



What is labour economics? And how it can contribute to a better understanding of HHR issues

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A Definition

- Labour economics applies the tools of economics to explain labour market behaviour
- In particular, it aims to understand the factors that influence
 - the demand for and
 - supply of labour
 - and their interactions



What sorts of factors?

- Labour economics stresses:
- Factors about the person:
 - Demographics (age, sex); qualifications
- Factors about the job:
 - Wages and working conditions (shifts, etc.)
 - Requirements (training, etc.)



What sorts of factors?

- Factors about other possible things that person might do
 - The economy at large (unemployment rate)
 - Other employment opportunities
 - Family obligations (child care, elder care, etc.)



Labour economics can be used to address such issues as:

- Understanding the determinants of wages
- Characterizing labour markets
- Examining the impact of unionization
- Examining the impact of child care, elder care, etc.
- Modelling the determinants of worker retention
- Etc. etc.



What are we doing?

- Using similar labour economics models to understand the factors that influence retention across:
 - Health professions
 - Different work settings



A new concept: Stickiness

- Our way of looking at retention
- The probability that a health care worker continues to work:
 - in their profession
 - In the same setting
 - (but not necessarily in the same job)
 - See: Alameddine, Baumann, Laporte, Deber, O'Brien-Pallas (in various permutations)
 - Another way: survival analysis! (Where leaving the profession is the equivalent of death?)



Why is this an important line of research?

- Documented shortages of workers in most health care professions
- Demand for these workers is expected to grow as the population ages because health care provision is a labour intensive activity
- Understanding how to retain workers that are already in the labour force may provide decision-makers with the most effective way to mitigate some of the effects of HHR shortages in the short to medium term



Relevant factors influencing retention

- Age?
 - Younger workers have acquired less job/setting specific skills and may therefore be more mobile; older workers have seniority
 - BUT - Older workers may find the demands of the job become more difficult to cope with
 - And - Younger women may be more likely to exit due to child rearing responsibilities - temporarily or permanently?



Cohort effects?

- Generational expectations may be different
- More recent cohorts of graduates may value leisure and family time more than added income
- Different cohorts may face different labour market conditions e.g. the emergence of the home as a care/employment setting



Employment sector?

- Characterized by differences in:
 - Wages and benefits
 - Working conditions
 - Skill set requirements
 - Degree of responsibility and autonomy



Employment sector?

- Subject to varying degrees of job stability
- e.g. effect of managed competition in the home care sector
- May be employed by public, not-for-profit or for-profit providers within the publicly financed health care system
- e.g. PTs (60% private, Long-term care 2/3 private for-profit homes)



Job Characteristics?

- Full-time/Part-time/Casual
 - May represent gradient of attachment to the labour force
 - May provide greater flexibility for people with young children



Job Characteristics?

- Shift work
 - May be less desirable especially if long (12 hours), irregular, at night or on weekends.
- Number of Employers
 - Workers may have to construct defacto FT jobs which may affect the desirability of remaining in the profession



Education/Training?

- Degree versus diploma
 - Increases in time in terms of minimum credentials required
 - Impact on new entrants to the labour force?
 - Older cohorts with old credentials may exit if this affects their likelihood of advancing in the health care organization?
- Substitution
 - Depending upon regulatory constraints, are some workers more vulnerable to being replaced by cheaper workers? (e.g. LPNs by PSWs)



Larger Market Conditions?

- Rural or Urban Status
 - May impact the type and number of jobs available
- Unemployment
 - The alternate employment opportunities for dissatisfied health care workers is limited



Can we study these?

- We're trying to!
- To what extent do these different hypotheses hold up? How does that vary?
- Can we get data?



Advantage of working with our partners!

- Availability of registration data for the various health professions over time
- Allows for a longitudinal analysis
- Can characterize career trajectories
- Can control for temporary leaves (e.g. maternity)
- Can model switching behaviour (across sectors, Employer types) over time
- Strong guarantees of confidentiality!



Ultimate Aim

- To use a common framework to provide insight into individual HHR markets
- To identify the commonalities and difference across these markets
- To inform policies that could perhaps improve retention across the labour markets and sectors

