
Employment Issues: Jobs or Pieces of Work?

Speech for the Governor General's Study Conference

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I'd like to begin with three anecdotes:

When I was buying my groceries one day in April, I overheard one of the cashiers explaining to an old friend: "Well, I graduated from Carleton a year ago, and" the rest got lost in the noise.

A young economist, just laid off by the federal government, came to see me for advice. "I think I am beginning to understand it," he said, "I'm not looking for a job, I'm looking for pieces of work."

The coordinator of volunteers at a major social service agency in Ottawa. "I have never seen anything like it. In the past year, over 100 young people with university degrees have volunteered here because they can't find jobs that use their training."

There you have it. The youth of Canada – unemployed, underemployed, educated, and eager.

These young people are all living examples of an extraordinary social transformation we are living at the end of the 20th century. It is not unique to Canada – it is driven by technology, and by world competition. We are in a transition from mass production to knowledge work. It is the new workers coming into the labour market who are bearing the brunt of the dislocation. But other age groups are not immune, and the most vulnerable people are those who are poorly educated.

What I would like to do today is map out some of the repercussions of this social transformation. I hope it will illuminate much of what you will see during your Study Tours over the next three weeks.

The Shamrock Economy

Here in Canada, employers are reorganizing work into three categories, which Charles Handy has called The Shamrock Economy. The first leaf of the Shamrock is shown as core jobs. This includes

the old-fashioned full-time, full-year secure jobs that remain. Most of these jobs are knowledge work – in managerial, professional, technical, and administrative positions. Some of these people are teachers and nurses, for example, protected by strong collective agreements.

Slide 1: The Shamrock Economy

CORE WORKERS

- Senior Management
 - Key Administrative and Support staff
 - Key Creators (production, research, etc.)
- Full-time, secure jobs

PROFESSIONAL STAFF

- Technical
 - Professional
 - Creative
- Well-paid, contract jobs

"FLEXIBLE" WORK FORCE

- Production
 - Service
 - Support
- Poorly-paid, insecure jobs

The second leaf of the Shamrock involves contractual work. Many formerly core jobs have been contracted out to professionals and technicians who now work by the piece for a number of different clients. Most of what they do is knowledge work – where the primary function is to transform or manipulate information. They work with their brains, not their backs. They own the tools of production, because they carry their knowledge with them from client to client. They do not have job security, but many of them do have employment security, in the sense that they can adapt quite easily to a new assignment. Still, contractual work is piece work. These people are paid for performance.

The remaining leaf involves non-standard jobs. This leaf included about 29 percent of all jobs in Canada in 1993. The jobs are part-time or short-term work with limited or no benefits and usually low wages [Economic Council, 1991]. These workers are often referred to as the contingent work force.

Many of the people in these jobs are poorly educated, others are educated but overqualified for the work they do – like the grocery clerk I mentioned earlier. Contingent workers have no job security, and few prospects of getting training that would permit them to qualify for knowledge work. Plus, the combination of the low wage and the lack of pension and other employee benefits makes it difficult for them to save for their own training or for their retirement.

The repercussions of this transition to knowledge work have a workplace dimension and a social dimension, which affects families. I want to describe the changes in the workplace and in families

and then explore ways in which the two interact. I see a need for major changes in the way employers and unions see their roles in the community.

Workplace Dimensions of Knowledge Work

Let me now turn to the impact of this transformation on the workplace. Here, I will be drawing on the work done by Gordon Betcherman and his team for the Canadian Workplace in Transition, which has been circulated to you as background reading.

The two driving forces in altering the workplace are, first, the constancy of change, and second, the breakdown of hierarchy.

No longer does the factory or production system produce the same product or service, hour after hour, day after day. There are still routine assembly jobs out there in towns like Oshawa. But, generally speaking, it is no longer possible to define specific jobs which will require the same set of skills, year after year. The tools will change, the products will be more customized, the processes and materials will evolve. This means that no employer can hire someone to do a specific and well-defined job on an open-ended basis.

As the work becomes more customized and the knowledge content increases, it is becoming much more difficult for the employer or the supervisor to second guess or correct the knowledge worker. The technician who programs the robots or the analyst who creates the software has specialized knowledge which the supervisor does not have. Hence, the breakdown of hierarchy. Out the window goes the old notion of employer-employee as master-servant.

This is why William Bridges has written about "the end of the JOB," arguing that a job is a social artifact. He goes on to point out that the role of managers will change beyond recognition. They will become employee coaches or process managers. (That is actually a good description of what I do at the CPRN.) It also explains why successful employers are beginning to adopt what Betcherman calls "high performance human resource management."

High Performance HRM

Most workplaces in Canada (probably 70 percent) are still based on the traditional industrial model where jobs and work rules are rigidly defined, wages are tied to the job, and where management has many prerogatives. However, The Canadian Workplace in Transition describes the new human resource strategies that are happening in about 30 percent of workplaces. His study shows quite clearly that these employers are adopting these strategies out of self-interest – they lead to higher productivity, lower absenteeism and fewer grievances, all factors that feed into a better financial performance for the firm.

