



ASPEN NETWORK  
OF DEVELOPMENT  
ENTREPRENEURS  

---

aspenspruce  
aspenspruce

LEARNING LAB SERIES

# Measuring Decent Work in the Small and Growing Business Sector

## How-to Guide

*By ANDE Andean Chapter and The Good Economy*

August 2022

Supported by:

**TIPPING POINT**  
**FUND** ON IMPACT INVESTING

# Acknowledgments

---

ANDE extends its gratitude to Matt Ripley, Head of Impact at The Good Economy, for facilitating the Decent Work Measurement Learning Lab and capturing the key insights in this guide.

This work was made possible with support from the Tipping Point Fund for Impact Investing (“TPF”). TPF is a donor collaborative with a mission of creating and supporting public goods that are critical to the continued growth and fidelity of the impact investing market.

## About ANDE

---

The **Aspen Network of Development Entrepreneurs (ANDE)** is a global network of organizations that propel entrepreneurship in developing economies. ANDE members provide critical financial, educational, and business support services to small and growing businesses (SGBs) based on the conviction that SGBs create jobs, stimulate long-term economic growth, and produce environmental and social benefits.

As the leading global voice of the SGB sector, ANDE believes that SGBs are a powerful, yet underleveraged tool in addressing social and environmental challenges. Since 2009, ANDE has grown into a trusted network of nearly 300 collaborative members that operate in nearly every developing economy. ANDE grows the body of knowledge, mobilizes resources, and connects the institutions that support the small business entrepreneurs who build inclusive prosperity in the developing world. ANDE is part of the Aspen Institute, a global non-profit organization committed to realizing a free, just, and equitable society.



# Table of Contents

---

Introduction.....	4
<b>LEARNING LAB 1:</b> What is Decent Work?.....	5
<b>LEARNING LAB 2:</b> The investor perspective.....	9
<b>LEARNING LAB 3:</b> Considerations for capacity development providers.....	13
<b>LEARNING LAB 4:</b> Metrics and methods.....	17
<b>LEARNING LAB 5:</b> Rights, respect, and cooperation in the workplace.....	22
<b>LEARNING LAB 6:</b> Moving beyond compliance to measure fulfilling work.....	24
Conclusion.....	26



# Introduction

In March and April 2022, the Andean Chapter of the Aspen Network of Development Entrepreneurs (ANDE) hosted a series of six learning lab meetings about practical ways to measure decent work and job quality in the small and growing business (SGB) sector. This guide captures key takeaways from these sessions, facilitated by [The Good Economy](#), a UK-based social advisory consultancy.

The learning lab created a space for ANDE members to exchange and enhance their knowledge on the challenges and opportunities around measuring decent work and job quality within the wider context of achieving Sustainable Development Goal (SDG) 8 on Decent Work and Economic Growth. Given the unprecedented disruption that the COVID-19 pandemic has placed on labor markets around the world, the importance of creating more and better jobs has arguably never been greater.

Measuring job quality and the impact of decent work has proven notoriously tricky for intermediaries who support SGBs in developing economies. Issues include the high costs of measurement, barriers to accessing workers, and the need to cover a wide range of topics that can be considered particularly sensitive – from wages to the worst forms of child labor. Even conceptually, job quality can be elusive to measure because it is, as described in Muñoz de Bustillo, and his colleagues’ book, an idea “which everyone understands yet it is difficult to define precisely.”<sup>1</sup> The six learning lab meetings interrogated this complex topic from different perspectives, described in Figure 1.

– FIGURE 1: DECENT WORK METRICS LEARNING LAB FRAMEWORK

<b>CORE PRINCIPLES</b>	<ul style="list-style-type: none"><li>+ What is decent work?</li><li>+ Measuring - metrics and methods</li></ul>
<b>ORGANIZATIONAL PERSPECTIVES</b>	<ul style="list-style-type: none"><li>+ The investor perspective</li><li>+ Considerations for capacity development providers</li></ul>
<b>TOPIC DEEP DIVES</b>	<ul style="list-style-type: none"><li>+ Rights, respect, and cooperation in the workplace</li><li>+ Moving beyond compliance to measure fulfilling work</li></ul>

Overall, the learning lab emphasized the importance of practical measurement solutions and conceptual clarity when measuring decent work. Rarely will an organization have the resources to cover the full spectrum of topics included in the International Labour Organization’s (ILO) decent work agenda. Instead, the most important and material issues relevant to the local context need to be identified. This guide seeks to provide an overview of the content discussed, useful resources, and global best practices shared during each of the learning lab meetings.

<sup>1</sup> Muñoz de Bustillo, R., Fernández- Macías, E., Antón, J.-I., and Esteve, F. 2011. [Measuring More Than Money: The Social Economics of Job Quality](#).

# LEARNING LAB 1: What is Decent Work?

The first session of the series provided a grounding in the key concepts and core debates concerning decent work measurement. The call by the International Labour Organization (ILO) – the United Nations agency for the world of work – to provide decent work for all has become a rallying cry for practitioners aiming to boost entrepreneurship as a means of economic and social development. The ILO defines decent work as providing “productive work for women and men in conditions of freedom, equity, security and human dignity.”<sup>2</sup>

The session highlighted the scale of the global challenge, as the ILO has warned that progress in reducing unemployment globally is not being matched by improvements in the quality of work.<sup>3</sup> Attaining the goal of decent work for all is unrealistic for many countries at the current trajectory, even before the COVID-19 pandemic hit. Poor working conditions remain the main global employment challenge.<sup>4</sup>

Situating the discussion within the region, Latin America has lost 26 million jobs<sup>5</sup> since the start of the pandemic. The average rate of informal employment remains high at 56 percent,<sup>6</sup> and almost half (40 percent<sup>7</sup>) of workers and their families are not protected by any type of social protection. However, the region has a large and potentially productive labor force with good levels of education. There is significant potential to harness the growth of digital work platforms to create employment opportunities for all.<sup>8</sup>

SGBs are critical to achieving SDG 8: Decent Work and Economic Growth as a major job creation engine. ANDE defines SGBs as commercially viable businesses with 5 to 250 employees that have significant potential and ambition for growth. SGBs are led by opportunity entrepreneurs who take advantage of market opportunities for a product or service; rather than subsistence or necessity entrepreneurs who run livelihood-sustaining small businesses, which start small and are designed to stay that way.

