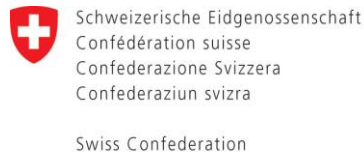


# MEASURING BETTER AND MORE INCLUSIVE JOBS

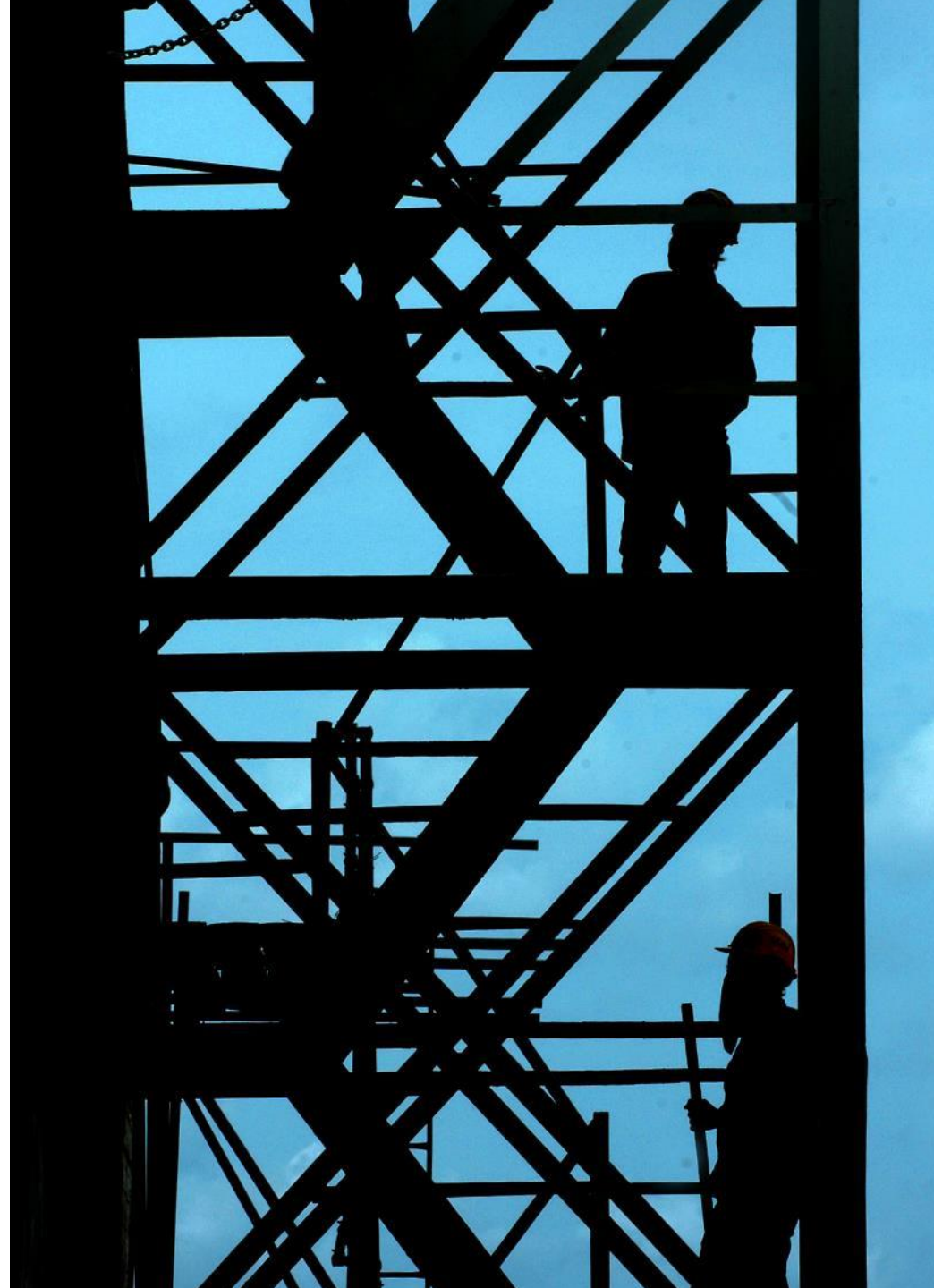
DCED GLOBAL SEMINAR  
MARCH 2016



Swiss Confederation

Federal Department of Economic Affairs FDEA  
State Secretariat for Economic Affairs SECO

Adam Smith  
International



# SESSION OUTLINE

- **Introduction**
  - Matt Ripley (ILO)
- **The case of Timor-Leste's horticulture sector**
  - Annie Major (ASI)
- **The case of micro-retail in Mombasa**
  - Justin van Rhyn (ASI)
- **Multi-project experience measuring working conditions**
  - Steve Hartrich (ILO)

# **JOBS: ARE WE COUNTING WHAT COUNTS?**

**“Policy actors and researchers have recognised that not only the number, but also the quality of jobs matters to poverty alleviation and economic development”**

German Development Institute, MSEs as drivers for job creation, Oct. 2015

**“It is not necessarily that the poorest people are excluded [from labour markets] but rather that they are adversely included”**

Chronic Poverty Advisory Network blog post, May 2014

# NUMBER + NATURE OF JOBS

PSD projects are starting to think about not only the number, but also the nature of jobs. Why?