The characteristics of the new strategy are:

- A flexible work organization where work rules and job descriptions are fluid, where employees are able to use discretion to get the job done, and where formal and informal hierarchy are minimized;
- a commitment to training to deepen and broaden the skill base of employees;
- initiatives to increase employee involvement and participation in the operation of the organization;

- policies to promote sharing, not only the financial rewards from good performance, but also information and privilege; and
- family-friendly policies to support employees in balancing work and domestic responsibilities.

Slide 2: The High Performance Model: Benefits And Costs

Benefits

Costs

For firms:

Efficiency gains
 Lower turnover
 Better employee-employer relations
 Potential for a better bottom line

Greater investments in training and other HR programs
 Share information
 Share decision-making

For workers:

Access to information
 Participation in decisions
 Discretion over work process
 Enhanced employability
 Support for family responsibilities

No guarantee of job security
 Greater commitment to organization
 Some compensation based on performance

For unions:

Affirmation of an independent voice for workers
 Access to information
 Input into range of workplace issues

Positions on work organization
 Move away from "job control" unionism

The benefits and costs of this strategy for each of the three main players are set out in Figure 2. You can see immediately that roles and responsibilities have to change, and there are very clear tradeoffs. Unions give up on the traditional notion of job control, while management gives up many prerogatives. The key characteristic of these workplaces is trust and commitment. That trust has to be built over time, and it requires systemic commitment on an on-going basis from the CEO to the janitor.

The benefits accumulate over time as people learn from each other about how to produce a better product at a lower cost. Unions are essential to this enterprise because they provide a key piece of "infrastructure" – they give coherence to the responses of the individual employees and permit more efficient interaction between employer and employee.

If this HRM strategy were adopted by a significant majority of employers in Canada, there would be genuine pay offs for society.

- Firms would be more productive and more profitable. They would therefore be well placed to expand production and create more jobs.
- More workers would have employment security – being better trained, they could cope with job change better. In effect, they would manage their own adjustment policy.
- Widespread use of more family-friendly work arrangements would reduce the stress in family life and also help to overcome the serious deficit in child care capacity in Canada – a set of issues I will come back to in a moment.

- Workers would be better paid on average, though their incomes would fluctuate somewhat because of the "pay for performance" aspect of the new HRM.

I do not pretend that this new workplace will be nirvana. We will still live in a world of greater economic insecurity, and the people with limited skill will be vulnerable to marginalization. But it would be a definite improvement because the traditional work organization simply does not fit with the nature of work or the characteristics of the skilled workforce.

Lots of employers make fine speeches every year about adopting this model of risk and reward. But speeches are not the way to make it happen. The key is to build trust and to share power. An organization that is in a massive downsizing mode is in no position to build trust.

Social Dimensions of Knowledge Work

The transformation to knowledge work, by definition, creates class conflict. It polarizes society into those who are educated and/or trained, and those who are not. People who leave school at age 16 today will probably face a lifetime of insecurity, low wages, unemployment, and dependency on assistance from the state.

Canada is very proud of the welfare state constructed after the Second World War. But the welfare state is based, to a considerable extent, on what I call palliative care. We send people cheques while they wait for a job. Such a policy has no hope of dealing effectively with the yawning gaps between haves and have nots being created by the marketplace of today.

The growing prevalence of part-time or short-term jobs means that families with paid work (sometimes two paid workers) may still be poor. As the current expansion strengthens, more full time jobs are being created, but the fact remains that there are many working families who are poor. Real income per family has fallen, on average, over the past 15 years, and the real incomes of young families have fallen precipitously.

There are two other deficits which affect the quality of life and the capacity of families to cope with the demands of work and private life.

One is the time deficit – the lack of family time for nurturing, sharing and care giving. More than 50 percent of Canadians in the 25-44 age group say they are time-crunched. The time deficit occurs in lone parent families where the parent works, as well as in two parent families where both parents work long hours.

The other is the community support deficit – the lack of ties to kin, neighbours, or community agencies to help cope in stressful moments – someone to mind the children when the sitter does not show up or when there is unexpected overtime, for example.

This isolation develops because families are breaking up into smaller units and moving away from their close relatives. But it is aggravated by two other facts of modern life: In urban settings, isolation occurs because of the lack of communication with neighbours down the hall or across the street. And people in non-standard work are more isolated because they can no longer count on the friendships made at work.

In the 1960s, when you were children, the pattern for the typical family was very different. One job generated enough income to support the family. So fathers went out to work, and most mothers stayed home to do the unpaid work (which I call home-work). Mothers prepared the meals, welcomed the kids home from school, cared for the pre-schoolers, and volunteered to help at the school, library, recreation centre.

In that world, the employer, by hiring the father, was indirectly hiring the mother as well. She was performing the nurturing and community service roles that are essential for healthy human development.

Now, the employer does not usually hire the unpaid spouse. Instead the employer hires someone with extensive family responsibilities because both spouses are working and sharing the home-work. This double duty places a serious strain on employees, impairing their attention at work and accounting for much absenteeism. It also places a strain on the family which has consequences for both the adults and the children.

(Even more important, employers are laying off large numbers of long-term employees; and when they hire people, they are more likely to offer pieces of work than a core job.)