Decent work is not just a social issue for SGBs but can be critical for business success. When workers are treated well and enjoy decent working conditions, SGBs can benefit from both risk mitigation and value creation, decreasing their chances of legal or regulatory action, increasing their ability to attract and retain talent, and improving employee engagement and productivity. A summary of the business case for investing in jobs quality is set out in the ANDE brief *What we Know About Job Quality in Small and Growing Businesses*.<sup>9</sup>

2 International Labour Organization. 1999. [Report of the Director-General: Decent Work.](#)

3 International Labour Organization. 2019. [World Employment and Social Outlook: Trends 2019.](#)

4 International Labour Organization. 2019. [Poor working conditions are main global employment.](#)

5 International Labour Organization. 2021. [26 million jobs lost in Latin America and the Caribbean during pandemic.](#)

6 Basto-Aguirre, Nathalie, et al. 2020. [Informality in Latin America in the post COVID-19 era: towards a more formal “new normal”?](#) [Vox.LACEA](#)

7 Organización Internacional del Trabajo. 2022. [Protección social en América Latina y el Caribe.](#)

8 International Labour Organization. 2021. [Technology and digitalization have potential to create decent jobs and sustainable enterprises.](#)

9 Hume, V. et al. 2021. [What We Know About Job Quality in Small and Growing Businesses.](#) Aspen Network of Development Entrepreneurs.



**KEY LEARNING:**  
**DECENT WORK IS MULTI-DIMENSIONAL**

Job quality is a multi-dimensional concept, nowadays understood not only through the classical economist lens of wages but also as covering a broad set of working conditions. There is general consensus on which topics should be considered when conceptualizing job quality. These include pay and other rewards, terms of employment, working environment, work intensity, representation, and voice.<sup>10</sup> However, data is missing or difficult to reliably obtain for many of these categories. In addition, there are no consensus on how to group different topics together. For example, a worker may record an increase in wages, but this could come about due to working excessive hours. Decent work outcomes often change in different directions over time, meaning it is hard to bring metrics together to form a single aggregated picture of overall job decency.

### Defining Decent Work

**In general, work is considered “decent” when it:**

- + Pays a fair income
- + Guarantees a secure form of employment and safe working conditions
- + Ensures equal opportunities and treatment for all
- + Includes social protection for the workers and their families
- + Offers prospects for personal development and encourages social integration
- + Allows workers to freely express their concerns and to organize

**The ILO has developed a set of statistical and legal indicators to measure decent work, which are grouped under 10 substantive elements:<sup>11</sup>**

1. Employment opportunities
2. Adequate earnings and productive work
3. Decent working time
4. Combining work, family, and personal life
5. Work that should be abolished
6. Stability and security of work
7. Equal opportunity and treatment in employment
8. Safe work environment
9. Social security
10. Social dialogue and employer and worker representation

<sup>10</sup> Chartered Institute of Personnel and Development. 2018. [Understanding and measuring job quality](#).

<sup>11</sup> International Labour Organization. 2022. [Decent work indicators](#).

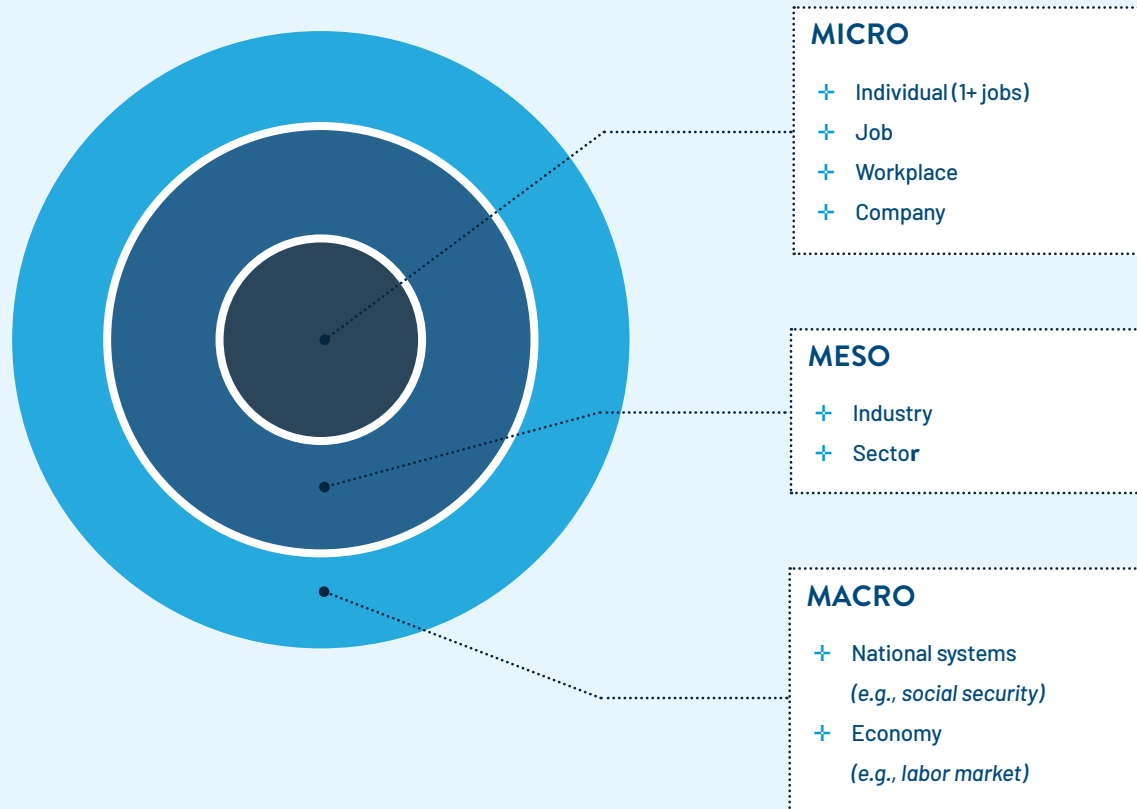


**KEY LEARNING:**  
**DECENT WORK PLAYS OUT AT DIFFERENT LEVELS**

Decent work is both a policy objective and a development outcome. As such, it can be conceptualized and, therefore, measured at different spatial levels. Organizations that support the SGB sector often do not directly address the macro context of the policies, institutions, and public initiatives (such as social security or welfare). However, not only do they drive labor market governance but also shape the environment for SGB themselves. The meso level refers to the spheres where issues of industrial relations, social dialogue, and sector-wide standards (e.g., safety and health practices.) are set. At the micro level, where SGB sector support organizations most often live, decent work outcomes can be identified as:

- + *Individuals*, who may have more than one job
- + The *job* itself, defined as a set of tasks and duties executed, or meant to be executed, by one person<sup>12</sup>
- + *Workplaces*, relating to how work is organized and performed, and in what conditions
- + *Enterprises*, and the impact on business productivity and performance
- + *Families and households* of dependent workers

– FIGURE 2: SPATIAL LEVELS OF DECENT WORK



12 International Labour Office. 2012. [International Standard Classification of Occupations](#).



**KEY LEARNING:**

**JOB QUALITY CAN BE EXAMINED FROM DIFFERENT PERSPECTIVES**

There are multiple aspects of a job that can be considered to assess its quality. Features of a job can be examined from:

- + An **objective** perspective - the observed characteristics of a job, independent of personal circumstances, often with reference to International Labor Standards, sustainability standards, industry codes of conduct, or national labor laws.
- + A **subjective** perspective - the preferences of a worker and the extent to which a job meets their needs, which is based on their individual characteristics, experiences, and personal circumstances.