BUSINESS CASE

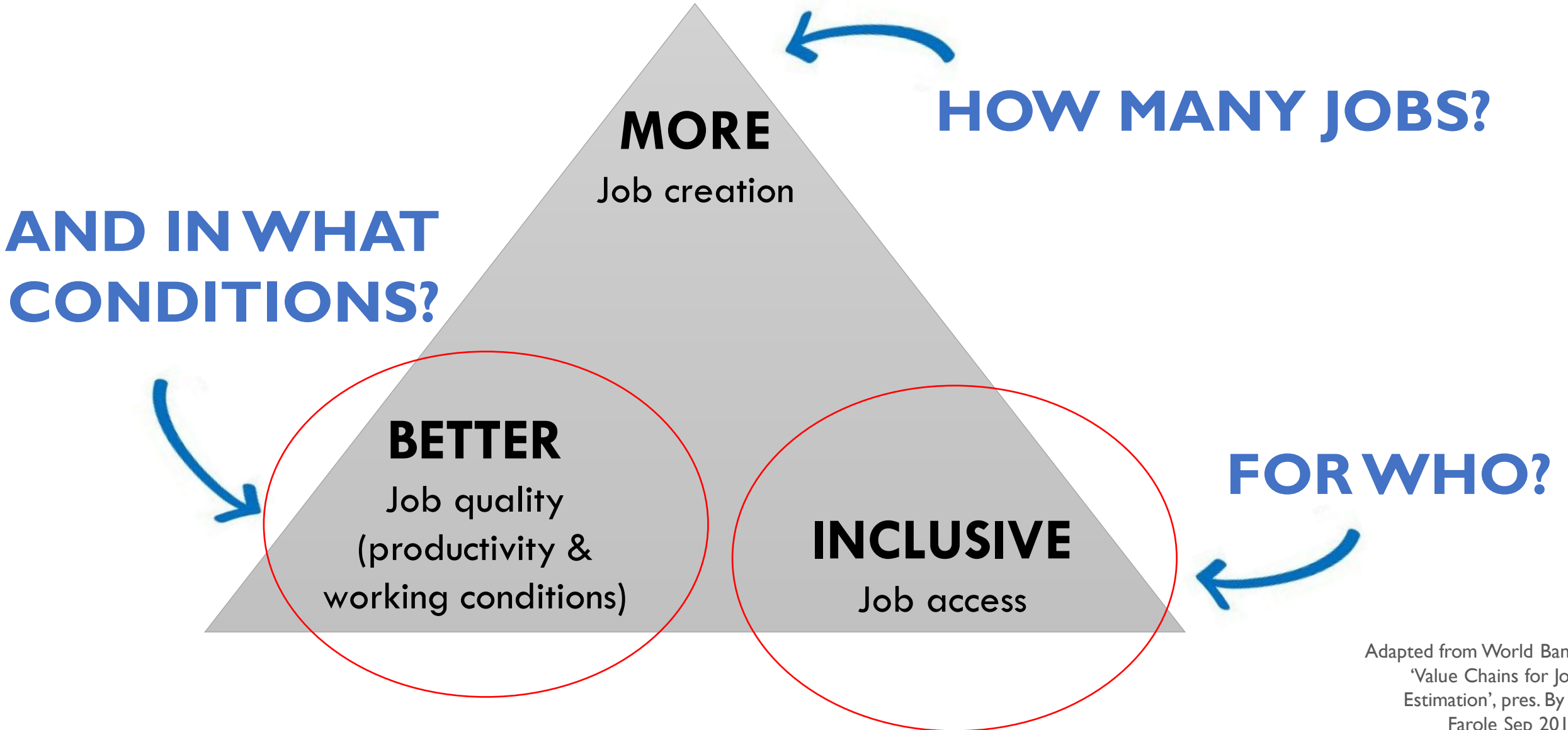


SOCIAL PURPOSE

DO NO HARM



# TYPOLGY OF JOBS IMPACT



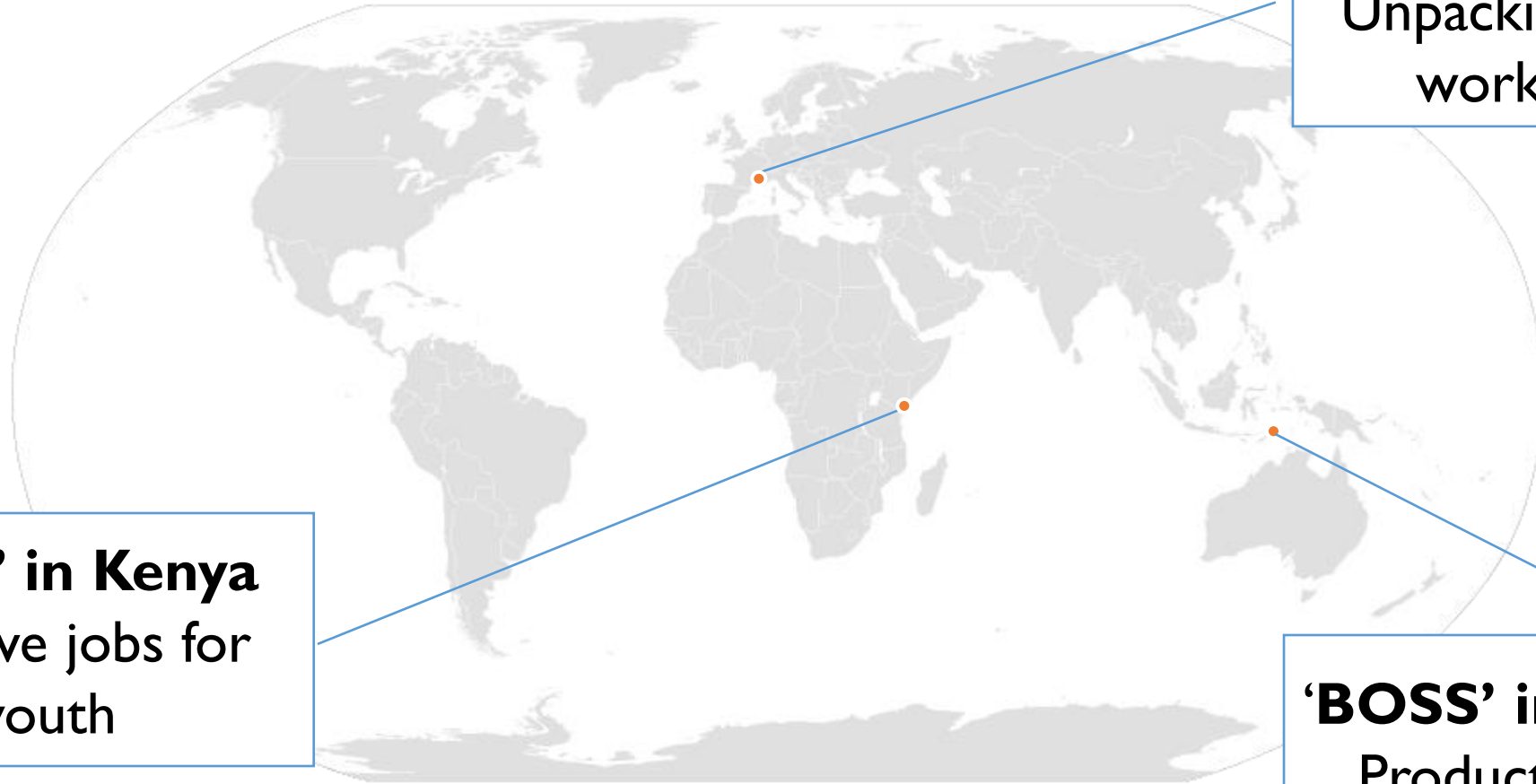
# MEASURING BETTER & INCLUSIVE: CHALLENGES

