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Third-sector job quality: evidence from Finland

Third-sector
job quality

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Abstract

Purpose – The purpose of this paper is to study the perceived job quality and job satisfaction among third-sector employees and compare job quality in the third, public and private sector.

Design/methodology/approach – The study is based on the quality of work life (QWL) survey data gathered by Statistics Finland. The QWL data are complemented with data set collected among third-sector employees. In the sector comparisons percentage shares were used to compare different dimensions of job quality between the sectors. Regression analysis was used to control the structural labour market differences between the sectors.

Findings – The results show that job quality in the third sector differs substantially from that in both the public and private sectors. Employees in the third sector are less satisfied with their jobs than others. They perceive their work more autonomous than others. Compared to private-sector employees, third-sector employees perceive their jobs as less insecure. They also report more intensity and qualitative insecurity than employees in other sectors.

Research limitations/implications – The sample consist only trade union members. The generalisability of results to non-unionized employees may be limited.

Originality/value – Previously it has been stated that third-sector employees enjoy greater job satisfaction due to intrinsic work benefits related to non-profit work. There is, however, small number of empirical studies trying to compare systematically job quality between the sectors. The present analysis contradicts the previous findings of higher job satisfaction in the third sector.

Keywords Job quality, Non-profit organizations, Job autonomy, Job satisfaction, Third sector, Job security

Paper type Research paper

Introduction

Since the early 1990s, policymakers in industrialised countries have increasingly turned to non-governmental and non-profit-making organisations, or the “third sector”, when pursuing a variety of different goals, including efficiency and innovativeness of public services, democratic participation and new employment opportunities. Third-sector organisations are established on a voluntary basis; however, at the same time, the importance of professionals and paid labour has increased in third-sector organisations. Specifically, the rapid growth of employment in the third sector in Europe is related to the restructuring of welfare systems. While the demand for public services has grown, fiscal and political limitations have put the public sector under pressure. As a consequence, Nordic countries have also constructed new systems of welfare mixes, in which the third sector plays a crucial role (Alapuro and Stenius, 2010; Ascoli and Ranci, 2002).

It has been suggested that employees in non-profit organisations enjoy greater job satisfaction due to intrinsic work benefits related to non-profit work (Benz, 2005; Borzaga and Tortia, 2006). Traditionally, third-sector organisations have also operated in less competitive environments compared to for-profit organisations (Kalleberg *et al.*, 2006). It has been suggested that this makes them able to adopt more employee-friendly policies compared, for example, to for-profit organisations (McMullen and Schellenberg, 2003).



However, studies have rarely included occupational controls, thereby failing to account for a specific occupational structure of third-sector employment. Furthermore, institutional processes associated with the new role of third-sector organisations in delivering welfare services may change the employee policies in third-sector organisations. Cunningham and James (2009), for example, suggest that the outsourcing of public services and the application of the new public management doctrines to third-sector organisations drives down terms and conditions in third-sector employment.

In this paper, we ask whether the third sector is different from other sectors in terms of job quality and job satisfaction. This is done by comparing both “objective” opportunities to achieve well-being in work, and a set of “subjective” indicators that specify workers’ satisfaction with regard to different aspects in their work environment.

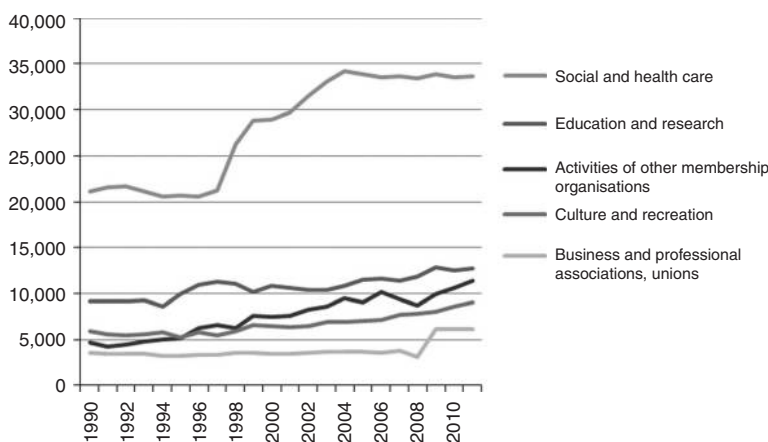
Changing context of third-sector employment in Nordic countries

The role that third-sector organisations play in the provision of different welfare services has historically varied in different European countries and welfare regimes (e.g. Kendall, 2009; Salamon *et al.*, 2003). In the “Nordic model” of the welfare state, the public sector (state, municipalities) played an essential role in providing social services, health care and education to citizens. The role of the private sector (for-profit firms) in producing social services was small. The third sector (voluntary associations and foundations) was also not widely engaged in providing welfare services. Instead, third-sector organisations were involved in providing advocacy and interest representation, as well as leisure activities, for their members. As a consequence of this, the importance of paid labour in the third sector was relatively low. Since the early 1990s, however, the picture has been gradually changing. The delivery of different types of services has steadily become more important for Nordic third-sector organisations. This seems to have increased the number of paid third-sector employees in Nordic countries (Sivesind and Selle, 2010; Wijkström, 2011).