Research has shown it is possible to have an objectively “bad” job that fails to meet minimum thresholds against normative frameworks but is perceived as subjectively “good” by workers, perhaps because it offers improved pay or conditions compared to their previous jobs. What matters most to workers weigh in on choosing measurement methods.

Here, context matters; outcomes for workers can differ depending on context (e.g., sector, country) as well as personal circumstances. On the one hand, objective measurement is important for SGB support organizations to ensure jobs are compliant and safeguard worker rights. However, subjective dimensions can shed light on a worker’s intrinsic motivation and whether they feel engaged at work which can be a key driver of outcomes for SGBs. After all, as noted by Gallup, “engaged employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.”<sup>13</sup>

**Takeaways from Learning Lab Session 1:**

- ▶ **Decent work is about more *and* better jobs.** Not only the number but also the quality of jobs matter.
- ▶ **Job quality needs to be understood contextually.** Objective and subjective dimensions of job quality need to come together to provide a picture of respect for workers’ rights whilst factoring in what workers value.
- ▶ **Job quality is multi-faceted and hard to aggregate.** Practitioners can move past the job quality label or the call to action of decent work by breaking it down into component parts. A decent job is best thought of along a continuum – from less to more decent – rather than as an exact threshold to be reached.
- ▶ **Measurement challenges are as much about incentives as they are capacities.** Tools and methods exist for measuring job quality. Whilst resource or expertise barriers exist, often the biggest impediment to measuring decent work is that SGBs do not see the value in measuring aspects of job quality or are afraid to engage with their employees on these topics.

<sup>13</sup> Gallup. 2013. [State of the American Workplace.](#)



# LEARNING LAB 2:

## The investor perspective

The second learning lab session focused on the perspectives of those investing in SGBs. The objective was to unpack the specific considerations facing development finance institutions, family offices, and foundations seeking to support more and better job creation through their investments. These impact investors aim to minimize the negative and maximize the positive effects on decent work.

This learning lab first explored some of the contextual realities facing investors. Investors are often many steps removed from where decent work outcomes are felt, for example, in supplier contractors, which creates both visibility and measurement challenges. The discussion also covered the range of motivations an investor may have for wanting to better understand their decent work impacts; from “because we have to” due to legal compliance reasons or recognizing that “bad things will happen if we don’t” from the perspective of risk and reputation management; through to “because we want to create positive change” by unlocking business value and productivity benefits in portfolio companies, as well as demonstrating impact.

**A five-step approach to measuring decent work was then shared and discussed.**

### 1 STEP 1. LINK MEASUREMENT TO STRATEGY

What do you hope to achieve?

The first step is to get clarity on an investor’s impact goals and strategy as it relates to decent work. This step made use of the frameworks put forward by the Impact Management Project (IMP) – a forum for building global consensus to help enterprises and investors understand their impacts on people and the planet. The IMP distinguishes between three categories of investor intentions:

– FIGURE 3: THE IMP’S ABC CLASSIFICATIONS OF IMPACT<sup>14</sup>



14 Impact Frontiers. 2022. [ABC of enterprise impact.](#)

The different intentions along the ABC spectrum have implications for the type of measurement approaches that can be used. For example, an investor seeking to understand decent work through the perspective of avoiding harm and ensuring the companies they invest in comply with local labor laws and International Labor Standards can use IFC Performance Standard 2 on [Labor and Working Conditions](#) to screen, select, and monitor the performance of their investments. Investors prioritizing decent work as a specific goal impact objective can anchor their measurement and strategies in the [Global Impact Investing Network \(GIIN\) Quality Jobs theme](#).

## 2 STEP 2. DECIDE WHICH ASPECTS OF DECENT WORK ARE MATERIAL

*What's important?*

As explored in the first lab, the range of topics covered by the decent work agenda is broad. Investors need to prioritize which issues they will focus measurement activities on, based on both their impact goals and the issues that are important to workers and SGBS in the local context. This prioritization can take a risk-based approach, for example, by assessing the likelihood of the presence of child labor in the region or sector where the SGB is located or in a more participatory manner by interviewing local stakeholders and worker representatives. The job quality wheel below can be used as a starting point, where the outer rim depicts objective job quality considerations.

– FIGURE 4: THE JOB QUALITY WHEEL<sup>15</sup>



<sup>15</sup> Adapted from: International Labour Organization. 2021. [“How to” Measure Job Quality in value chain development projects](#).

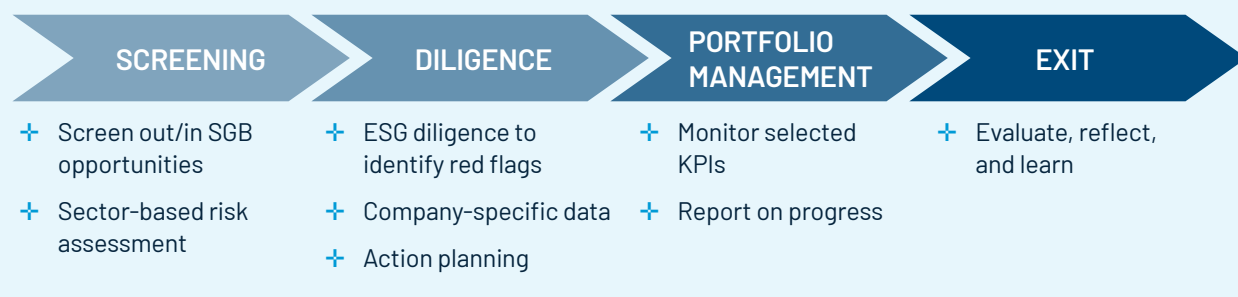


### 3 STEP 3. EMBED IN THE INVESTMENT PROCESS

*When to measure?*

An investor’s measurement activities may differ depending on the stage of the investment process. Pre-investment, the screening phase may focus on deploying a set of metrics to filter out any SGBs where there are significant concerns about labor practices. Post-investment, the investor may agree on a specific set of impact metrics or key performance indicators (KPIs) to be reported by investees and tracked at the portfolio level.