- Contextual nature of jobs
- Qualitative effects - often subjective
- Hard to quantify, and therefore 'fit' into measurement frameworks
- Confusing terms

*“That something is difficult to measure should be motivation to find an alternative approach rather than to abandon it all together”*

Dr Ben Taylor, Evidence-based Policy and Systemic Change, 2013.  
The Springfield Centre

# LEARNING FROM PROJECTS



**Multi-project research**  
Unpacking and measuring  
working conditions

**‘Kuza’ in Kenya**  
Inclusive jobs for  
youth

**‘BOSS’ in Timor-Leste**  
Productive employment



International  
Labour  
Organization

# MEASURING PRODUCTIVE EMPLOYMENT BOSS TIMOR LESTE





# THE BOSS PROJECT



- 5 year project: Core objective to contribute to 'decent' employment creation and income generation
- Value chain component - M4P approach
- Horticulture, cattle, tourism sectors
- Measuring impact in horticulture contract farming intervention

# WHY MEASURE PRODUCTIVE EMPLOYMENT?

- Return on labour / land – how to gauge significance of income change relative to poverty situation?
- Productive employment: “employment yielding sufficient returns to labour to permit a worker and his/her dependents a level of consumption above the poverty line” (ILO/SIDA, 2012)
- Conceptually useful, but hard to measure at project level
- BOSS indicator: “Number of jobs made more productive” (headcount)
- Tested for on-farm self employment

# CONSTRUCTING THE INDICATOR

Uses primary data from impact assessment (NAIC and PPI) and benchmarks this against secondary data

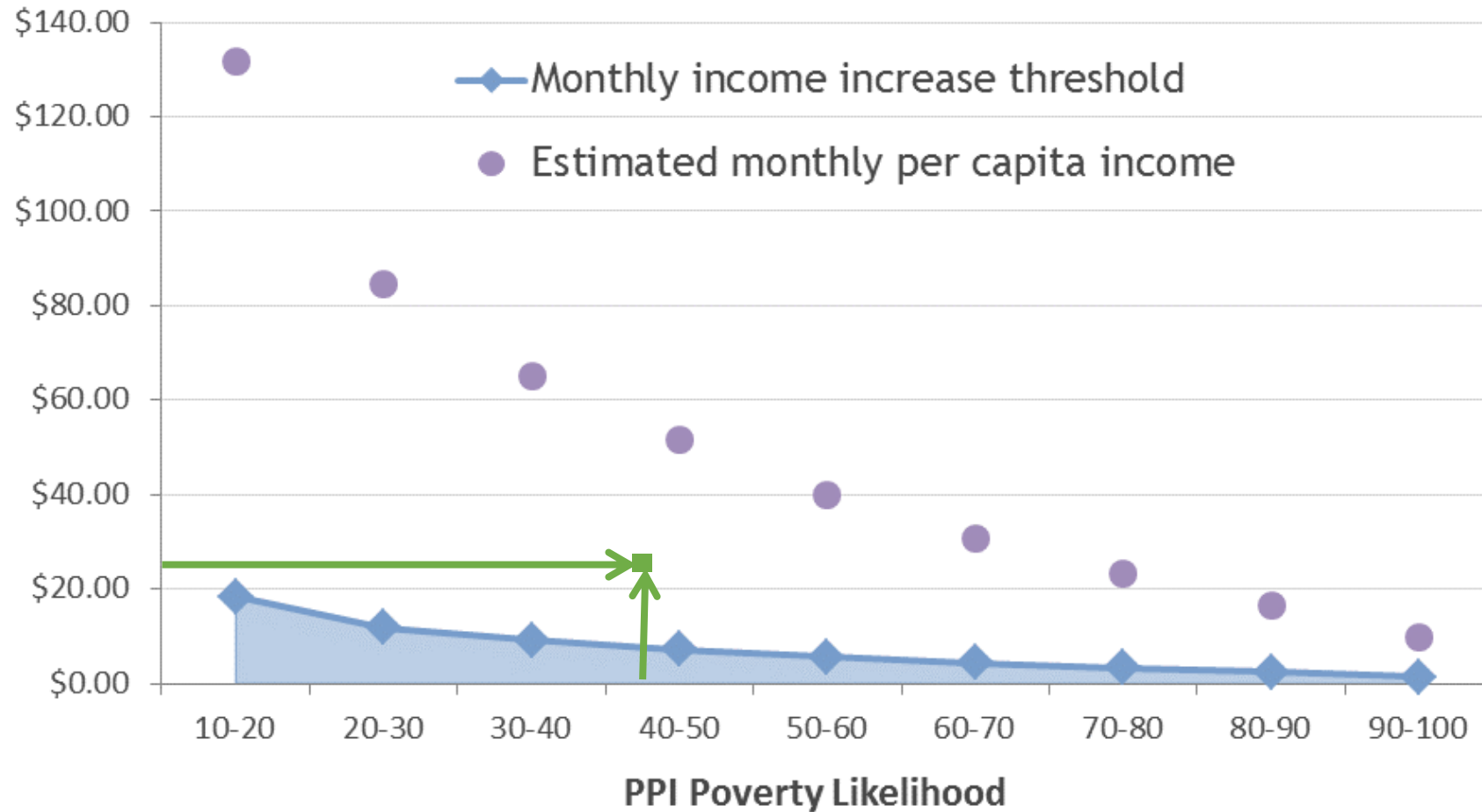
**Step one:** Take Net Attributable Income Change (NAIC)