In Finland, for example, the importance of the third sector in the field of welfare services started to increase rapidly in the aftermath of the recession of the 1990s, when the growing public deficit forced public-sector authorities to seek more efficient means by which to provide welfare services. Third-sector organisations were perceived as flexible actors capable of producing cost-effective services by combining paid labour and voluntary work. Municipalities – the basic providers of welfare services in Finland – started applying new public management approaches, and increasingly outsourced welfare services to the third sector.

In 2011, there were 77,000 full-time equivalent employees in the third sector, representing 5 per cent of the total employment in the Finnish economy. Since the mid 1990s, third-sector employment in Finland has increased by 62 per cent. (Statistics Finland, 2012) The majority of the employment growth has taken place in social services. Simultaneously, the number of third-sector organisations employing paid labour has almost doubled. Thus, a large number of paid employees have entered non-profit organisations that had previously been organised on a voluntary basis, and thus had no professional human resources management experience (see Figure 1).

Non-profit organisations have traditionally been thought to operate in less competitive environments compared to for-profit organisations (Kalleberg *et al.*, 2006). The main objective of the contracting out of public services has been cost effectiveness, which has intensified competition between third-sector organisations (Ascoli and Ranci, 2002; Cunningham and Nickson, 2011). As in other countries (see, e.g. Cunningham and Nickson, 2011; Eikås and Selle, 2002), contract culture among public organisations in



Source: Statistics Finland (2012)

Figure 1.
The development
of third-sector
employment in
Finland 1990-2011
(full-time equivalent
employees)

Finland has favoured public tender procedures of short-term contracts and projects that intensify competition between private firms and third-sector organisations. The new contract culture means that short-term projects and insecurity of funding have increased in the third sector. It has been stated that third-sector organisations are facing institutional hardening and bureaucratisation, which might increase insecurity and intensify work (Cunningham, 2001; Cunningham and James, 2009).

Third-sector job quality and job satisfaction

Job quality

In the last decade, job quality has become a central component of the aims of the European Employment Strategy. However, it is a complex and debated concept: on the one hand, the concept of job quality is commonly linked with the characteristics of work performed and its environment; on the other hand, this quality is associated with the contractual conditions under which a job is performed (Muñoz de Bustillo *et al.*, 2011). Our study applies a multidimensional approach to job quality. Following Francis Green's (2006) rigorous conceptual analysis, the list of job quality dimensions used in our empirical analysis includes job autonomy (comprising task discretion and schedule control), skill discretion, work effort and job insecurity (comprising quantitative insecurity and qualitative insecurity).

Autonomy is the degree of independence and discretion allowed to an employee in their work. To make decisions, an employee must also be able to solve problems, make judgements and take on responsibilities, all of which require knowledge and ability (Green, 2006). Autonomy at work and a person's skill level are strongly correlated. However, the possession of skills and the use of skills do not necessarily guarantee a high level of job autonomy (Dahl *et al.*, 2009). Job autonomy combined with work demands forms the core of the psychosocial models of workplace well-being. The combination of low latitude for decision-making and high demands at work potentially increases levels of stress (Karasek and Theorell, 1990). Loss of employee discretion has been found to be detrimental to job satisfaction and subjective well-being at work (Green, 2006).

Job autonomy is usually measured by assessing an employee's ability to influence their own work arrangements (Gallie *et al.*, 2004; Green, 2008). In this paper, two specific

aspects of autonomy are distinguished. First, “task discretion” refers to the level of personal influence or discretion employees have over the tasks they do in their own jobs. Second, “schedule control” is defined as the degree of influence an employee has over their working times.

In addition, a substantial body of literature has underlined the importance of skill development and learning opportunities for employee well-being (Green, 2013). Enrichment of jobs, the creation of more complex tasks and the provision of more opportunities for learning have been linked with higher economic performance of organisations (Appelbaum *et al.*, 2000; Green, 2013). In addition, skills at work are thought to be central for job quality, as they create opportunities for internal or external professional mobility. In our empirical analysis, the concept of “skill discretion” is used to measure employees’ ability to be creative and use their professional skills.

