

The Quality of Work: Why it Matters for Workers, Employers and Society

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*Keynote address to the Second International
Conference on Researching Work and Learning.*

University of Calgary, 26 July 2001



My focus today...

-  What are the key quality of work trends in Canada?
-  Why does the quality of work matter for individuals, employers, society?
-  How can we create higher quality work environments?



A checklist of quality-work goals

-  Decent living standard and economic security
-  Mutual trust among employers and workers
-  Participation in decision making
-  Culture of openness regarding information
-  Healthy and safe work environment
-  Work-life balance
-  Encourages initiative and creativity
-  Opportunities to use and develop skills

Source: G. Lowe, *The Quality of Work: A People-Centred Agenda* (Oxford University Press, 2000).



Six trends creating pressures to improve the quality of work

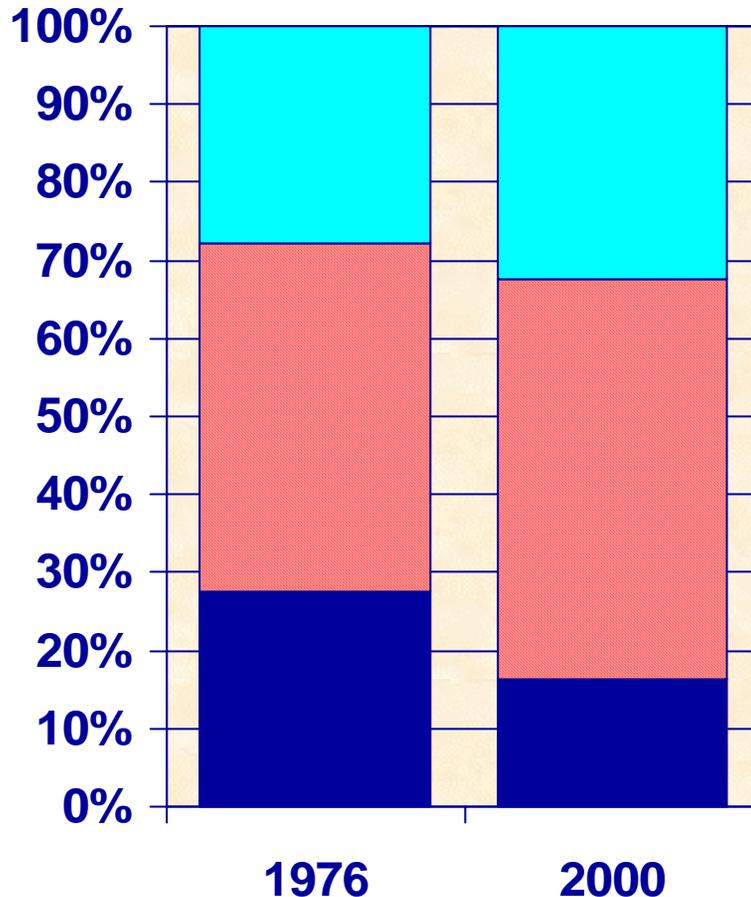
- Values: this is what Canadians want
- Global knowledge economy: skills, knowledge, creativity -- 'human capital' -- are the key ingredients for economic prosperity
- Information & communication technology: payoffs from these investments depend on work design and environments
- Education: Canada has the most highly educated labour force in the world, so we need to ensure that this talent is used
- Life-long learning: what kinds of work contexts support this?
- Demographics: ageing workforce, baby-boom retirements create workforce renewal challenges



A closer look at demographic pressures to improve work environments

Increasing competition for a shrinking youth labour supply

■ 15-24 yrs ■ 25-44 yrs ■ 45+ yrs



Source: Calculated from Statistics Canada, Labour Force Survey

- Labour force aging is due to more older people and fewer youth
- The crunch begins in 2006, when early Baby Boomers reach 60
- Will labour shortages and recruitment/retention problems force employers to improve the quality of work?
 - Rhetoric of becoming an 'Employer of Choice'
 - Job quality indicators are finding their way into benchmarking, 'balanced scorecards', social audits
 - Possibilities of phased retirement and more emphasis on 'life-long learning' to meet skill needs?



