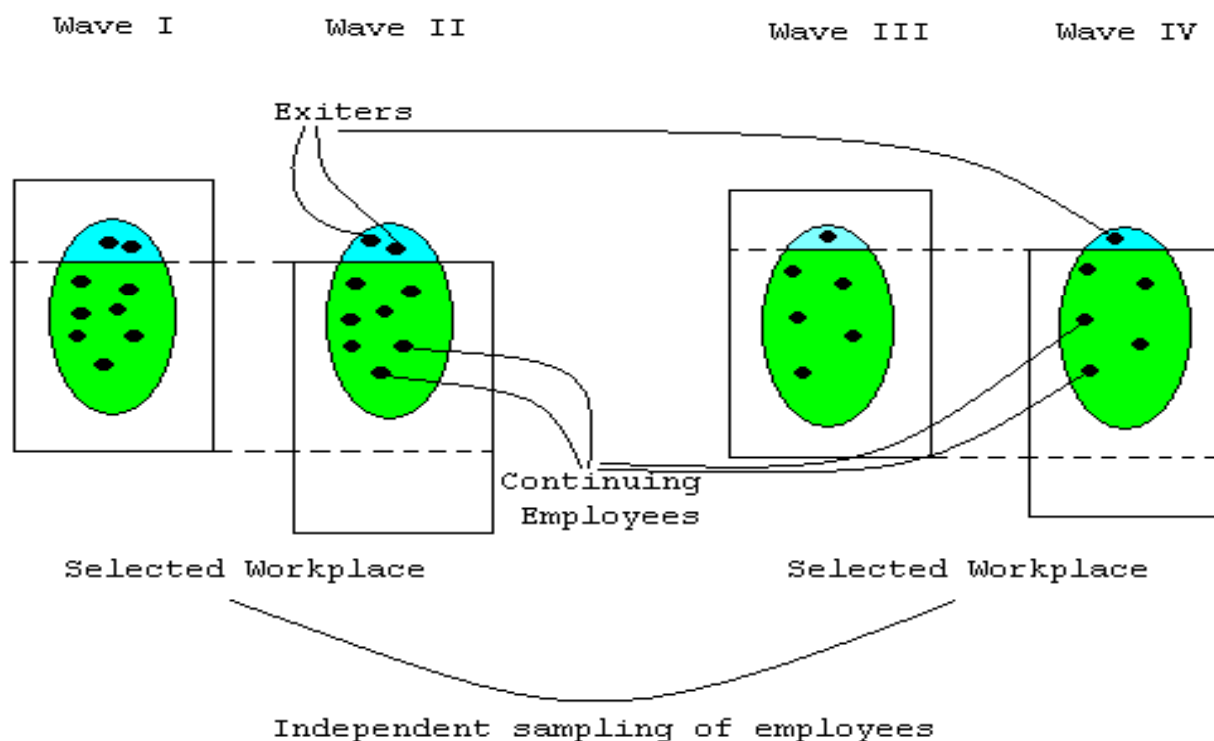
Up to 8 years

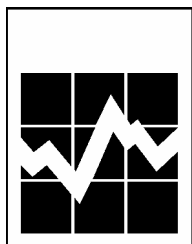




Longitudinal strategy for employees

Up to 2 years





Sample size and estimated population: **Workplace**

	<u>Number of Respondents</u>	<u>Estimated Population</u>
1999	6,322	718,083
2000	6,068	668,188
2001	6,223	701,123
2002	5,818	637,785





Sample size and estimated population: **Employee**

	<u>Number of Respondents</u>	<u>Estimated Population</u>
1999	23,540	10,777,543
2000	20,167	10,840,628
2001	20,377	11,605,442
2002	16,813	11,605,442



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Response Rates

	<u>Workplace</u>	<u>Employee</u>
1999	95.2%	82.8%
2000	90.8%	86.9%
2001	85.9%	86.9%
2002	84.0%	90.9%



Research Themes

- Employee Outcomes
- Establishment Performances
- Industrial Relations
- Human Resource Practices
- Training
- Establishment Dynamics and Labour Demand



Employee outcome:

“The Who, What, When and Where of gender pay differentials” (Drolet, 2002)

- In 1999, women earned about 80% of the average male hourly wage in Canada.
- Usually 50% of wage gap is explained by differences in wage-determining characteristics of men and women (eg. Experience and education)
- The other 50% of the gap is unexplained
- The workplace characteristics along with traditional human capital factors (eg. Education and experience) account for about 61% of gender pay differentials - improvement from 50%!
- “WHERE” you work matters!! Difference in where men and women work contribute substantially more to gender pay differentials (36.2%) than differences in the characteristics of men and women themselves (24.4%)





Workplace Performance:

“Strategic purity and firm survival: risk and return revisited”
(Thornhill, White and Raynor, 2005)

- Previous literature on business strategies and workplace profitability: PURE strategic firms outperform HYBRID strategic firms
- Contradiction: Firms are profit maximizers yet most adopt hybrid competitive strategies
- Finance Theory: Risk and Returns are positively correlated
- Strategic Management Theory: Risk and Returns are negatively correlated
- Conclusion: Firms that pursue pure competitive strategies have higher exit rates than firms that adopt hybrid strategies.