– FIGURE 5: MEASUREMENT ACTIVITIES AT EACH STAGE OF THE INVESTMENT PROCESS



### 4 STEP 4. COLLECT COMPANY-LEVEL DATA

*How to gather information?*

A wide range of data collection methods can then be deployed to gather information on decent work. The suitability of each method will depend on many variables, not least the stage of the investment process. For example, during diligence, investors may wish to collect primary data to validate their impact thesis.

– TABLE 1: DATA COLLECTION METHODS FOR DECENT WORK<sup>16</sup>

Method	Pros	Cons
<b>Secondary sources</b>	Quick to obtain, provides a preliminary view of key areas of concern	Not firm-specific; data is often out of date
<b>Focus group discussions and key informant interviews with SGB staff, management, and contractors</b>	Can cost-effectively cover a range of decent work topics	Some issues are too sensitive or hidden to uncover; hard to engage with a representative sample of workers.
<b>Surveys</b>	Can uncover issues and triangulate data from a broader sample, capturing the voice of marginalized workers	Can leave workers vulnerable to retaliation if responses linked backed to individuals
<b>Impact assessment or expert assessment</b>	Independent view with triangulation between different perspectives	Costly and requires third-party support

<sup>16</sup> Adapted from Ripley, Matt. 2021. [Enhancing workforce engagement with technology](#). CDC.



## 5 STEP 5. PORTFOLIO LEVEL

*How to bring it all together?*

Investors often need to “roll up” data about individual companies to the level of their investment portfolio, such as for a particular impact fund report. The following three options were discussed.

- + Track and set targets against topic-specific metrics, for example, the number of companies paying a living wage
- + Track and set targets against aggregated metrics that bring different elements of decent work together, for example, the number of jobs improved
- + Develop impact ratings or a scorecard based on different dimensions of decent work, such as through a [Good Work Index](#)

### Takeaways from [Learning Lab Session 2](#):

- ▶ **Link decent work measurement to overall strategy and goals.** Investors should anchor their measurement activities against their intentions along the ABC spectrum of impact. This will help ensure the time and cost resources expended on measurement matches the motivations for why investors are interested in learning about changes in decent work.
- ▶ **Different measurement approaches need to be deployed at different stages of the investment process.** How decent work is measured, in terms of the depth of insight or breadth of topics covered, will differ from pre- to post-investment.
- ▶ **Use methods and tools that could be adopted and adapted by SGBs.** Ultimately, some of the methods and metrics deployed by investors into SGBs could be internalized by SGBs themselves. If SGBs improve the way in which they measure and understand job quality within their own business and supply chain, this can lead to better worker-management relations. Investors should therefore be mindful of using lean and cost-effective methods that could be replicated by the SGBs over time.

## LEARNING LAB 3:

# Considerations for capacity development providers

---

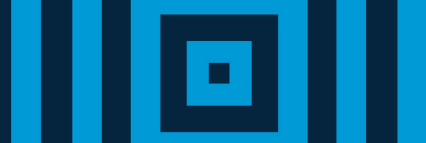
The third learning lab shifted focus to dig into the perspectives of organizations providing capacity-building support to the SGB sector. This session first explored the motivations and incentives for capacity development providers to both **prove and improve** their effect on decent work outcomes. On the one hand, jobs measurement is important to drive accountability by generating credible and verified results to be able to report to donors and external stakeholders. On the other hand, organizations need to generate actionable information about how programs are performing in order to course-correct if necessary. The best measurement approaches seek to capture decent work in a way that can both prove and improve results.



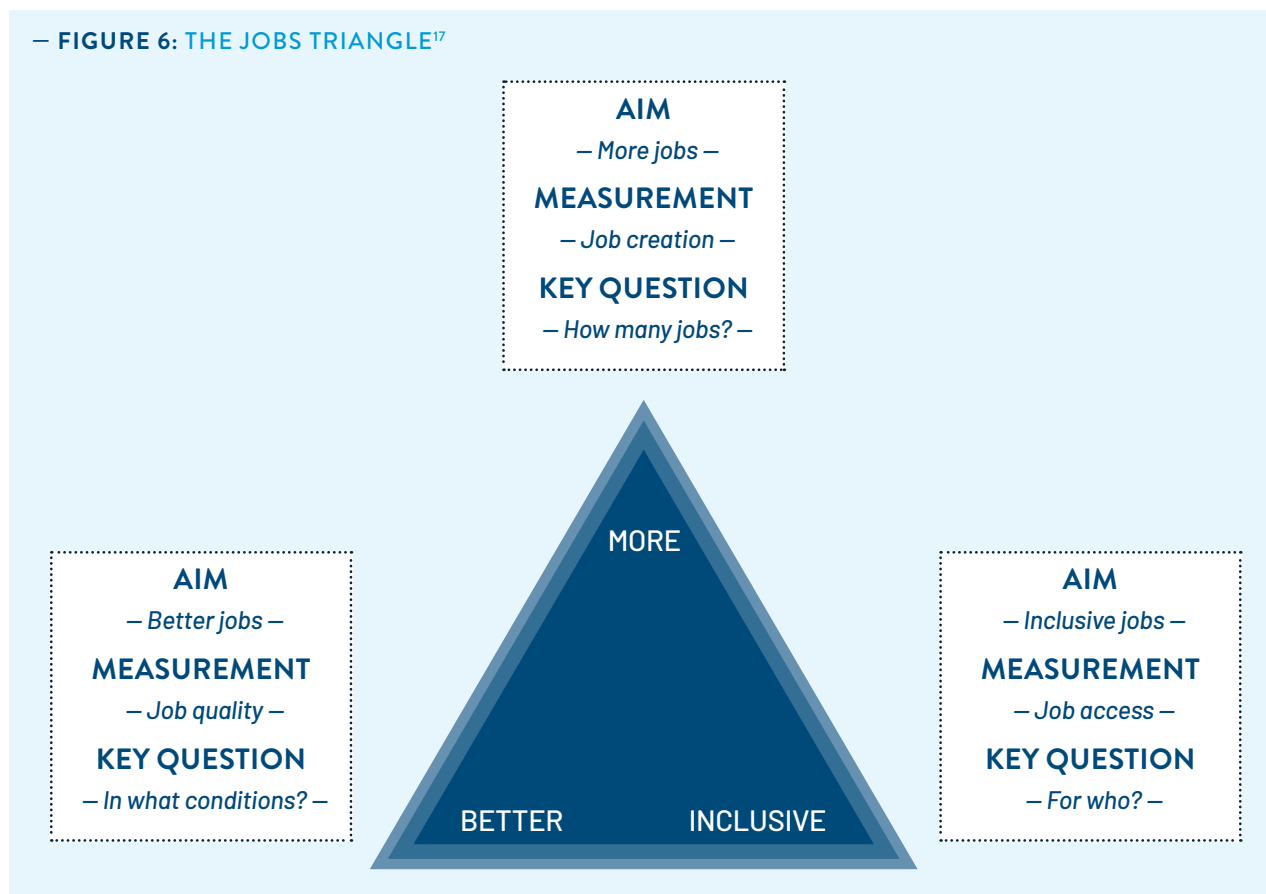
### KEY LEARNING: CONNECT THE DOTS OF THE JOBS TRIANGLE