Non-profit organisations are often expected to be less hierarchical and more capable of involving employees compared to for-profit organisations. For example, Kalleberg *et al.* (2006) report that non-profit and public organisations are more likely to use employee involvement practices, such as self-directed work teams and offline committees, compared to their for-profit counterparts. Thus, employees in the third sector are assumed to enjoy high job autonomy compared to those working in the public or private sector. Furthermore, employees in the third sector are expected to report high levels of skill discretion compared to those working in the public and private sectors.

Growing work intensity has come to the fore of debates regarding job quality. Increased competition, organisational changes, and the use of new technology and its consequent heightened demand on workers to keep up with skill requirements, combined with job insecurity, are seen as factors increasing work pressures (Gallie, 2005). Work intensification is a critical factor behind changes in overall job satisfaction (Green, 2006). As part of the so-called welfare mix, third-sector organisations have come to play an important role as co-producers of public services. Third-sector organisations are seen as adaptable and flexible partners who can combine paid labour and unpaid voluntary work in their operations, thus producing services in a more cost-effective manner (Ascoli and Ranci, 2002). This may lead to a reduction in costs and a demand for more results with fewer permanent resources, which may lead to intensification of work in the third sector (Cunningham and James, 2009; Shragge *et al.*, 2001). The proportion of British third-sector employees who work unpaid overtime is clearly greater than that of employees who do the same in other sectors (Almond and Kendall, 2000). In the USA, research among public and non-profit managers also shows that people in the third sector tend to spend more time at work than do those in state government (Feeney and Bozeman, 2009). Furthermore, according to Kalleberg and Marsden (2005), third-sector organisations are less inclined than for-profit organisations to use temporary-staff agencies and contract companies to alleviate increased workload in the short term. Therefore, third-sector employees are expected to perceive their work to be more intense compared to employees in the public or private sectors.

Job security is a critical aspect of job quality. Ambiguity related to the future of a job is a significant source of stress. In this study, Hellgren *et al.*’s (1999) conceptual framework of insecurity will be followed. They draw a distinction between quantitative job insecurity and qualitative job insecurity. The concept of quantitative job insecurity refers to an employee’s worries about losing the job itself, whereas qualitative insecurity refers to perceived worries about losing important job features (Sverke *et al.*, 2002).

Recent literature on the relationship between job insecurity and well-being has focused on the effects of quantitative job insecurity (De Witte *et al.*, 2010). There is compelling evidence that quantitative job insecurity is related to impaired well-being (De Witte, 2005; Sverke *et al.*, 2002). It is also associated with job dissatisfaction, perceived exhaustion and burnout. Worries about losing a job decrease not only work-related well-being, but also general well-being (Sverke *et al.*, 2002). However, ambiguity and lack of situational clarity in one's work are also stressors that are linked to strain at work. Qualitative job insecurity has been found to be as harmful to a person's well-being as quantitative job insecurity (De Witte *et al.*, 2010). It is postulated that well-being in a job is connected to the ability to foresee, control and cope with adverse events (Green, 2006).

The new contract culture has meant that short-term projects and insecurity regarding funding have increased in the third sector. Project organisation is reflected in the relative proportion of fixed-term contracts, which is greater among third-sector employees (Table I). This may lead to increased employment insecurity among these employees. Simultaneously, third-sector employees face dual organisational identities on the part of their employer organisations. The traditional view of non-profit organisations tends to emphasise the importance of voluntarism as typical traits of non-profit organisations. Nevertheless, non-profit organisations have become increasingly aware of the possible advantages of market orientation in management, and have reformulated their strategies accordingly (Hwang and Powell, 2009; Wijkström, 2011). Kreutzer and Jäger (2011) suggest that conflicting dimensions of traditional volunteer identity and managerial identity result in intra-organisational conflict. Managerial identity emphasises professionalism, standardised procedures and the importance of finance; volunteer identity, on the other hand, emphasises voluntarism, emotional commitment and resource scarcity as the cornerstones of voluntary associations (Kreutzer and Jäger, 2011). Role ambiguity and role conflict related to dual organisational expectations might threaten an individual's sense of control, and thereby create perceptions of both quantitative and qualitative insecurity. Thus, third-sector employees are expected to perceive their work to be more insecure (both quantitatively and qualitatively) compared to employees in other sectors.