**Step two:** Construct a look-up table of likely household income, based on the Progress Out of Poverty (PPI) score and World Bank Living Standards surveys

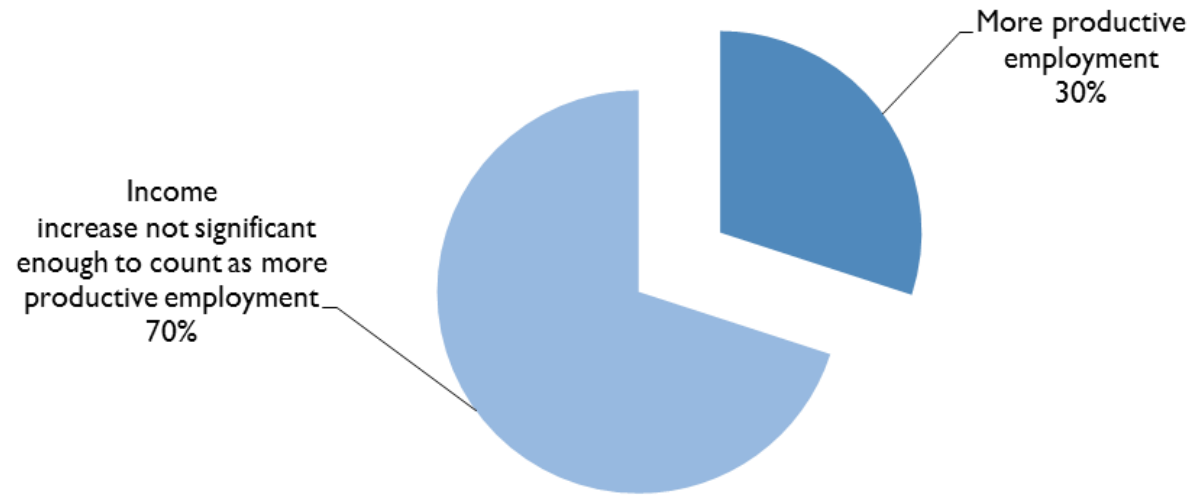
**Step three:** See if attributable income change results constitutes more than a 14.2% increase in overall income (poverty gap as a proxy for productivity gap)

# EXAMPLE

## Income increase to needed to be counted as having more productive employment



# WHAT DID THIS TELL US?



- Not exact, but cost-effective and ‘good enough’ for decision-making
- NAIC \$274 per farming enterprise, but only 30% more productively self-employed
- Gap for those to reach threshold – double current NAIC. Feasible to close poverty gap in current jobs?
- Strategic pivot: expanded business model to run PPP with hired labour

# QUESTIONS?



Read the case study at:  
[www.ilo.org/thelab](http://www.ilo.org/thelab)



