SOCIO-EMOTIONAL SKILLS AND LABOUR MARKET OUTCOMES: NEW EVIDENCE USING THE CANADIAN LONGITUDINAL PIAAC STUDY

International PIAAC Research Conference 2022 | March 24, 2021
Ashley Pullman & Ross Finnie
Overview of presentation

• Focus on the main findings of a study that examines the relationship between socio-emotional skills and:
  • employment,
  • earnings, and
  • workplace activities

• Discuss the longitudinal PIAAC data in Canada

• Provide contextual insight into current research and policy on socio-emotional skills
Increased policy focus on socio-emotional skills

• Development and implementation of new PIAAC survey questions

• OECD’s 2021 publication “Beyond Academic Learning: First Results from the Survey of Social and Emotional Skills”

• In Canada: the development of a new skills framework at the national level that includes social emotional skills (i.e., adaptability and creativity)
# Measurement of socio-emotional skills

<table>
<thead>
<tr>
<th>Trait definition</th>
<th>Openness</th>
<th>Conscientiousness</th>
<th>Extraversion</th>
<th>Agreeableness</th>
<th>Emotional stability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Skill-based definition</strong></td>
<td>Promotes curiosity, creativity, and tolerance.</td>
<td>Promotes high achievement, responsibility, and task performance.</td>
<td>Promotes assertiveness, leadership, and sociability.</td>
<td>Promotes trust, cooperation, empathy, and collaboration.</td>
<td>Promotes emotional regulation, stress resistance, and optimism.</td>
</tr>
</tbody>
</table>

**Note:** BFI skill-based definitions are adapted from Kankaraş and Suarez-Alvarez (2019).
Research questions

1. How are socio-emotional skills related to employment status and earnings both before and after controlling for a range of individual characteristics, educational attainment, and cognitive skills?

2. Does the association between socio-emotional skills and these labour market outcomes differ by gender, age, and immigration background?

3. Do socio-emotional skills matter more or less among high, mid, and low earnings individuals?

4. How are socio-emotional skills related to the probability of engaging in various constructive workplace activities, again both before and after controlling for individual characteristics and educational attainment?
The Longitudinal and International Study of Adults (LISA) Data

Overview

• A longitudinal household survey that includes a sub-sample of PIAAC respondents
• Sponsored by Employment and Social Development Canada, administered by Statistics Canada
• Biannual: Wave 1 – 2012 to Wave 4 – 2020 (not yet released)

Data availability

• Canadian Research Data Centre Network (CRDCN)

Target population

• Based on the 2011 short-form Census and National Household Survey
• Households residing in provinces
• Excludes institutionalized individuals and those on First Nations reserves
LISA Sample: Respondent types

PIAAC respondents
• Aged 16 to 65 in 2012
• PIAAC background questionnaire & skill assessments

Non-PIAAC respondents
• Age 15+
• Shorter questionnaire, no skill assessment

Enumerated non-respondents and non-responding children
• Not interviewed

Both PIAAC and non-PIAAC respondents answered the BFI in 2014
Analysis approach

Four different model specifications:

1) the BFI domains only (the “baseline” model);

2) + individual characteristics;

3) + education level (the “full specification LISA model”); and

4) + education level and numeracy skill level (the “full specification PIAAC-LISA model”)

Models 1-3 estimated separately by gender, age group, and immigration background

Regression approaches: linear probability modelling, ordinary least squares (OLS), and quantile regression analysis
Employment status

<table>
<thead>
<tr>
<th>Model</th>
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</tr>
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<tbody>
<tr>
<td>Model 1</td>
<td></td>
<td>0.022 ***</td>
<td></td>
<td></td>
<td>0.022 ***</td>
</tr>
<tr>
<td>Model 2</td>
<td></td>
<td>0.011 *</td>
<td></td>
<td></td>
<td>0.008</td>
</tr>
<tr>
<td>Model 3</td>
<td></td>
<td>0.013 *</td>
<td></td>
<td></td>
<td>0.007</td>
</tr>
</tbody>
</table>

*p<0.05, **p<0.01, ***p<0.001
Employment status for men/women

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<tbody>
<tr>
<td><strong>Men</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Model 1</td>
<td></td>
<td>0.011</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Model 3</td>
<td></td>
<td>0.005</td>
<td></td>
<td></td>
<td>0.036 ***</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Model 1</td>
<td></td>
<td>0.037 ***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Model 3</td>
<td></td>
<td>0.020 *</td>
<td></td>
<td></td>
<td>0.006</td>
</tr>
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* p<0.05, ** p<0.01, *** p<0.001
Log earnings

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<tr>
<td>Model 1</td>
<td>-0.044***</td>
<td>0.043**</td>
<td></td>
<td>-0.110 ***</td>
<td>0.102 ***</td>
</tr>
<tr>
<td>Model 2</td>
<td>-0.038***</td>
<td>0.038**</td>
<td></td>
<td>-0.072 ***</td>
<td>0.038**</td>
</tr>
<tr>
<td>Model 3</td>
<td>-0.068***</td>
<td>0.038**</td>
<td></td>
<td>-0.040 ***</td>
<td>0.031*</td>
</tr>
</tbody>
</table>

* p<0.05, ** p<0.01, *** p<0.001
Log earnings for men/women

**Openness**

- **Men, Model 1:** 0.040*
- **Men, Model 3:** 0.032
- **Women, Model 1:** -0.07**
- **Women, Model 3:** -0.096***

**Conscientiousness**

- **Men, Model 1:** 0.040*
- **Men, Model 3:** 0.032
- **Women, Model 1:** 0.093***
- **Women, Model 3:** 0.041*

**Extraversion**

- **Men, Model 1:** -0.073***
- **Men, Model 3:** -0.039*
- **Women, Model 1:** -0.099***
- **Women, Model 3:** -0.046*

**Agreeableness**

- **Men, Model 3:** 0.066**
- **Women, Model 1:** 0.039
- **Women, Model 3:** 0.046*

**Emotional Stability**

- **Men, Model 1:** 0.066**
- **Men, Model 3:** 0.044*
- **Women, Model 1:** 0.039
- **Women, Model 3:** 0.013

*p<0.05, **p<0.01, ***p<0.001
Returns to openness across earning quantiles

Log earnings returns to openness

Quantile

Model 1
Model 3
Returns to **conscientiousness** across earning quantiles

![Graph showing log earnings returns to conscientiousness across quantiles with two models: Model 1 (solid line) and Model 3 (dashed line). The x-axis represents quantiles ranging from 0.05 to 0.95, while the y-axis represents log earnings returns ranging from -0.4 to 0.4.](image-url)
Returns to agreeableness across earning quantiles

Log earnings returns to agreeableness

Model 1
Model 3
Returns to **emotional stability** across earning quantiles
Conclusion & overview of findings

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<td>Negatively related to earnings.</td>
<td>Positively related to employment for women but not men.</td>
<td>Positively related to earnings for women but not men except with no controls.</td>
<td>Negatively related to earnings among all respondents.</td>
<td>Positively related to employment without controlling for other factors (Model 1), non-significant in Models 2 and 3.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive in all models for men but not women.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Also positively related to earnings for men but not women.</td>
</tr>
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