There are three types of job effects that capacity development providers can have, and therefore measure – as shown in Figure 6 below:

- + **More jobs:** Job creation effects related to direct jobs (in supported SGBs), indirect jobs (in SGB supply chains), and induced jobs (in the wider economy)
- + **Better jobs:** Job quality effects related to wages and working conditions
- + **Inclusive jobs:** Job access effects related to gender, geography, and socio-economic status



– FIGURE 6: THE JOBS TRIANGLE<sup>17</sup>



These effects tend to be treated separately, and their measurement siloed. Yet, experts now agree that both quality and quantity of jobs need to be considered together.<sup>18</sup> But we know that fully decent jobs are a long way from being a reality in many contexts and that, especially in the light of the COVID-19 pandemic, the need to create new jobs and more income-earning opportunities has never been higher.

Organizations need to understand the interplay between the three corners of the jobs triangle, both in terms of strategies and how performance data is interpreted. For example, the creation of lower quality jobs in sectors, such as construction, may be important for a program if the target group is youth since these jobs can provide a transition out of agriculture in the context of supporting long-term economic transformation.



**KEY LEARNING:**  
**CHOOSE A JOB QUALITY QUALIFIER**

The jobs supported in SGBs are not equal from the perspective of the benefits they bring or how important they are to the job holder in terms of providing opportunities for wealth creation or career progression. Projects can use a variety of methods to factor in job quality considerations, such as by adjusting the number of jobs supported or created by their quality.

<sup>17</sup> Adapted from The World Bank. 2020. [More, better, and more inclusive jobs: Preparing for successful industrialization in Ethiopia.](#)

<sup>18</sup> International Labour Organization. 2021. [“How to” Measure Job Quality in value chain development projects.](#)

Some approach job quality through the lens of job creation only counting either positive screens (e.g., jobs that are created by formal enterprises or that pays above a wage threshold), or negative screens (e.g., jobs are carried out in hazardous conditions or by children).<sup>19</sup> Others look at individual aspects of quality to track metrics such as income change or a reduction in working hours.

There is no right way to bring quality and quantity considerations together, as there are pros and cons of each approach, depending on the context.

– TABLE 2: APPROACHES TO JOB QUALITY

Approach	Focus on job quantity	Focus on job quality?	Pros	Cons
<b>Job creation, pureplay</b>	Yes	No	Reduces measurement complexity	May lead to negative impacts or reporting on jobs that cause harm
<b>Job creation, qualified</b>	Yes	Partial (e.g., screening out child labor)	Conceptually simple to communicate	Avoids harm but may not lead to positive impact (e.g., increasing stock of “bad” jobs)
<b>Job creation, threshold</b>	Yes	Partial (e.g., counting only those paid above a living wage)	More defensible that quality jobs are being supported	Often very small job numbers. Does not reflect incremental progress.
<b>Job quality, holistic (see Lab 4)</b>	Yes	Yes - can also be used as commentary on job creation	Job quality tracked using a multi-dimensional lens	Longer set up time

Example thresholds that could be used include:

Decent Work for Youth - defined as work that meets the following criteria:<sup>20</sup>

- + Has contractual arrangements that meet the expectations of the young worker;
- + Qualifies as neither overemployment nor underemployment;
- + Pays at or above the average monthly wage rate of young workers;
- + Offers satisfactory job security;
- + Offers the possibility for worker participation in labor unions or association of employer organizations; and
- + Offers entitlements, among which are paid sick and annual leave.

19 International Labour Organization. 2021. [“How to” Measure Job Quality in value chain development projects.](#)

20 International Labour Organization. 2009. [School-to-Work Transition Survey \(SWTS\).](#)

Decent Rural Employment (DRE) refers to any activity, occupation, work, business, or service performed for pay or profit by women and men, adults and youth, in rural areas that:<sup>21</sup>

- + Respects the core labor standards as defined in ILO conventions, and therefore is not child labor, forced labor, or entailing discrimination at work and guarantees freedom of association and the right to collective bargaining
- + Provides an adequate living income
- + Entails an adequate degree of employment security and stability
- + Adopts sector-specific occupational safety & health measures
- + Avoids excessive working hours and allows sufficient time for rest
- + Promotes access to adapted technical and vocational training

### Takeaways from Learning Lab Session 3:

- ▶ **Link more and better job creation.** Measurement frameworks that seek to capture both the number and nature of jobs being supported are most useful both to drive decision-making and for reporting material results to stakeholders.
- ▶ **Workers experience outcomes in different ways.** A focus on inclusive jobs does not just mean disaggregating jobs numbers but also seeking to get as granular as possible in terms of how different job quality outcomes are changing for different categories of workers, whether by gender, ethnicity, or employment type (temporary or permanent).

21 Food and Agriculture Organization. 2015. [Understanding Decent Rural Employment](#).



## LEARNING LAB 4:

# Metrics and methods

The fourth learning lab session focused on measurement processes, with a particular emphasis on job quality. As noted above, decent work is multi-dimensional, and job-related outcomes can be very context-specific. There is no single framework in use for measuring job quality at the level of SGBs.

This session discussed how organizations can practically organize their measurement activities in relation to job quality, especially considering how interwoven the various aspects of job quality are and that they must be considered together.<sup>22</sup> But the implementation of any measurement approach in the SGB sector needs to be feasible in terms of time, costs, and level of complexity.

The five-step process, developed by the ILO, aims to help projects navigate how to measure job quality – but does not prescribe what to measure in terms of specific indicators.<sup>23</sup> The process is based on two principles.

- + First, 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, it is neither feasible nor possible to measure everything. Resources should be focused on understanding the dimensions of job quality that a project is seeking to influence and improve.

