

Fairness and satisfaction: Do I care if you pay me less?

Karen Mumford

Working abstract – in progress

There has been an enormous surge in the number of studies of satisfaction and/or happiness in the recent economics' literature. There are also many criticisms that can be made of these studies, not least the fundamental assumption that respondents supplying the same survey response do actually have the same utility/happiness level. There is evidence, however, that this is a legitimate assumption and that such subjective measures, if collected and analysed in a credible manner, may have a valid role to play in the measurement of social welfare. There are also already studies of satisfaction amongst employees using WERS04. Whilst different measures of satisfaction are typically adopted across the studies, their results are generally consistent with other similar studies. The main contribution we make to this research area is to explore (i) workers' perception of fairness and job satisfaction; and (ii) their relationship with relative wages.