		Sector (%)		
		Third	Public	Private
Gender	Male	32	30	58
	Female	68	70	42
Occupational class	Manager	9	2	3
	Expert	59	61	39
	Worker	32	37	58
Employment contract	Permanent	78	80	93
	Fixed	22	20	7
Size of workplace	< 10 employees	40	20	28
	10-49 employees	41	46	35
	50-249 employees	13	24	22
	> 250 employees	5	10	15
Hired with employment subsidy	No	92	99	100
	Yes	8	1	0
<i>n</i>		151	1,775	2,911

Source: Statistics Finland (2014)

Table I.
Structural
differences between
labour markets

Job satisfaction

Job satisfaction refers to an overall affective orientation on the part of individuals toward work roles they are presently occupying (Kalleberg, 1977). Job satisfaction forms a significant theoretical and practical construct in itself, but also because it is associated with task performance and turnover. In addition, individuals who have high job satisfaction are also likely to report high satisfaction with other life domains, such as non-working activities and family (Drobnic *et al.*, 2010). In the literature, job satisfaction is sometimes treated as a subjective dimension of job quality (Holman, 2013). On the other hand, it has been stated that subjective job satisfaction is a consequence of good job qualities (Brown *et al.*, 2012). However, critics emphasise that information on subjective job satisfaction should be treated with caution. Judgements regarding job satisfaction are probably made against a norm, and thus in relation to what one expects from the job. Reported job satisfaction may therefore conceal the true quality of one's life at work (Brown *et al.*, 2012; Green, 2006). Nevertheless, nuanced use of job satisfaction data can yield valuable information about the experience of work. Thus, it is important to take both objective (in our study, autonomy, skills, intensity and insecurity) and subjective dimensions (different aspects of job satisfaction) into account when studying employee well-being (Brown *et al.*, 2012; Budd and Spencer, 2015).

There is some comparative empirical evidence from the USA, Great Britain and Italy that indicates high job satisfaction among employees in non-profit organisations (Benz, 2005; Borzaga and Tortia, 2006). In the Nordic context, however, the changes in institutional structures and state policies described above may lead to a convergence of job quality and satisfaction between the third sector and other labour markets.

Data and methods

The natural starting point for studying job quality in Finland is the quality of work life (QWL) survey data gathered by Statistics Finland (2014). Data for this survey are collected through personal face-to-face interviews using a standardised questionnaire. The latest survey is from 2013 and contains 4,876 respondents. The response rate of the survey is 69 per cent, and it provides a good overview of the job quality in Finland. In 2013, for the first time, the survey also distinguishes third-sector employees as a distinctive group. However, a problem with the data are that the number of third-sector employees in the sample is very small ($n=152$), and thus does not provide a representative picture of third-sector employment. The share of third-sector employees working in social and health care and culture and recreation, for example, are clearly underrepresented in the QWL.

To study third-sector employees as a distinct group, we utilise a more comprehensive third-sector data set collected from third-sector employees in the spring of 2011. QWL survey questions and response options were applied in a third-sector questionnaire. When different labour market sectors are later compared, the QWL and third-sector data sets are combined.

There are approximately 135,000 registered associations and 2,800 foundations in Finland. Most of them, however, do not employ any paid labour (Statistics Finland, 2012). To obtain as representative a sample of third-sector employees as possible, data were collected using the membership registers of trade union organisations. In Finland, union density is close to 80 per cent – the highest in Europe (Donegani and McKay, 2012). This makes trade unions' membership registers a good resource for finding third-sector employees. Experts from both the employers' federation and employee unions were interviewed to identify central trade unions among third-sector employees.

The unions selected for the inquiry were: Akava Special Branches, the Trade Union for the Public and Welfare Sectors (JHL), the Federation of Special Service and Clerical Employees (ERTO) and the Union of Professional Social Workers (Talentia). In many countries, job satisfaction among union members differs from that of non-members (Donegani and McKay, 2012). Thus, from the QWL data, we selected only union members for the sectoral comparisons ($n = 3,445$). Of these respondents, 44 per cent were characterised as public-sector and 56 per cent as private-sector employees.

The third-sector survey was conducted using a combination of internet and postal inquiries. The unions sent an email to their third-sector employee members that included a link to an electronic questionnaire. The registers of JHL and ERTTO included a greater number of employees whose email addresses were unavailable. It was assumed that the members without email addresses differed from those with email addresses; thus, the online survey was supplemented with a postal questionnaire in these two unions. Respondents for the postal questionnaire were chosen by systematic random sampling among those for whom email addresses were not available. The response are typically lower in internet surveys than in postal surveys (Shih and Fan, 2008); some of this may be due to increased junk mail and the obsolescence of email addresses. This was also observed in this study, as most of the respondents (70 per cent) did not even open the weblink. For the internet survey, the response rate was 21 per cent and in the postal survey the response rate was 41 per cent. Altogether, the response rate was 22 per cent and the net sample was 1,412 respondents. When the third-sector employee data set is compared to the data available in the business register of Statistics Finland, it can be observed that the industrial structure of our data set is similar to the actual employment in the sector. According to Statistics Finland (2012), 44 per cent of full-time equivalent employees worked in the field of social and health care, 16 per cent in research and education, 11 per cent in culture and leisure, 8 per cent in business and professional associations, and 21 per cent in "other" fields. In our sample, the share of respondents in social and health care was 47 per cent, in research and education 6 per cent, in culture and leisure 14 per cent, in business and professional associations and unions 7 per cent, and in "other" fields 26 per cent.