### 1

#### STEP ONE. FOCUS

*Decide which dimensions of job quality are material to measure*

There are many ways to dissect job quality, with the table below setting out some of the most common ways to define its different dimensions. Organizations can choose to use any of these ways to group the issue; the key is to apply this taxonomy consistently.

The first step is to decide which aspects of job quality to focus on. These should be areas where the organization intends to have a positive impact. No more than 3-4 of the so-called material topics should be prioritized to avoid over-burdening monitoring and evaluation systems.

These priority dimensions are where the organization can 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 by using secondary sources and a small number of indicators.

22 International Labour Organization. 2021. [“How to” Measure Job Quality in value chain development projects.](#)

23 *Ibid.*

– TABLE 3: COMMON METHODS TO DEFINE DIMENSIONS OF JOB QUALITY

Topics in the ILO Decent Work Indicators <sup>24</sup>	Dimensions of the Quality of Employment (UNECE/ILO) <sup>25</sup>	GIIN IRIS+ Quality Jobs Framework <sup>26</sup>
Adequate earnings and productive work	Income and benefits from employment	Improving earnings and wealth through employment and entrepreneurship
	Skills development and training	
Social dialogue, workers' and employers' representation	Social dialogue	Improving rights, representation, and respect in the workplace
Work that should be abolished	Safety and ethics of employment	
Safe work environment		Improving health and well-being across the workforce
Equal opportunity and treatment in employment	Workplace relationships and work motivation	
Decent hours	Working hours and balancing work and non-working life	
Combining work, family, and personal life		
Stability and security of work	Security of employment, social protection	Increasing security and stability for workers in precarious positions
Social security		

## 2 STEP TWO. SELECT

*Choose a set of metrics*

For each dimension, a set of context-relevant metrics are chosen. For priority issues, it is recommended to choose no more than 3-4 metrics. For all other non-core issues, only one or two indicators are recommended, usually those that can be measured using other sources or more qualitative, easy-to-collect metrics. The other issues are tracked in a very lean way so that the organization can pick up on early signals if things are getting worse. For example, a factory intervention might be looking at incomes and skills as the material job quality issues they are directly measuring. But by also tracking issues like working time and safety, they can make sure that higher incomes and better skills are not being gained at the expense of worker well-being in terms of excessive hours or in dangerous conditions.

24 International Labour Organization. 2021. [“How to” Measure Job Quality in value chain development projects.](#)

25 United Nations Economic Commission for Europe. 2015. [Handbook on Measuring Quality of Employment: Statistical Framework.](#)

26 Global Impact Investing Network. 2022. [Quality Jobs.](#)

When selecting portfolio-level metrics, investors can choose from a number of inventories of indicators:

- + ILO [SME Performance Measurement Toolkit](#), setting out over 250 indicators related to decent work that have proven relevant to measure at the level of SGBs.
- + [IRIS+ metrics](#), hosted by the Global Impact Investing Network.
- + [Harmonized Indicators for Private Sector Operations](#) (HIPSO), an initiative by development finance institutions.
- + [Global Reporting Initiative](#) (GRI), setting out standards for sustainability reporting with a strong focus on employment impacts.
- + [Sustainability Accounting Standards Board](#) (SASB), which focuses on financially-material issues.

As an example, one project partnering with the ILO to adopt this 5-step approach to measuring job quality selected the following metrics, distinguishing between two different types of value chain roles:

**Farmer-level:**

- + Average number of people recruited as seasonal labor per year
- + Perception of oil palm farmers on the stability of their income in comparison with income coming from cocoa

**Processing-level:**

- + Average number of days worked in a year
- + Proportion of processors seasonally unemployed
- + Percentage of processors with a written contract

3

**STEP THREE. SET**

*Develop a baseline score for every issue*

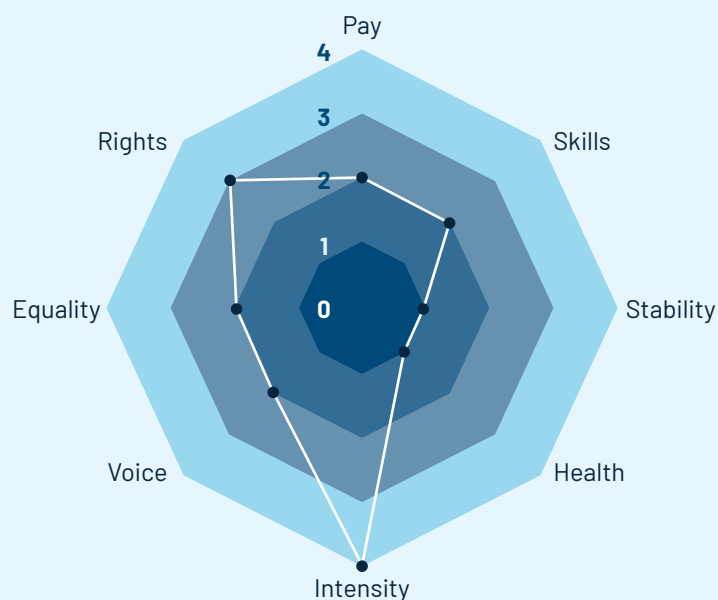
Prior to an intervention, it is necessary to first establish the “starting situation” which reflects the status quo before the program began its intervention. Each dimension of job quality is given a score, and for this example the ILO’s 1 (“low”) – 4 (“critical”) is used.<sup>27</sup>

The resulting assessment must consider the worker perspective and how they perceive each dimension of their work. For consistency, this assessment is best done in a group setting, with at least three people. The exercise should produce not only a numerical score for each dimension, but also a short narrative providing context for why each score was selected.<sup>28</sup>

<sup>27</sup> International Labour Organization. 2021. [“How to” Measure Job Quality in value chain development projects.](#)

<sup>28</sup> *Ibid.*

– FIGURE 7: EXAMPLE SCORING USING A RADAR CHART<sup>29</sup>



**METRICS DRIVE AN ASSESSMENT OF:**

- 1 critical issue** (widespread/endemic breadth of problem with significant challenges to 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)

**4 STEP FOUR. PLAN**  
Establish and roll out a data collection plan

Over time, data is collected against the metrics. This can be through a variety of methods – such as leveraging secondary data, running surveys, focus group discussions, or interviews. Ideally, collection should be part of and leverage the existing monitoring and evaluation (M&E) plan and activities rather than be a whole new process.