**Adam Smith  
International**



# ADAPTING TO CREATE JOBS FOR YOUTH KUZA MOMBASA - KENYA



 **KUZA**  
Productive Coast, Productive Kenya

# KUZA IN BRIEF

**SUPPLY**  
8000 MARGINALISED  
YOUTH WITH BETTER SKILLS



**DEMAND**  
5000 YOUTH JOBS  
CREATED

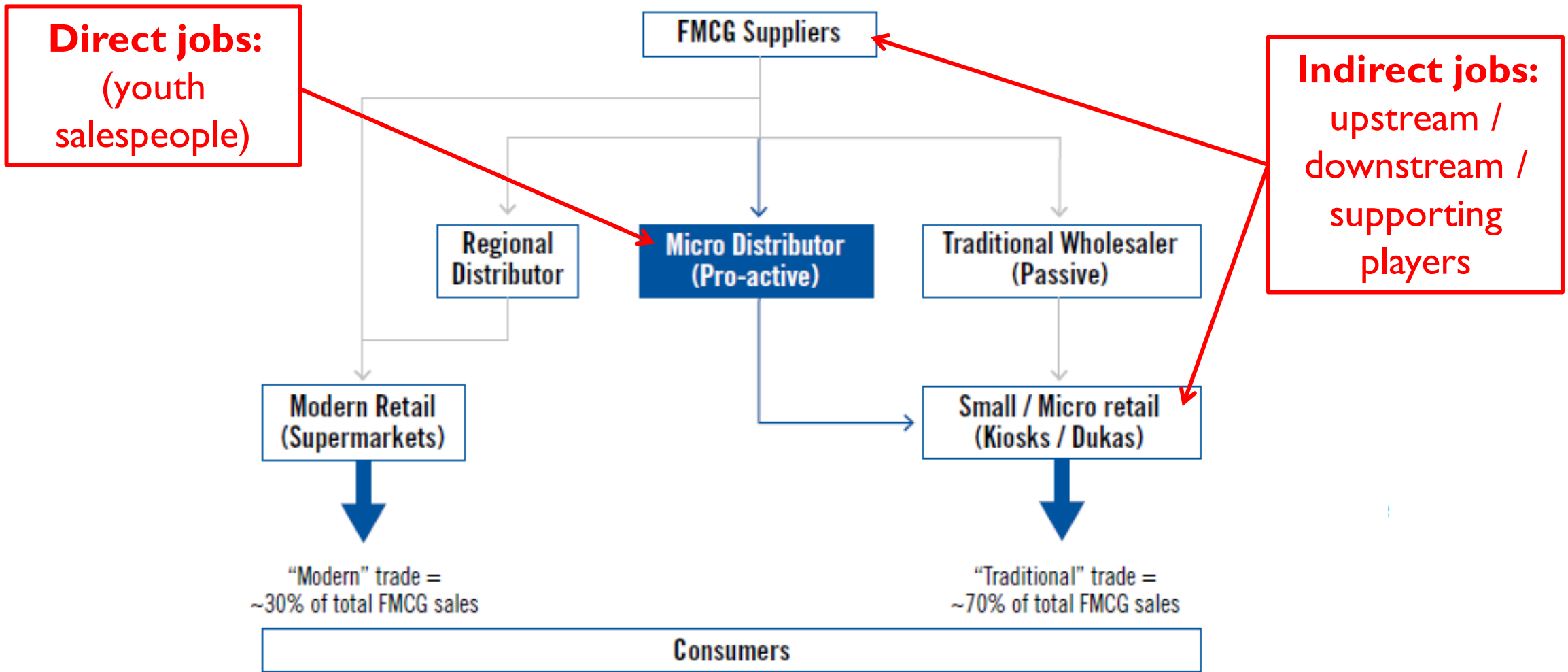
**(INCLUSION  
DIMENSION)**



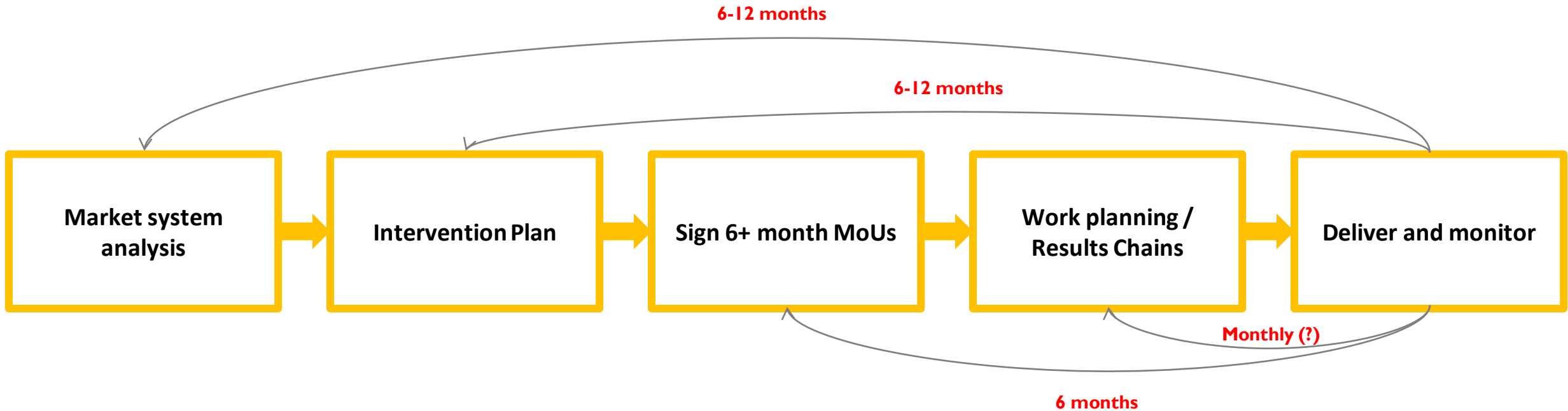
Policy and advocacy



# MICRO RETAIL



# ORIGINAL INTERVENTION CYCLE



## Some initial assumptions

Salespeople will be predominantly target youth

The jobs created will pay at least minimum wage

Salesperson turnover will be in line with industry norms

Suppliers and micro distributors will offer training which enhances sales performance

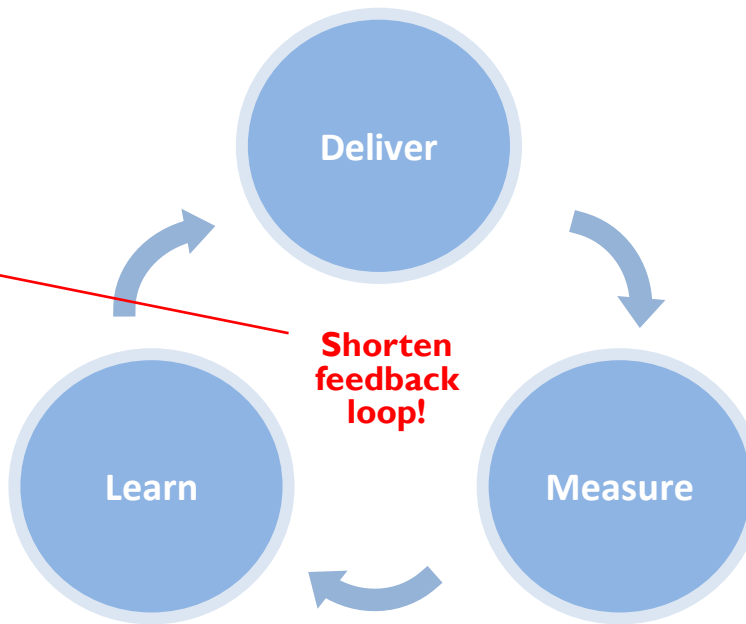
Now moving away from passively making 'big' assumptions and towards more active **hypothesis testing** and **experimentation...**

# NEW INTERVENTION CYCLE

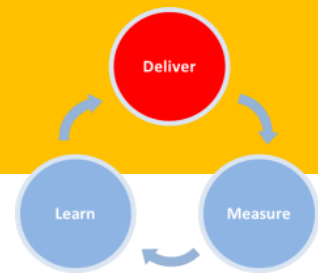
Develop **hypotheses** and run short term **experiments** and **micro pilots** that prove or disprove these hypotheses

More quickly identify and build on emerging **good practice** (and dampen/learn from **failures**)

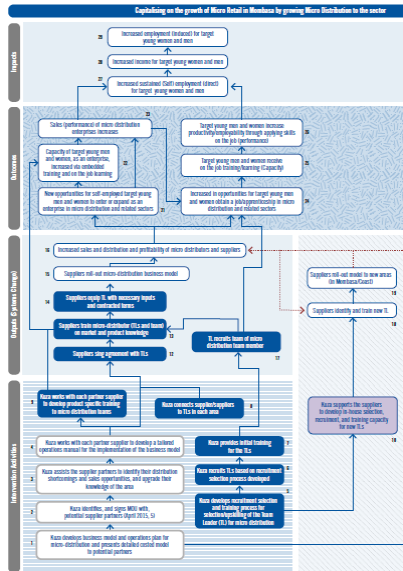
Draw **meaningful conclusions** and **adapt** behaviour