Measures

Departing from approaches that rely on global or general measures of job satisfaction, we constructed a sum variable that observes a set of specific non-monetary job facets. In the QWL, respondents were asked how satisfied they were with their "job content" ($\bar{x} = 4.02$, $SD = 0.85$) "ability to influence activities of the work community" ($\bar{x} = 3.64$, $SD = 1.06$) "social relationships in the workplace" ($\bar{x} = 3.95$, $SD = 0.96$) "development opportunities" ($\bar{x} = 3.57$, $SD = 1.01$) and "appreciation of professional skills" ($\bar{x} = 3.83$, $SD = 1.00$) in the workplace (on a five-point scale).

Job autonomy was divided into two dimensions: task discretion and schedule control. Task discretion was measured by two questions. Respondents were asked to assess their ability to control what is included in their work and the work methods they apply (using a four-point scale). The mean of these two items form a sum variable, where higher numbers indicate greater task discretion ($\bar{x} = 2.58$, $SD = 0.72$, $med = 2.50$, Cronbach's $\alpha = 0.63$). Schedule control was measured by one question: "Are you able to influence your working times?" The question was rated on a four-point scale, in which larger values indicate more autonomy ($\bar{x} = 2.38$, $SD = 0.92$, $med = 2.00$). Furthermore, *skill discretion* was measured by one question: "Are you able to apply your own ideas in your work?" The question was rated on a four-point scale, with

higher values indicating more skill opportunities at work ($\bar{x} = 2.87$, $SD = 0.78$, $med = 3.00$).

Work intensity was measured by asking respondents to evaluate: how much their work contains tight time schedules; how often they need to stretch their working day in order to get all their work done; and how often they feel that they do not have enough time to complete work as well and conscientiously as they would like (using a four-point scale). The mean of the item scores forms a sum scale that was used to measure work intensity ($\bar{x} = 2.53$, $SD = 0.70$, $med = 2.67$, Cronbach's $\alpha = 0.66$).

Job insecurity was measured by two variables: quantitative insecurity and qualitative insecurity. Quantitative insecurity was measured by asking whether respondents' work carried the following insecurity factors: threat of "temporary dismissal", "dismissal" or "unemployment". These insecurities were measured using dichotomous variables (yes = 1, no = 0). Together, the quantitative insecurity index has values from 0 to 3 ($\bar{x} = 0.66$, $SD = 1.03$, $KR-20 = 0.77$). Qualitative insecurity consists of "unforeseen changes" measured by a dichotomous variable (yes = 1, no = 0). The qualitative insecurity variable has values from 0 to 2 ($\bar{x} = 0.47$, $SD = 0.25$).

There is evidence that men, people in the prime years of their life and people in better occupational classes are generally in better jobs. Job quality also appears to be higher in smaller establishments (Gallie, 2003). Furthermore, there is evidence that working on a temporary contract increases job insecurity (Green *et al.*, 2000) and decreases job satisfaction (Chadi and Hetschko, 2016). Since there are substantial differences between third-sector and both public- and private-sector employment in these regards, several control variables were used in the analysis. Women dominate third-sector employment, and third-sector employees work in management and expert positions more often compared to other employees. There are more fixed-term contracts in the third sector, and third-sector workplaces are also smaller. Furthermore, a disproportionate number of employees in the third sector are hired using an employment subsidy targeted at long-term unemployed workers and/or workers with low abilities (Table I).

Analysis strategy

In the sector comparisons, we used percentage shares to compare different dimensions of job satisfaction and job quality (Figure 1). Regression analysis, in turn, was used to control for the structural differences between the sectors. Two types of regression analyses were used, according to the dependent variable: for continuous variables we used linear regression analysis, and for index variables we used ordinal regression analysis (Table II).