For many organizations, embedding the Job Quality Assessment tool can be as simple as inserting some questions into a survey administered to SGBs on business performance or adding a few questions to a focus group discussion that the project team regularly runs with stakeholders. It is important to consider the various factors that may influence the choice of a measurement method, specifically:

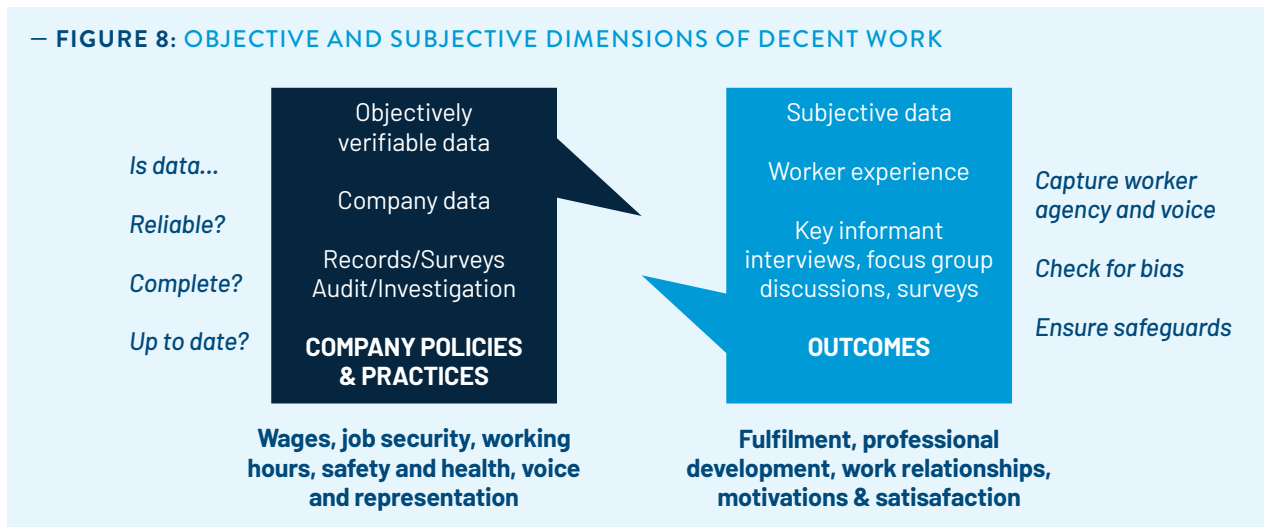
- + What level of **access** to SGBs (direct jobs) do I have, and how does this influence my choice of methods?
- + Are there any biases or **incentives** that might affect data quality?

**Triangulation** using different methods to investigate the same metric or validate a data point can be particularly powerful in bringing together the objective and subjective dimensions of decent work (displayed in Figure 8).

<sup>29</sup> International Labour Organization. 2021. [“How to” Measure Job Quality in value chain development projects.](#)



– FIGURE 8: OBJECTIVE AND SUBJECTIVE DIMENSIONS OF DECENT WORK



## 5 STEP FIVE. ASSESS

*Gather data according to the agreed reporting cycle and update scores*

Progress on each issue can be assessed on an annual basis to assess whether scores are improving or declining over time.

Each organization can then set its own threshold, likely in consultation with their funders, about what might be considered an “improved” job – and whether the considerations can therefore be included in any relevant performance reporting indicators. This needs to be decided on a case-by-case or organizational basis – addressing questions like whether all material aspects of job quality have to get better, or just one, and what to do about the common occurrence when some aspects of quality get better and some get worse.

### Takeaways from Learning Lab Session 4:

- ▶ **Design a consistent measurement process that allows for context to be considered.** Bringing the different dimensions of decent work together requires a dynamic process of zooming in on the material issues and measuring specific indicators, then zooming out to see how overall job quality is trending.
- ▶ **Each data collection method comes with trade-offs.** Given the complexity of measuring job quality, no single method is likely to be sufficient. Instead, different methods will need to be triangulated, and the trade-offs between them need to be considered (for example, the cost versus speed of data collection).
- ▶ **Collecting data from workers can be rewarding but comes with risks.** In any direct interaction with workers, care should be taken not to alter the dynamic between SGBs and their workforce. Outsiders – whether organizations supporting SGBs or the consultants they hire – may unwittingly leave workers open to retaliation for participating, especially if sensitive topics are discussed.

# LEARNING LAB 5: Rights, respect, and cooperation in the workplace

The first of two deep dive sessions took place on the topic of rights, respect, and cooperation which is one of the strategic goals under the Quality Jobs theme in IRIS+. The focus was on measuring mechanisms to ensure work is not exploitative and that employment practices are compliant with both national law and international labor standards. Discussions centered on how investments may go beyond ESG compliance and risk mitigation to invest in companies that positively contribute to the respect and support of fundamental human rights, thus increasing the number of workers feeling accepted and valued in the workplace.

– FIGURE 9: COMPLIANCE WITH JOB QUALITY STANDARDS

INTERNATIONAL LABOUR STANDARDS (ILS)	NATIONAL LAWS	CONTRACTS
<p>ILO's Declaration on the Fundamental Principles and Rights at Work</p> <ul style="list-style-type: none"> <li>+ Freedom of association and the effective recognition of the right to collective bargaining</li> <li>+ Elimination of all forms of forced or compulsory labor</li> <li>+ Effective abolition of child labor, and</li> <li>+ Elimination of discrimination in respect of employment and occupation.</li> </ul> <p>Incorporated in the <i>UN Guiding Principles on Business and Human Rights</i> (operational), and the <i>UN Global Compact</i> (commitments)</p>	<p>Country specific legislation and laws that regulate the labor market, often incorporating aspects of ILS</p> <p>For example:</p> <ul style="list-style-type: none"> <li>+ National Minimum Wage</li> <li>+ Working Time Regulation</li> <li>+ Anti-Discrimination</li> <li>+ Labor Relations Act</li> </ul>	<p>Stipulating the rights and obligations of the worker and the employer</p> <ul style="list-style-type: none"> <li>+ Either individual (between workers and employers)</li> <li>+ Or collective (between unions and employers)</li> </ul>



**CORE INSIGHT:**  
**MEASURE WORKER VOICE AS BOTH A DRIVER OF,  
AND PROXY FOR, RIGHTS, RESPECT, AND COOPERATION.**

Investors and capacity-building organizations can aim to improve mechanisms for engaging workers and giving them a voice through effective representation by trade unions and similar organizations, as well as by promoting channels to communicate, raise concerns, and collaboratively find solutions together with management. Measuring worker voice can be complex, but it often acts as a good proxy for whether good working conditions exist. Without strong mechanisms for worker voice, it is less likely that worker rights will be respected.

