

Social-Emotional Skills and Labour Market Outcomes in Canada: New Evidence Using the BFI

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ABSTRACT

This paper presents an analysis of the relationship between social-emotional skills and employment, earnings, and workplace activities in Canada. Using data from the Longitudinal International Study of Adults (LISA), including a subsample that completed the Program for International Assessment of Adult Competencies (PIAAC), we address four main research questions:

- 1) How are social-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 social-emotional skills and these labour market outcomes differ by gender, age, and immigration background?
- 3) Do social-emotional skills matter more or less among high, mid, and low earnings individuals?
- 4) How are social-emotional skills related to the probability of engaging in various constructive workplace activities, such as cooperation, sharing information, and training others again both before and after controlling for other factors?

To measure social-emotional skills, we employ the Big Five Inventory (BFI), a widely used assessment that measures “individual differences in people’s characteristic patterns of thinking, feeling, and behaving” (Soto & John, 2017, p. 69) across five dimensions: openness, conscientiousness, extraversion, agreeableness, and emotional stability. We investigate the relationship between each BFI domain and employment status, earnings, and workplace activities using a series of regression models. Separate models include variables representing the five BFI domains first on their own and then along with various combinations of individual characteristics, education, and cognitive skill level.

We find that social-emotional skills are significantly related to labour market outcomes and workplace activities both when considered on their own and also after controlling for individual characteristics, education, and cognitive skill level. People who have high conscientiousness scores are more likely to be employed and earn more. Emotional stability is also positively related to earnings, especially among men. Extraversion is positively related to earnings for young adults and to higher engagement in productive workplace activities across the entire

sample. Although individuals with high openness scores earn less, they are more likely to engage in a range of constructive workplace activities. Finally, people with high agreeableness scores earn less—an earnings penalty that is more pronounced among high earners.

Key words: social-emotional skills, Big Five Inventory, labour market outcomes, employment status, earnings, Canada, PIAAC, LISA, openness, conscientiousness, extraversion, agreeableness, emotional stability