Results

Job satisfaction

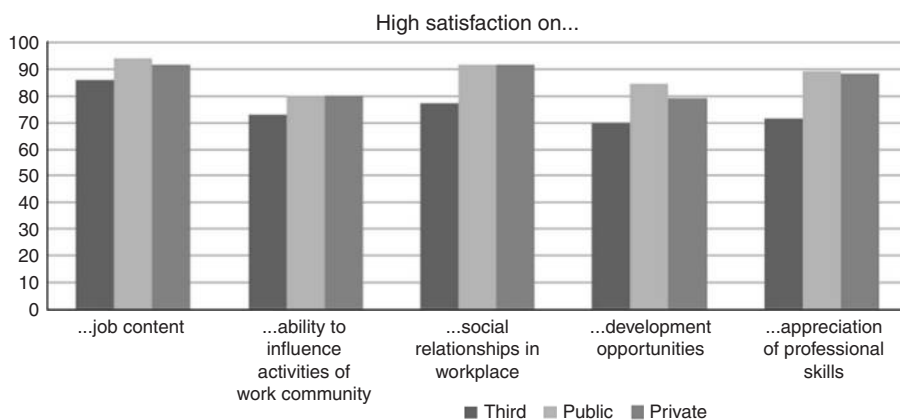
Our job satisfaction instrument consists of five different questions related to satisfaction regarding job content, the opportunity to influence activities of the work community, social relationships in the workplace, development opportunities and appreciation of professional skills (see Figure 2). The descriptive statistics indicate that employees are highly satisfied with their work in all three sectors. However, Figure 2 also indicates that third-sector employees are less satisfied compared to public- or private-sector employees in all dimensions.

Nevertheless, before any conclusions can be reached about sectoral differences, the differences in labour market structures noted above need to be taken into account.

	High satisfaction on ...			Aspects of job quality			Qualitative insecurity	Qualitative insecurity		
	... ability to influence activities of work community	... social relationships in workplace	... development opportunities	... appreciation of professional skills	High task discretion	High schedule control			High skill discretion	High intensity
<i>Sector (ref. = third sector)</i>										
Public	0.58*** 0.31***	0.78*** 0.79***	0.69*** 0.62***	0.93*** 0.97***	-0.12*** -0.11***	-0.95*** -0.38***	0.13 -0.03	-0.12*** -0.10**	0.10 0.58***	-0.36*** -0.31**
Private										
<i>Gender (ref. = male)</i>										
Female	0.10	0.06	-0.01	0.09	-0.115***	0.10	0.22***	0.12***	0.08	-0.14*
Age	0.01***	-0.01***	-0.00	0.01***	0.00	-0.01***	0.00	-0.00**	0.00	-0.01***
<i>Occupational class (ref. = worker)</i>										
Expert	0.29***	0.09	0.52***	0.33***	0.25***	1.02***	0.78***	0.33***	-0.19**	0.21***
Manager	0.42*** 0.71***	0.50*** 0.50***	1.17***	0.95***	0.53***	1.48***	1.37***	0.66***	-0.45**	0.18
<i>Employment contract (ref. = permanent)</i>										
-0.30***	0.16	-0.10	-0.19*	-0.20*	-0.01	0.05	-0.11	0.11***	-0.99***	-0.03
<i>Size of workplace (ref. = over 250 employees)</i>										
< 10										
employees	0.23*	0.14	-0.01	0.23*	0.27***	0.15	0.72***	-0.11**	-0.23*	-0.09
10-49										
employees	0.11	0.10	-0.01	0.18	0.14***	-0.06	0.38***	-0.03	-0.35**	-0.15
50-249										
employees	0.04	0.03	-0.08	0.03	0.09*	-0.13	0.24*	0.01	-0.09	-0.08
<i>Employment subsidy contract (ref. = no)</i>										
Yes	1.14***	0.05	0.58*	0.34	0.09	0.50	1.04***	0.17	-0.32*	-0.11
Regression method	Ordinal	Ordinal	Ordinal	Ordinal	Linear	Ordinal	Ordinal	Linear	Ordinal	Ordinal
Model fit information	$\chi^2 = 129.73$ (df = 11)***	$\chi^2 = 141.45$ (df = 11)***	$\chi^2 = 184.19$ (df = 11)***	$\chi^2 = 222.78$ (df = 11)***	$F = 34.23$ (df = 11)***	$\chi^2 = 641.49$ (df = 11)***	$\chi^2 = 314.90$ (df = 11)***	$F = 49.99$ (df = 11)***	$\chi^2 = 231.67$ (df = 11)***	$\chi^2 = 71.32$ (df = 11)***
n	4,532	4,527	4,527	4,527	4,616	4,518	4,511	4,609	4,526	4,517
R ²	Nagelkerke R ² = 0.03	Nagelkerke R ² = 0.03	Nagelkerke R ² = 0.04	Nagelkerke R ² = 0.05	adj. R ² = 0.07	Nagelkerke R ² = 0.14	Nagelkerke R ² = 0.08	adj. R ² = 0.11	Nagelkerke R ² = 0.06	Nagelkerke R ² = 0.02

Notes: The table presents regression coefficients and their statistical significance. Statistical significance: * $p \leq 0.05$; ** $p \leq 0.01$; *** $p \leq 0.001$

Table II.
Regression analysis
of job satisfaction
and different aspects
of job quality