Traditionally, voice has been conceptualized and measured through (levels of) union membership. However, this can be challenging in newer forms of employment (e.g., the gig economy) and in areas with high informality. Thus, the concept of worker voice is shifting to now encompass other forms of voice: direct channels (e.g., suggestion boxes and anonymous feedback form) and indirect route (e.g., through a worker representative).<sup>30</sup>

Increasingly, technological advances are making it cheaper and easier to listen directly to workers. By using mobile and SMS surveys, service providers such as [60 Decibels](#), [Ulula](#), and [Elevate](#) can provide solutions to capturing, understanding, and benchmarking worker perspectives and the performance of SGBs. In terms of process measurement, a worker voice diagnostic can be a useful starting point from which to understand the systems in place for SGBs to engage with workers.

**Five key questions to ask during a worker voice diagnostic<sup>31</sup>**

- 1** To what degree are workers able to raise their concerns and influence decisions about various aspects of management? Are they simply informed of changes, or do they actually make decisions?
- 2** At what level is feedback expressed? For example, task, departmental, or organization-wide?
- 3** What range of topics are workers engaging with? From operational matters, such as work organization or shift times, to more strategic matters that may impact roles and responsibilities, for example, major changes to the business.
- 4** In what form does engagement currently take place? Such as suggestion schemes, all-staff meetings, etc.
- 5** Who is included in the scope of engagement? Are certain types of workers, for example, those on temporary contracts, excluded?

30 International Labour Organization. 2021. [“How to” Measure Job Quality in value chain development projects.](#)

31 Adapted from Ripley, Matt. 2021. [Enhancing workforce engagement with technology.](#) CDC.

## LEARNING LAB 6:

# Moving beyond compliance to measure fulfilling work

The second of the topic deep dives and the final learning lab focused on moving beyond compliance to measure fulfilling work. Participants were given a choice of issues, and the majority voted to discuss two IRIS-aligned themes: career progression and job skilling; earnings and wealth creation.



### CORE INSIGHTS: CAREER PROGRESSION AND JOB SKILLING

Skills gaps are already felt across many countries and sectors, and they will only widen in the future, not least due to transformative changes such as advances in automation and artificial intelligence (AI). In contrast, skills that apply to both the present and future workplace needs can improve employability.<sup>32</sup>

The session discussed a range of common metrics being used by organizations, projects, and investments and extracted some top tips:

- + As far as possible, measure value (what workers gain from the training), not inputs (amount of money spent on training).
- + Tracking training hours and costs without specifically defining what counts as training (which can include everything from simple induction instructions to only counting vocational trainings) leads to data that is not very useful.
- + When breaking down input metrics (e.g., number of people trained): look at type and quality of skills in terms of labor market relevance; look at the level of skills; and disaggregate for vulnerable groups.
- + Explore opportunities to link metrics back to the business case for SGBs to invest in workers.
- + Link to job quantity metrics where there's a possible displacement case (for example, jobs lost due to automation of tasks)

<sup>32</sup> European Investment Bank. 2018. [Investing in Europe's future: the role of education and skills.](#)





**CORE INSIGHTS:**  
**EARNINGS AND**  
**WEALTH CREATION**

Wages and income are the most important extrinsic benefit of working and can provide the platform for individuals and their families to progress out of poverty whilst building a long-term asset base. As noted by a 2016 IZA study, “Even low-wage work can represent a first stepping stone into the labor market and a pathway towards better-paid employment, especially for young workers. But indecent wages can also lock workers into cycles of poverty and exclusion, whether through lack of opportunities for skill development, the inability of the employer to pay more, lack of benefits, or wage discrimination.”<sup>33</sup>

The session discussed a range of common metrics used by organizations, projects, and investments and extracted some top tips:

- + Before looking at the benefits associated with wages, it is often necessary to check compliance first (i.e., are workers paid on time?).
- + Earnings expectations will vary considerably based on age, sector, and skill level.
- + Check for systemic wage biases based on vulnerability (gender, disability, etc.)
- + Be careful of averages or thresholds and look at distribution and distance from the mean.
- + Link to other aspects of job quality (e.g., working hours). Many workers often have to work excessively long hours in order to provide a minimum living standard.

33 IZA World of Labor. 2016. [Low-Wage Employment](#).

# Conclusion

---

With less than eight years remaining to deliver on the Global Goals, there is a pressing need to accelerate the creation of more and better jobs for all. Decent work is both a global call to action and a set of developmental outcomes which can be targeted and measured by individual projects, programs, and investments.

Globally, small and medium enterprises (SMEs) employ most of the workforce. Within the SME sector, entrepreneurial firms with ambition for growth (i.e., SGBs) can make a disproportionately large contribution to job creation.<sup>34</sup>

However, the primary measure of success for interventions in the SGB sector cannot just be job growth without intentional or explicit consideration for job quality. As noted in the learning lab sessions, it is the creation of low-quality jobs that is what keeps many people locked into cycles of poverty, with the number of working poor and workers in precarious employment on the rise globally.

Support organizations have a significant role to play in tracking and supporting the development of quality jobs. As noted by an ANDE briefing, organizations can help SGBs create high-quality jobs in a number of ways, including offering training and resources for employers and managers to implement measures successfully and cost-effectively.<sup>35</sup> Investors interested in job quality can incentivize investee companies to track and report on job quality, which may require providing resources for SGBs to collect and report more comprehensive job data.

With learnings gathered from this learning lab series, the cohort of participating organizations is now armed with the practical tips, tools, and understanding to measure the success of these initiatives. Organizations can ask themselves: “Do we fully understand what our impact has been on decent work, and how can we improve?” This should serve as a first step towards engaging a community of SGB practitioners and further developing the landscape for measuring and managing towards decent work outcomes. Above all, the learning lab underlined the importance of the practice of peer knowledge sharing of different approaches and perspectives. ANDE looks forward to expanding its engagement in the topic of decent work. To learn more about ANDE’s ongoing activities in this topic, please visit [www.andeglobal.org/decent-work](http://www.andeglobal.org/decent-work)

---

34 The Aspen Network of Development Entrepreneurs. 2019. [Decent Work and Economic Growth in the SGB Sector](#).

35 *Ibid.*



**ASPEN NETWORK  
OF DEVELOPMENT  
ENTREPRENEURS**

 **aspen institute**

**For more information, please contact:**

**Mallory St. Claire**  
Sr. Impact Analyst, ANDE  
[mallory.stclaire@aspeninstitute.org](mailto:mallory.stclaire@aspeninstitute.org)