**Quickly** gather **useful** information (hypotheses and unexpected developments)



## Results Chain



## Example hypothesis

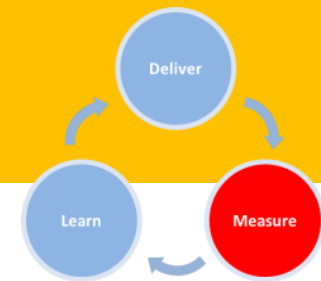
**Classroom-based training by suppliers builds sales team product knowledge most cost-effectively**

## Small-scale experiments / pilots to test hypotheses (and partners)

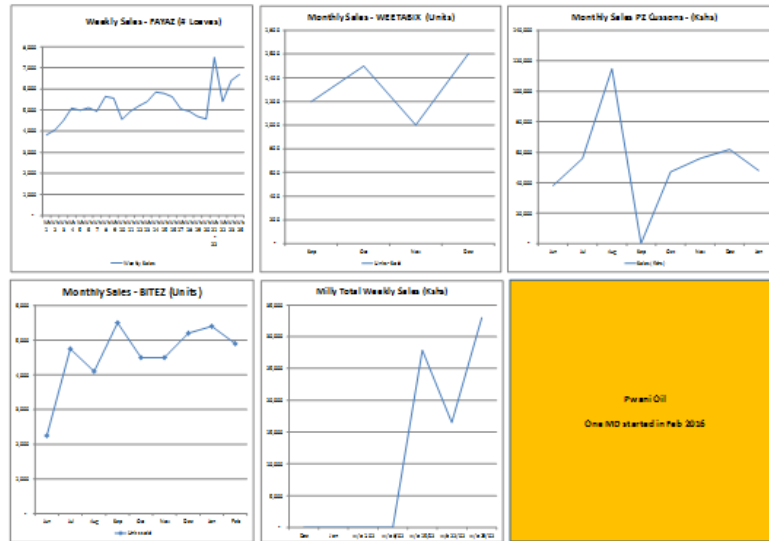
- Suppliers run ½ day classroom-based training
- Suppliers run ½ day classroom training and weekly on-the-job coaching
- Suppliers run weekly on-the-job coaching only
- Suppliers do no training or coaching

**Track results for one month...**

# MEASURE



Basic sales info



| Area / MD         | Payaz | Nonda | Milly | Wheetabix | PZ Gussans | Pranti Oil |
|-------------------|-------|-------|-------|-----------|------------|------------|
| Bambui / Benjamin | Y     | Y     | Y     | Y         | Y          | Y          |
| Mbaruni / Leaway  | Y     | Y     | Y     | Y         | Y          | Y          |
| Shanu / Vaseo     | Y     | Y     | Y     | Y         | Y          | Y          |
| Mbaruni / Joseph  | Y     | Y     | Y     | Y         | Y          | Y          |
| Ukani / Wome      | Y     | Y     | Y     | Y         | Y          | Y          |
| Cham / Humphrey   | Y     | Y     | Y     | Y         | Y          | Y          |
| Mbaruni / Sile    | Y     | Y     | Y     | Y         | Y          | Y          |
| Kongwele          | Y     | Y     | Y     | Y         | Y          | Y          |
| Ukani / Sule      | Y     | Y     | Y     | Y         | Y          | Y          |
| Bombolu           | Y     | Y     | Y     | Y         | Y          | Y          |
| Mbaruni / M       | Y     | Y     | Y     | Y         | Y          | Y          |
| Mbaruni / M       | Y     | Y     | Y     | Y         | Y          | Y          |
| Payaz             | Y     | Y     | Y     | Y         | Y          | Y          |

| Sales Trends | Supplier Contact | Comments                          |
|--------------|------------------|-----------------------------------|
| Payaz        | Y                | improve quality                   |
| Nonda        | Y                | Profit margin is, competitor loss |
| PZ Gussans   | Y                | Price is high vs competitors      |
| Pranti Oil   | Y                | need mental activation            |
| Wheetabix    | Y                |                                   |

| Supplier Assessment | Payment | Product Distribution | Best MD |
|---------------------|---------|----------------------|---------|
| Bambui              | Y       | Y                    | Y       |
| Cham                | Y       | Y                    | Y       |
| Bombolu             | Y       | Y                    | Y       |
| Mbaruni / M         | Y       | Y                    | Y       |
| Cham                | Y       | Y                    | Y       |
| Mbaruni             | Y       | Y                    | Y       |
| Mbaruni             | Y       | Y                    | Y       |
| Ukani               | Y       | Y                    | Y       |
| Mbaruni             | Y       | Y                    | Y       |
| Ukani               | Y       | Y                    | Y       |
| Mbaruni             | Y       | Y                    | Y       |
| Payaz               | Y       | Y                    | Y       |

| Job satisfaction | Satisfaction |
|------------------|--------------|
| Bambui           | Y            |
| Cham             | Y            |
| Bombolu          | Y            |
| Mbaruni / M      | Y            |
| Cham             | Y            |
| Mbaruni          | Y            |
| Mbaruni          | Y            |
| Ukani            | Y            |
| Mbaruni          | Y            |
| Ukani            | Y            |
| Payaz            | Y            |

Simple network analysis

Sentiments and perceptions

Capacity

Emerging success / failures

Other observations:

Young women not taking up sales jobs as expected

Lower than expected salesperson retention

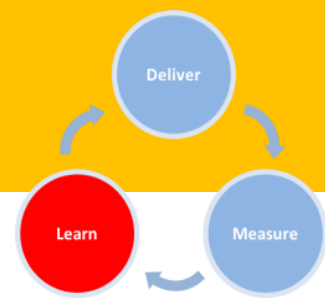
Jobs and incomes

| IMPACT ASSESSMENT    |                |                     |                  |                |                         |
|----------------------|----------------|---------------------|------------------|----------------|-------------------------|
| MD Change in income* | Average Salary | Average action rate | # Youth (Female) | # Youth (Male) | Comment                 |
| 20%                  | 10,000         | 40%                 | 5                | 80             |                         |
| # MDs                | # MDs          | # MDs               | # MDs            | # MDs          | Comment                 |
| Phase 1              | 12             | 2                   | 88               | 4              | Immediate + 2 vacancies |
| End                  | 1              | 1                   |                  | 1              |                         |

| MR TEAM - COMMENTS  |  |
|---|--|
| Not all MDs are stocking the full range from all suppliers  |  |
| Close at various stages of development, no sales trends seem stark  |  |
| Payaz sales on upward trend, though affected by loss of SR in Shanu and start-stop effect of Cham/Mbaruni MDs |  |
| Ukani Payaz bread packaging less visible in the light   |  |
| Ukani Payaz bread packaging more popular  |  |
| Total sales to date in Kafa @ 5M excluding Milly Fruit Processors   |  |
| Expected 2 new MDs in Bombolu, Mbaruni and Kongwele   |  |
| Est. mode. hopes of into 2 partners of MD in Bambui   |  |

- **Market system 'Health Check'** aims to give clues about systemic change process (and job quality) quickly and regularly. Selected indicators only.
- Supports hypothesis testing, highlights unexpected phenomena, confirms anecdotal evidence. Useful for partners.
- **Owned by Investment Manager.** Updated in ~1 hour each week via phone/SMS. Visual element helps tell the story.

# LEARN



## Lessons from the data

On-the-job supplier coaching most cost-effective training approach

## Other observations

Few young women taking up sales jobs

Lower than expected salesperson retention

## Inform intervention design / new hypotheses to test

Support suppliers to roll out and strengthen on-the-job coaching techniques.

Feedback and action within one month

Social stigma around bicycle use > test new team role (order-taking/marketing)

Prevailing remuneration model unpopular > test alternative models

Limited coaching > support suppliers to include mentoring training in support package

## When and how?

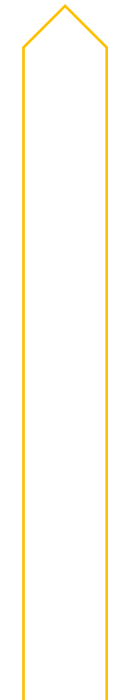
Weekly system 'health check' meetings

Ad-hoc after-action reviews

Results Chain update meetings

Quarterly Strategic Reviews

Tactics



Strategy

# BRINGING IT ALL TOGETHER

- Aiming to achieve sustainability and scale and **influence job inclusiveness**.
- **Actively testing hypotheses, systematically monitoring for unexpected outcomes** (positive and negative) and pushing for **faster adaptation**.
- **Perfect is the enemy of good** – ‘lean’ approach focusses on essential information. Useful but obvious limitations. Doesn’t replace MRM system.
- **Encouraging signs of team ownership**. Trickiest elements: forming meaningful hypotheses, getting information from some partners, knowing what is ‘enough’ information.
- **Next steps**: roll out to other sectors, continue to adapt ‘health check’ tool, build involvement of partners / beneficiaries, incorporate into new intervention design.

# QUESTIONS?



Read the case study at:  
[www.ilo.org/thelab](http://www.ilo.org/thelab)





# MEASURING WORKING CONDITIONS



# THE CHALLENGE

- Working conditions – array of subjects covering employment relationships and worker's well-being in the workplace
- Key informant interviews with 20 projects and organisations to extract lessons on how to measure working conditions



# INTEGRATING WORKING CONDITIONS

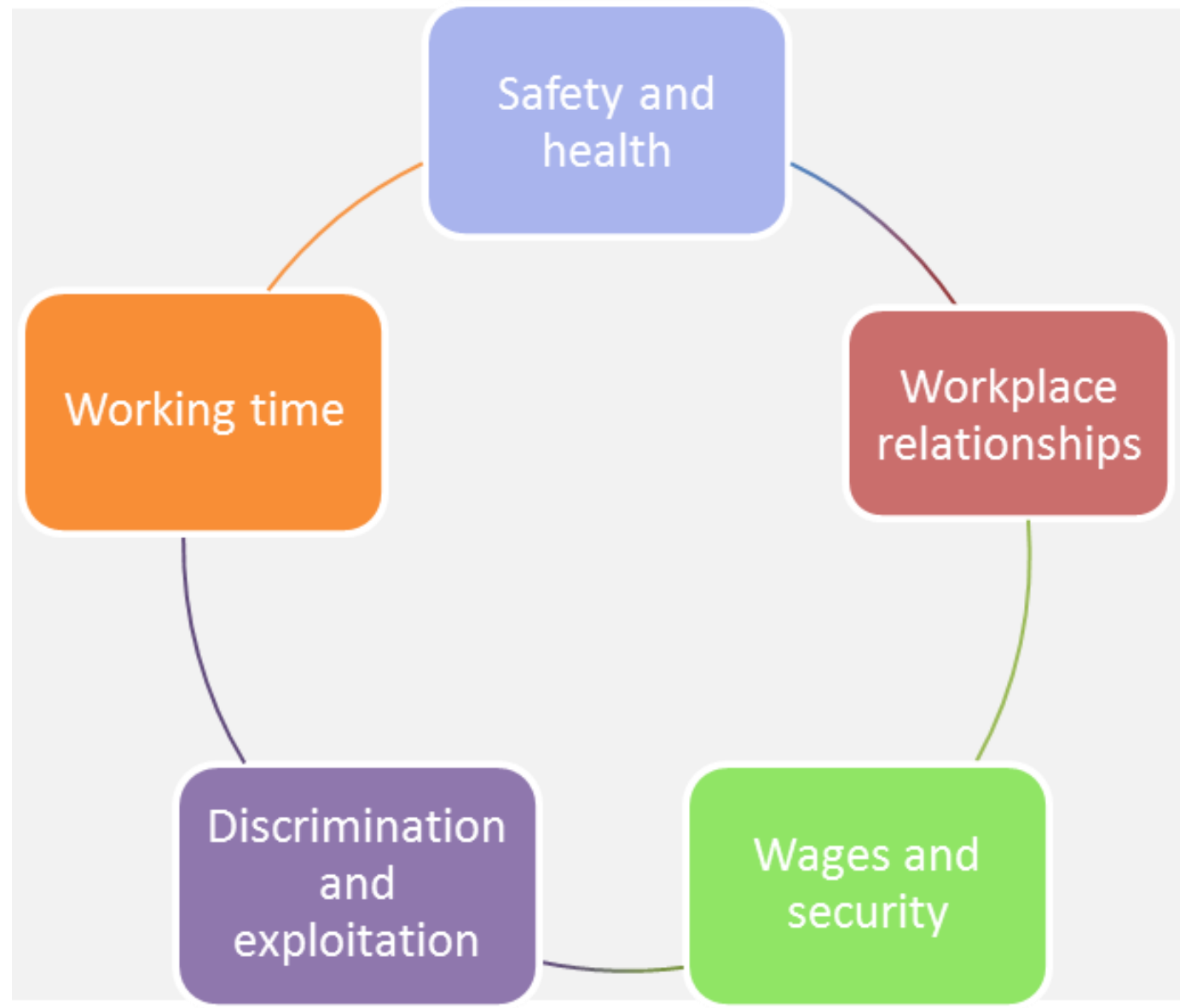
- 1. Articulating the results chain**
- 2. Defining indicators of change**
- 3. Measuring change**
4. Estimating attributable change
5. Wider changes in the system
6. Tracking programme costs
- 7. Reporting results**
8. Managing the system

