## What makes a job meaningful?

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The COVID-19 pandemic has forced the near shutdown of many economies around the world. It has already thrown at least 10 million out of work in the U.S. and threatens the jobs of millions more worldwide. Yet, job loss often means much more than a lost livelihood—it entails being deprived of social identity, status, routine and time structure, and contacts with colleagues. While many hope that unemployment will quickly decline once economies recover, the <u>psychological consequences of job loss for individuals and</u> their families are severe and long-lasting.

At the same time, those who have managed to keep their jobs face challenges of their own, job insecurity notwithstanding. On the one hand, home-based telework is blurring the boundaries between work and personal life. On the other hand, those performing life-saving tasks in hospitals, and those keeping the economy running in another way, for instance, by restocking the shelves in supermarkets, are facing not just health risks but also increasing job demands. It is becoming increasingly clear which occupations are vital to the economy, and which are not, regardless of how the government is labeling them. The coronavirus has made many people think about the role that work has in their lives, including its usefulness to society, its importance to the economy, and its contribution to personal growth and well-being. And although such qualms might seem contrived or second-order in times of a pandemic, <u>a our research</u> shows that the perceptions we hold about the meaningfulness of our job can actually

have serious consequences for how we behave in the labor market.





In a recent <u>working paper</u>, we explore the broader meaning that work has in people's lives. Specifically, we analyze the causes and consequences of meaningful work perceptions using nationally representative survey data for workers living in 30 European countries between 2005 and 2015. We study which factors make individuals more likely to experience work meaningfulness and what that means in terms of labor market behavior.

## Keys to motivating workers

In exploring what makes work meaningful, we rely on <u>self-determination theory.</u> According to this theory, satisfying three innate psychological needs—competence, autonomy, and relatedness—is key for motivating workers and enabling them to

experience purpose through their work. First, individuals have a need for feeling *competent* in terms of having the skills and capabilities to overcome challenging tasks. Second, people need to feel *autonomous* in the sense of having choices and authority over what to do. Finally, workers feel *related* if they experience genuine care from their bosses or colleagues, and that they care about their superiors and coworkers in return. Of course, work also has other important aspects, such as wages and benefits, career advancement opportunities, job security, and hours worked and we take these factors into account.

Our analysis shows that that relatedness, which is about relationships at work, is the most important determinant of work meaningfulness. This finding likely comes as no surprise to those who are currently teleworking and unable to socialize with their colleagues. In general, we discover that autonomy, relatedness, and competence are almost five times more important for perceptions of having meaningful work compared with compensation, benefits, career advancement, job insecurity, and working hours (Figure 1).

Relatedness
Autonomy
Country of residence
Career advancement
Industry
Competence
Job insecurity
Occupation
Hours worked
Year of interview
Income

Figure 1. Which factors matter the most for experiencing work meaningfulness?

Source: Nikolova and Cnossen (2020). Stockholm, Sweden: Institutet för Framtidsstudier.

3%

**Notes**: The figure shows the relative percentage contribution of each factor for explaining variation in work meaningfulness perceptions based on an  $R^2$  value of 0. 205. The relative contribution is calculated using a Shapley-based  $R^2$  decomposition method. The  $R^2$  value indicates that we are able to explain about 20.5 percent of the variation in work meaningfulness using the included variables in the model.

6%

9%

12%

15%

18%

21%

24%

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30%

33%

27%

## The benefits of meaningful work

Benefits and performance pay

Our research also shows that those who perceive their work as meaningful exert more effort on the job. For example, employees experiencing their work as meaningful are less likely to call in sick and are more likely to participate in trainings to improve their skills. These findings have important implications for employers looking to boost organizational

performance and employees' well-being. In addition, we also find that workers who think of their jobs as purposeful and meaningful want to postpone their retirement, which has important implications for policymakers faced with rising life expectancies and a greater share of <u>older workers in the economy</u>.

Despite what most economic models predict, work is not just a source of income but also provides identity and individual self-esteem. As such, work is a pivotal part of human life. Since most adults spend a large part of their waking hours in work-related activities, understanding what factors make work a life-enriching and dignifying experience or, on the contrary, a degrading and meaningless one, can help design policies to enhance workers' well-being, boost organizational performance, and increase civic engagement and social welfare, especially at a time when the future of work is changing. Working conditions related to hierarchy, job insecurity, and working hours are certainly important aspects of any job. However, it is autonomy, competence, and especially relationships at work, that nourish and sustain meaningfulness.

Research on work meaningfulness and our findings, in particular, are especially relevant now that the coronavirus crisis is transforming our workplaces. Tasks that seemed so important a few months ago are now low priority, and even though being connected to our colleagues is crucial, social distancing measures in many cases prevent us from getting the support and relatedness that we need. This should not be taken lightly: Diminished work meaningfulness can have serious and long-lasting complications for productivity, health, and happiness at work. Employers who show some extra support and understanding, or make job tasks more relevant to the current crisis (see some great examples listed here), might be on the right track in mitigating one of the many unseen side effects of the coronavirus and its aftermath.

<u>Future Development</u>



How much will your spouse suffer if you become unemployed?

**Up Front** 



Telecommuting will likely continue long after the pandemic



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