But there are countervailing trends:

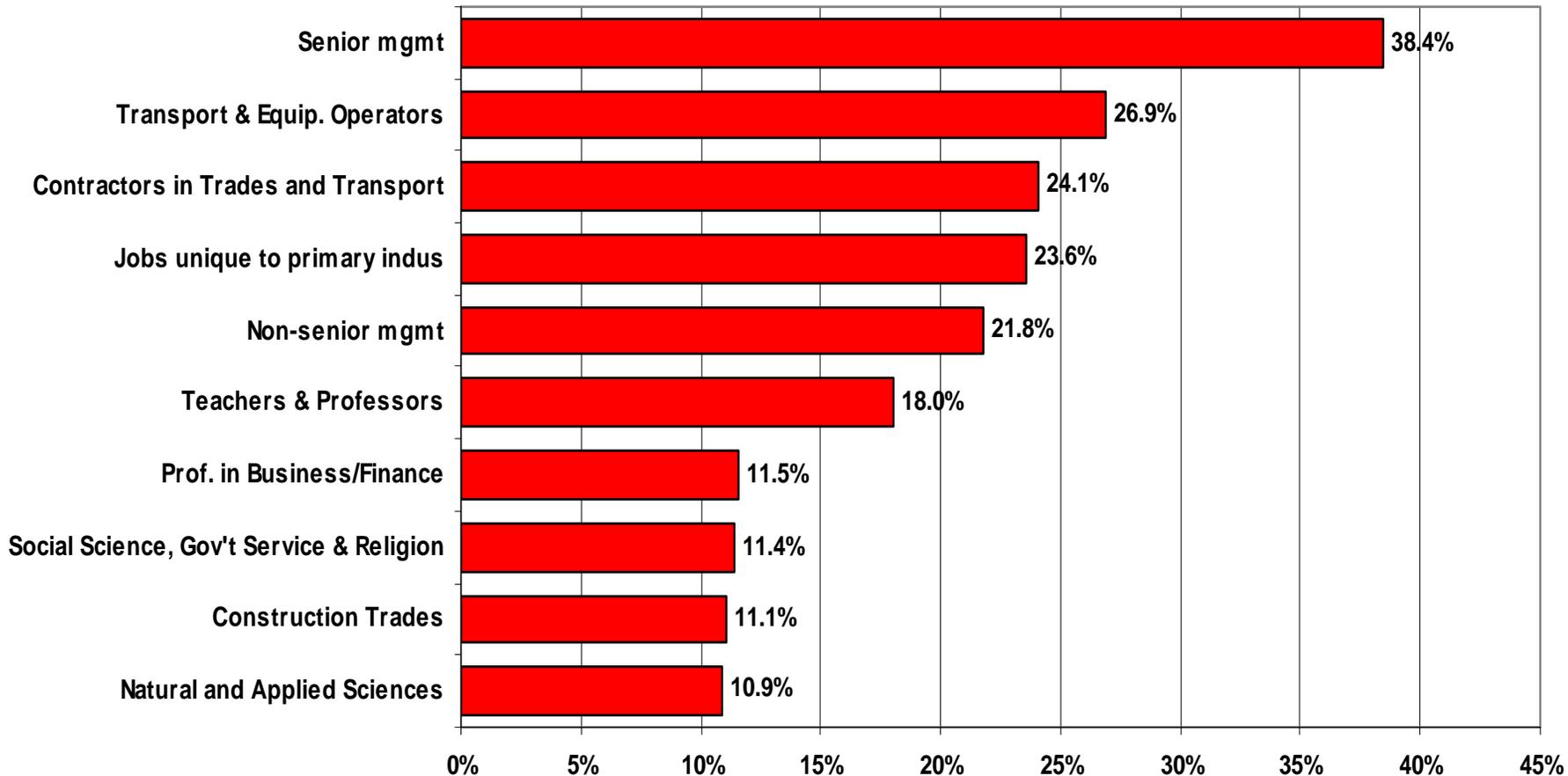
Work time pressures and work-life conflicts

- Control over work time is crucial for a person's quality of life
- Options for greater flexibility involve big costs / tradeoffs (e.g.: self-employment, part-time work, horizontal career track)
- Canadians are working harder, however you measure it
 - no 'leisure society' with new technology
 - time scarcity is a huge barrier to learning