Children arrive at school hungry and unfocused, unable to learn. Some exhibit aggressive behaviour, which distracts the teacher and students. Marriages fail, in part because of burn out. Young people who have struggled at school are stuck with non-standard work, they are unable to get their lives started. Large numbers of single young people are on welfare - more men than women. If they do form attachments and have children, the risk of poverty is high. And we know that children in poverty face higher risks of disadvantage in school and in their own health. This combination of problems adds up to what I have come to call the social deficit.

What Canada must now try to do is to rebuild the social infrastructure around families and communities. The private sector is preoccupied with business; the public sector is forced to restructure by immense deficits and debts; so we have to build a stronger social sector to fill the space between. That can only happen if the public and the private sectors are prepared to invest in rather different ways from the past. They have to invest in healthier communities.

I want to talk now about how the private sector can invest in healthier communities. There is much for governments to do in this regard as well – but the fiscal situation does not permit major allocations of new money. Instead, governments have to find ways to help citizens to rebuild community.

New Directions for Employers and Unions

What follows are some ideas for the roles of employers, unions, and community institutions, such as schools. Almost all of them are living examples of the notion of "shared responsibility" which the Governor General emphasized in his opening remarks. Each one of these ideas is already being practised in some corner of the country. But, so far, they are the exception, rather than the rule.

In your Study Tours, you will be able to see, at first hand, the degree to which contract work and contingent work have become established in Canada. You will be able to observe the gaps in the system and the conditions that lead to a social deficit. These Tours provide a wonderful opportunity to begin to document the new behaviours of employers: Are they committed to sharing power in the

workplace? Are they offering family-friendly work arrangements? Are they seeking out new ways to build healthier communities where families have the social supports that permit both parents to be productive workers?

Employer roles

1. Employers can lead the transition to high-performance HRM strategies, by inviting unions and employees to participate in decision-making and to play by the new rule book. The key person in launching this kind of strategy is the CEO. Once he or she is committed and prepared to stay with it for the longer term, the transformation can begin. By definition, this will make the workplace into a learning centred institution, where both employers and employees are focused on building work skills.
2. Employers can also provide leadership in the community, either by getting involved personally, or by designating a colleague to take charge of community relations. The key change here is that the employer is investing in the security and support systems of the community at large. This is a substitute for the old idea of the employer providing long-term security for whole families.

They can, for example, identify community service needs that can be organized as a partnership of institutions and employers in the community – day care centres, support for the elderly, mentoring programs for troubled adolescents etc. Often a project that is impossible for a single institution or employer becomes viable as a cooperative effort.

These projects could include:

- Cooperative education, where students are offered work terms where they get meaningful work experience, while they are in high school or in post-secondary education.
- Internships which offer a six to twelve month opportunity for a new graduate to learn under the guidance of an experienced worker. Some internships involve rotations so the intern gets to learn more than one job. This gives the employer a chance to test someone out before making a formal offer. Even if no job is forthcoming, the intern has had a productive work experience, which will help him or her to land the next job.
- Adopt a school in the neighbourhood. This means that designated classes would have a chance to visit the workplace and see the world of work as it really is. The employer may also be able to lend equipment or an employee to the school to help with instruction in technical areas where the firm has more up to date knowledge than the teachers.
- Create a mentoring program for people in the community who are unemployed. Mentors in the firm would help with the job search, help to identify training opportunities etc.

Union roles

1. Within the workplace, unions can promote high-performance strategies, but they cannot make much progress without a commitment by the CEO to high-performance HRM. The Betcherman study shows that this creates a major opportunity for proactive participation by union leaders, but it also forces a major change in attitudes and in how decisions are made. Most of the important decisions will be made away from the bargaining table – they will involve the choice of technology, the design and delivery of training, sharing of information, focusing on quality, changing work rules etc.

2. Union organizing skills will also be exceptionally valuable in the community at large. It takes initiative and organizing skills to create the programs I mentioned a moment ago – cooperative education, internships, mentoring, after-school programs, homework clubs, etc. Unions can become the sponsors and the leaders in these activities. They may even shame their employers into getting involved!

Community Institutions

Education leaders have to start reaching out to the community for help in motivating and supporting their students. Many teachers and principals are tempted to be silent about their struggle to cope with the stresses on children and youth. Classroom time is eaten up by the need for socialization, leaving little time for the core curriculum. Many young people are depressed because they see no prospect of ever getting a decent job. Why study? they argue.

The best solutions to these problems lie outside the school – in better child care, mentoring, coop placements, homework clubs, career ladders, and a better balance between work and family. These support systems have to be organized by people in the community, in cooperation with the school.

Conclusions

The transformation of work and employment is creating a huge social deficit in this country. We have to find ways to build a social sector where people can give and take as citizens, where we can recreate the roots and relationships which are essential for human development.

You will have a unique opportunity, in these next three weeks, to observe the stresses I have described for you today. But you can also make your own judgements about whether or not the key stakeholders are beginning to respond. Are they beginning to rebuild community and to share power and rewards in the workplace? If so, tell us about it. If not, why not?

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