# LESSON 1: RESULTS FORMULATION

~~Job quality improved~~

|  |                       |                                    |      |
|--|-----------------------|------------------------------------|------|
| 16. Better working conditions and improved employee well-being | Employee Satisfaction | % SMEs reducing worker complaints  | 7%   |
|  |                       | Changes in employee satisfaction   | 10%  |
|  | Absenteeism           | % SMEs reducing absenteeism        | 7%   |
|  |                       | Av. change in absenteeism          | -34% |
|  | Labour turnover       | % SMEs reducing labour turnover    | 7%   |
|  |                       | Av. change in labour turnover rate | 19%  |
|  | Accidents             | % SMEs reducing accidents          | 11%  |
|  |                       | Av. change in accident rate        | -54% |
|  | Wages                 | % SMEs increasing wages            | 0%   |
|  |                       | Av. change in wages                | 7%   |

# LESSON 1: RESULTS FORMULATION



# LESSON 2: INDICATOR SELECTION

- Limitations of any one indicator

Injuries reduced in the workplace

av. Change in accident rate

- Multiple perspectives

- Worker
- Management

Worker perception of safety

- Qualitative *and* quantitative

Management reporting effectiveness of new safety measures

- Lead *and* Lag

- Process & impact indicators

Change in investment in safer equip.

# LESSON 3: DEALING WITH RESPONDENT BIAS

COURTESY BIAS

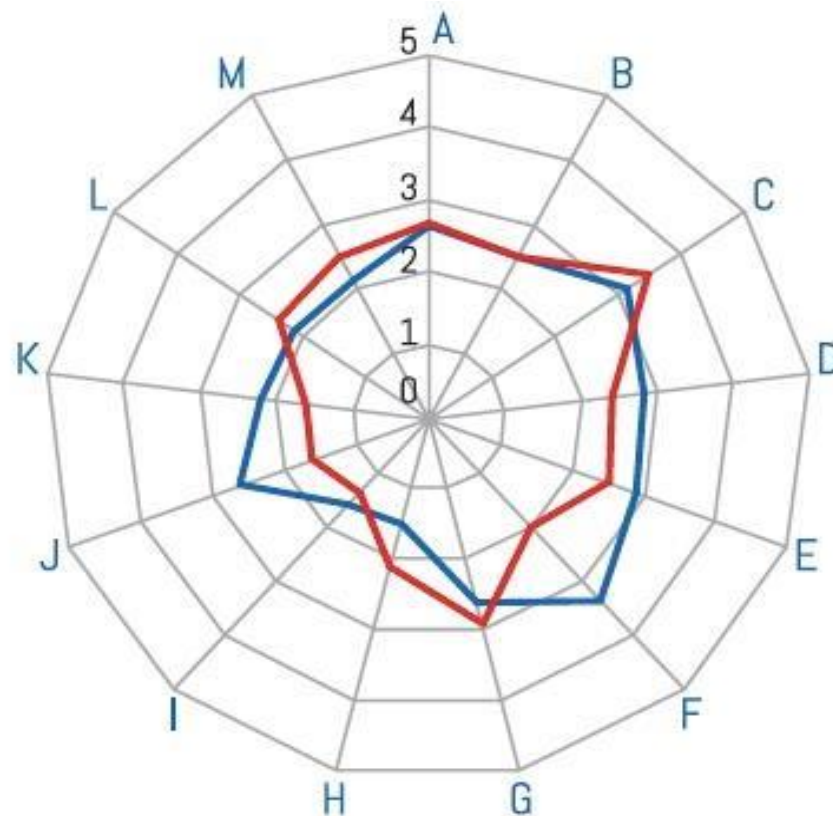
SOCIAL  
ACCEPTABILITY BIAS

PERCEPTION BIAS

- **Who measures:** Project; third party; enterprise?
- **Social capital:** Trust a key factor
- **Proxies:** Use proxies (though document assumptions)

# LESSON 4: REPORTING PROGRESS

- Ratings and scales help make ‘apples with apples’ comparison



— Agro-food — Printing and Packaging

- A. Materials Storage and Handling
- B. Workstation Design
- C. Productive Machine Safety
- D. Control of Hazardous Substances
- E. Lighting
- F. Work-related Welfare Facilities
- G. Premises
- H. Understanding Productivity
- I. Managing and Motivating Workers
- J. Designing and Managing Work Time
- K. Managing Wages and Benefits
- L. Family-friendly Measures
- M. Creating a Respectful Workplace

Indicators: structured around five levels, 1 weakest, 5 strongest.

Source: ILO Enhancing SME productivity and competitiveness project



# QUESTIONS?

Contact: [thelab@ilo.org](mailto:thelab@ilo.org)