**Figure 2.**

Dimensions of job satisfaction in the third, public and private sectors

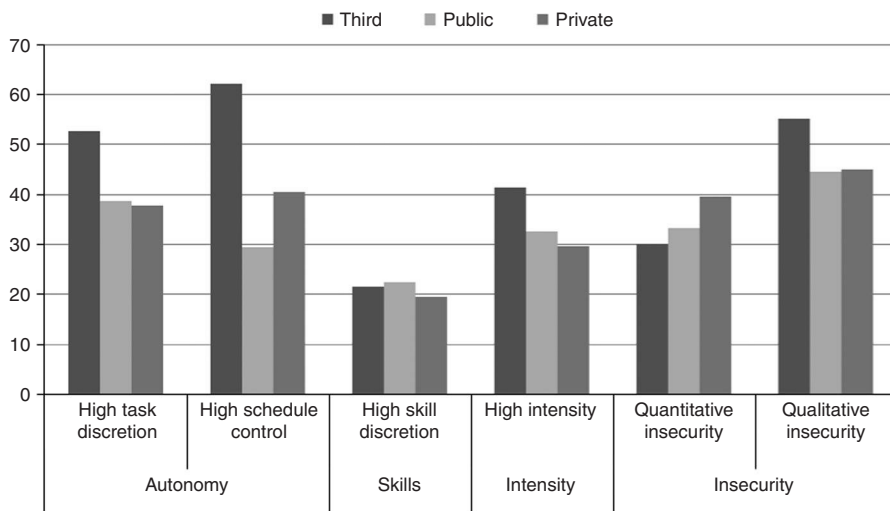
Note: High satisfaction (per cent) is a combination of the response options “slightly satisfied” and “very satisfied”

To control for the labour market differences between sectors, a series of ordinal regression analyses were performed. Ordinal regression analysis (Table II) showed that those in better occupational classes, working in small establishments, hired in permanent contracts, and hired in employment subsidy contracts are more satisfied with their jobs. The analysis also confirms that sectoral differences are statistically significant even when these labour market differences are controlled for. The results do not support the expectations that third-sector employees enjoy higher satisfaction with their jobs. Instead, Finnish third-sector employees are less satisfied with their job content and social relationships in the workplace, and perceive fewer opportunities to influence the working community, compared to their counterparts in other sectors. Third-sector employees also turn out to be less satisfied with the development opportunities on offer, and appreciation of their professional skills, within their workplaces.

Job quality

Numerous dimensions of third-sector job quality stand out when compared to other labour market sectors (see Figure 3). First, third-sector employees have more autonomy in their work compared to public- or private-sector employees: 53 per cent of third-sector employees report high task discretion; in the public sector the share is 39 per cent and in the private sector it is 38 per cent. The same holds true in the case of schedule control: 62 per cent of third-sector employees report that they have a high level of control over their work schedules; in the public sector the share is only 29 per cent and in the private sector it is 40 per cent. The high job autonomy of third-sector employees does not, however, lead to a large number of skill opportunities. In the third sector, 22 per cent of employees report high skill discretion, which is more than in the private sector (20 per cent) but equal to that of the public sector (22 per cent).

Third-sector work is perceived to be more intense than work in other sectors. Roughly 41 per cent of third-sector employees feel their work is intense; in the public sector the share is 33 per cent and in the private sector it is 30 per cent. Quantitative insecurity seems to be lower in the third sector: Roughly 30 per cent of third-sector employees feel their employment relationship is insecure; in the public sector the share of high insecurity is 33 per cent and in the private sector the share is as high as 40 per cent. The qualitative



Notes: Percentage of respondents whose autonomy, skill discretion and intensity was above median (“high”), and who perceived at least one kind of job insecurity (per cent). All differences are statistically significant

Figure 3.
Aspects of job
quality in the
third, public and
private sectors

insecurity, however, is higher in third sector: 55 per cent of third-sector employees perceive qualitative insecurity in their job, which is a higher percentage than in either the public (45 per cent) or the private (45 per cent) sectors (Figure 3).

The results suggest that third-sector employees have more autonomy; however, they also perceive their work to be more intense compared to public- or private-sector employees. Regarding insecurity, the results are mixed. Third-sector employees perceive less quantitative insecurity – i.e., they worry less about losing the job itself. At the same time, they perceive more qualitative insecurity. To control for the labour market differences, a series of regression analyses were performed on different dimensions of job quality (Table II).

Many of the specific structural characteristics of the third sector are associated with autonomy (Figure 3). Those working in higher positions and smaller workplaces report more autonomy in their work. Women, on the other hand, report less discretion over their tasks than men. In any case, after all structural differences are taken into account, third-sector employees still report more control over their work schedules and task discretion than do public- or private-sector employees.