Industrial Relations:

“Do workplace practices contribute to union-nonunion wage differentials?” (Verma and Fang, 2002)

- Union wage differentials analysis
 - * Human Capital models with employee data OR
 - * Establishment level data on average wages using controls for industry and workplaces

- Link union wage premium with the adoption of innovative workplace practices (eg. Employee involvement, variable pay and flexible work organization)

- In 1999, unionized workers earned 14.3% more than non-unionized workers.

- This difference declines to about 8% when differences in human capital and selected workplace characteristics are taken into account.



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Human Resource Practices:

“Do teamwork and flexible job design reduce quit rate?”
(Morissette and Rosa, 2002)

- Is a negative relationship between workplace practices and quit rates evident in all sectors of the economy?
- Evidence that alternative work practices appear to reduce quit rates in high-skill services.
- Negative relationship between workplace practices and quit rates is weak in low-skilled sectors and non-existent in manufacturing industries.
- Premature to conclude that alternative work practices are the prescription to reduce quit rates.



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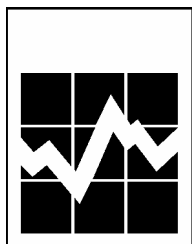
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The Use of WES in Policy Relevant Research

Industry Canada

- Does investment in information and communication technology (ICT), combined with organizational changes, improve firm performance?
- What is the impact of employer-sponsored training on firm's performance?
- What is the impact of aging on firm's productivity?
- How do employers react to job vacancies and skills shortages?
- To what extent do worker characteristics and firm characteristics induce firms to offer training?



The Use of WES in Policy Relevant Research

Human Resource and Skills Development Canada / Social Development Canada

- Do employers offer family-friendly practices to employees most likely to need them?
- Do firms that involve employees in decision-making innovate more often than others?
- Why do low-skilled workers received little training?
- What is the significance and role of part-time and other nonstandard work in the labour force participation of working-age persons with disabilities.
- Is the volume of training too little for the demands of the job?



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The Use of WES in Policy Relevant Research

Statistics Canada

- To what extent are long-term job vacancies concentrated in low-paying sectors rather than high-tech industries?
- What is the impact of downsizing on worker's wages?
- Do innovative human resource practices, such as teamwork, job rotation and profit-sharing, reduce employee turnover?
- To what extent are women paid lower wages because of their concentration in low-paying firms?
- Do workers really know whether they have a pension plan in their job?



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Organizations currently using the WES to address research issues:

Government

- Statistics Canada
- Human Resources and Skills Development Canada
- Industry Canada
- Social Development Canada
- Bureau of Labour Statistics, US
- Gouvernement du Quebec
- Federal Trade Commission

Universities

- Over 25 universities including London School of Economics, University of Toronto, McGill University and Pennsylvania State University

Others

- Canadian Labour and Business Centre
- Canadian Labour Congress
- Informetrica
- Ekos Research Associates
- Institute for Work and Health



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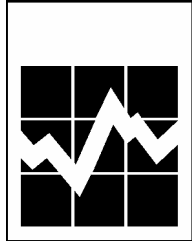
Strengths and Limitations: **STRENGTHS**

- Longitudinal survey workplace
- Linked survey between workplace and employee
- Very high response rates
- Addresses information gaps and policy development gaps
- Interesting research produced



Strengths and Limitations: **LIMITATIONS**

- Expensive
- Complex survey design requires complex analytical tools
- Concepts are difficult for respondents to understand – affects quality of answers
- No information on capital stock
- Attrition with employees – Cannot follow them longer than two years.



Future of WES

- Undergoing questionnaire re-design
- Exploring new source of funding
- Investigating use of internet technology for collection
- Developing workshops on how to use the WES data for research
- Encouraging international comparisons of workplace surveys



Important Websites

Statistics Canada: www.statcan.ca

WES General Information:

<http://www.statcan.ca/english/survey/business/workplace/workplace.htm>

WES Questionnaires (1999-2002)

<http://www.statcan.ca/english/concepts/wes.htm>

Guide to the WES

<http://www.statcan.ca/bsolc/english/bsolc?catno=71-221-G>

WES Compendium

<http://www.statcan.ca/bsolc/english/bsolc?catno=71-585-XIE>

Workplace Evolving Series

<http://www.statcan.ca/english/freepub/71-584-MIE/free.htm>



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