The results suggest that there are two sources of autonomy in third-sector work. Due to the occupational (large proportion of expert and managerial positions) and organisational (large proportion of very small workplaces) structure, third-sector employees have greater control over their tasks. This top-heavy occupational structure also partly explains the high schedule control in the sector. However, third-sector employees have a higher level of both schedule control and task discretion, even when these structural differences are controlled for. In Figure 3, skill opportunities in the third sector are shown to be higher than those in the private sector, and at the same level as in the public sector. After controlling for the expert- and manager-dominated occupational structure, female-dominated employment, the large share of small

workplaces and types of employment contract differences to the private sector disappear (Table II). Thus, the results support the hypothesis about higher job autonomy in the third sector with regard to schedule control and task discretion, but there is no difference with regard to skill discretion.

Table II shows that high work intensity is more common among third-sector employees than in the public and private sectors, even when structural differences are controlled for. In Figure 3, it can be noted that quantitative insecurity is lower, whereas qualitative insecurity is higher, among third-sector employees, compared to either public- or private-sector employees. This also turns out to be mostly true after controlling for structural differences. With regard to quantitative insecurity, third-sector employees clearly feel that their employment is more secure, compared to private-sector employees. The difference between third-sector and public-sector employees disappears when structural differences are controlled for. In the case of qualitative insecurity, third-sector employees perceive insecurity more often than do employees in either the public or the private sectors.

Third-sector employees perceive their jobs to be more secure compared to private-sector employees, even though the relative proportion of fixed-term contracts is greater in the third sector. This may stem from the prolonged economic downturn, which has increased insecurity, especially in the private sector. The increased qualitative insecurity among third-sector employees is probably related to the unclear scope of the job. As noted by Feeney and Bozeman (2009), third-sector employees are often expected to complete tasks that go beyond their job descriptions. This may cause situations in which workloads pile up, making it difficult to foresee, control and cope with one's work.

Discussion

In recent years, Nordic civil societies have been subjected to intense changes. The importance of the third sector in the field of welfare services has grown, which has brought Nordic countries closer to other European countries in this regard. One consequence of these tendencies is the expansion of third-sector paid employment. Today, the share of paid employment is increasing in non-profit organisations, which were previously organised on a voluntary basis.

We used both a list of key job quality factors to assess workers' "objective" opportunities to achieve well-being in work and a set of "subjective" indicators specifying workers' (dis)satisfaction with regard to different aspects of their work environment. The analysis shows that job quality in the third sector substantially differs from job quality in either the public or private sector. First, third-sector employees enjoy high levels of job autonomy. They have better opportunities to control their schedules compared to their counterparts in the public or private sector. Perceived task discretion is also higher in the third sector than in the other sectors. Simultaneously, third-sector employees perceive their work to be more intense than do other employees. They also report more qualitative insecurity.

Previous studies suggest that employees in non-profit organisations enjoy greater job satisfaction compared to other employees due to their intrinsic motivation (Benz, 2005; Borzaga and Tortia, 2006). The present analysis conducted among Finnish third-sector employees contradicts the previous findings regarding job satisfaction in the third sector: subjective job satisfaction is clearly lower among Finnish third-sector employees than it is for their counterparts in the other sectors. It may be that the institutional changes taking place in the Nordic third sector are gradually eroding intrinsic work benefits related to non-profit work. The results also imply that

volunteer-based non-profit organisations have not been very successful in managing the fast-growing evolution to paid employment in the Nordic context.

The strength of this study lies in its multidimensional approach to job quality, which reveals paradoxes in this regard in the third sector. Our results show that high intensity is accompanied with autonomous work in the third sector. For these organisations, it could be beneficial to provide employees with large amounts of task discretion and schedule control, since this may increase performance. From an employee perspective, however, this may have unintended consequences in the form of negatively perceived intensification of work and expansion of tasks (Kelliher and Anderson, 2009). Work intensification has been shown to be a critical factor behind changes in overall job satisfaction (Green, 2006). This probably holds true even more in environments where employees have difficulties foreseeing and controlling their work, which is the case in third-sector work.

Nordic third-sector organisations are usually established on a voluntary basis, and consequently their human resources management practices are probably underdeveloped. As paid employees have become an essential asset in the third sector, non-profit leaders should be more aware of the combination of high perceived intensity, high qualitative insecurity and low job satisfaction in the sector. They should also pay more attention to professional human resources management. Earlier research (Appelbaum *et al.*, 2000; Green, 2013) shows that job quality has a strategic importance that affects organisational performance. Job quality also has a positive impact on organisational commitment and performance. In addition, high job quality decreases employees' turnover intentions. Thus, it is important for third-sector organisations to be able to provide high-quality jobs in order to attract and retain employees.

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