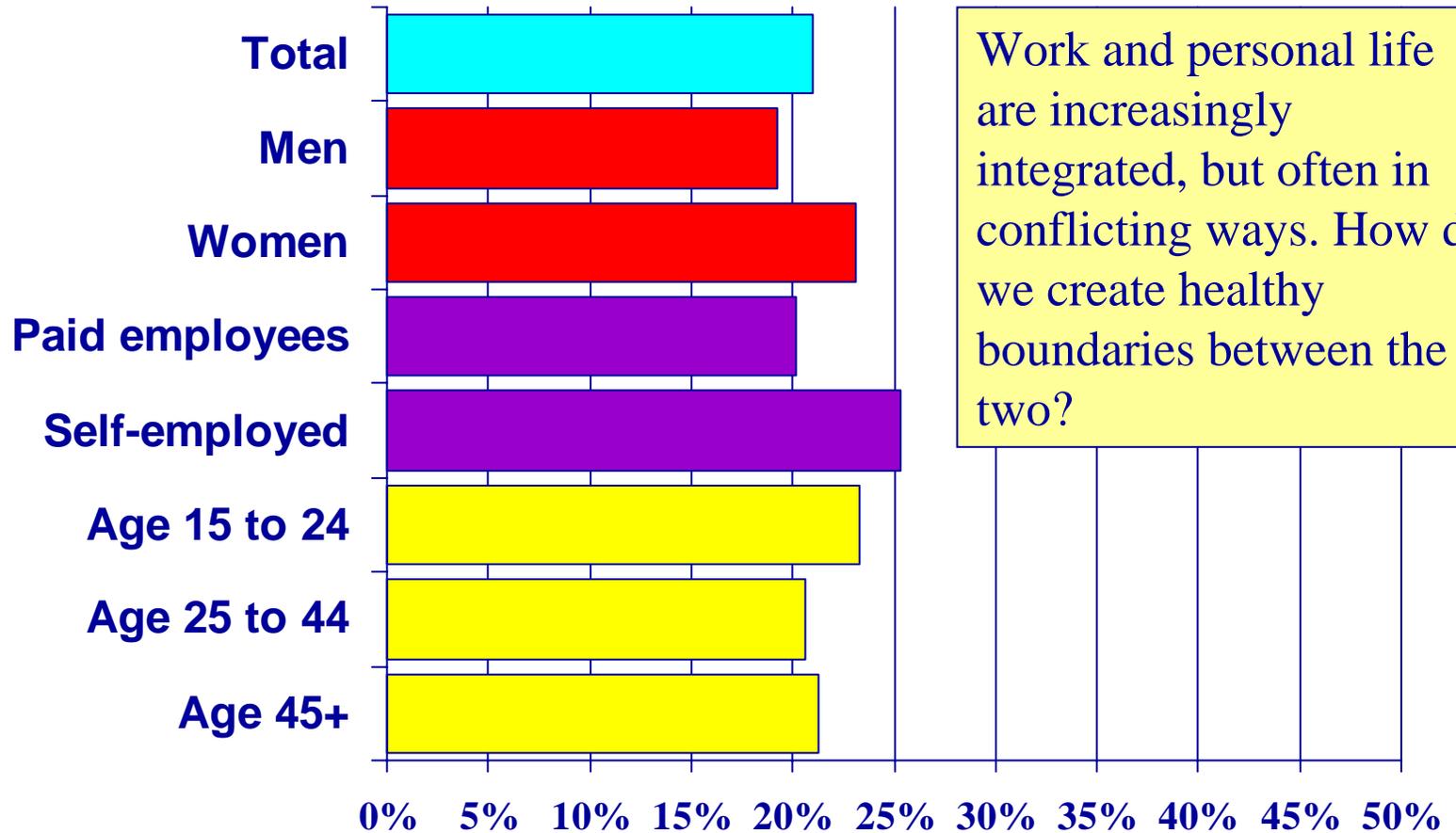


Long work hours: implications for quality of life and productivity?

Per cent of Employees Working 50 or more Hours per Week, (Top 10 Occupations), Canada 1999



The elusive balance between work and life



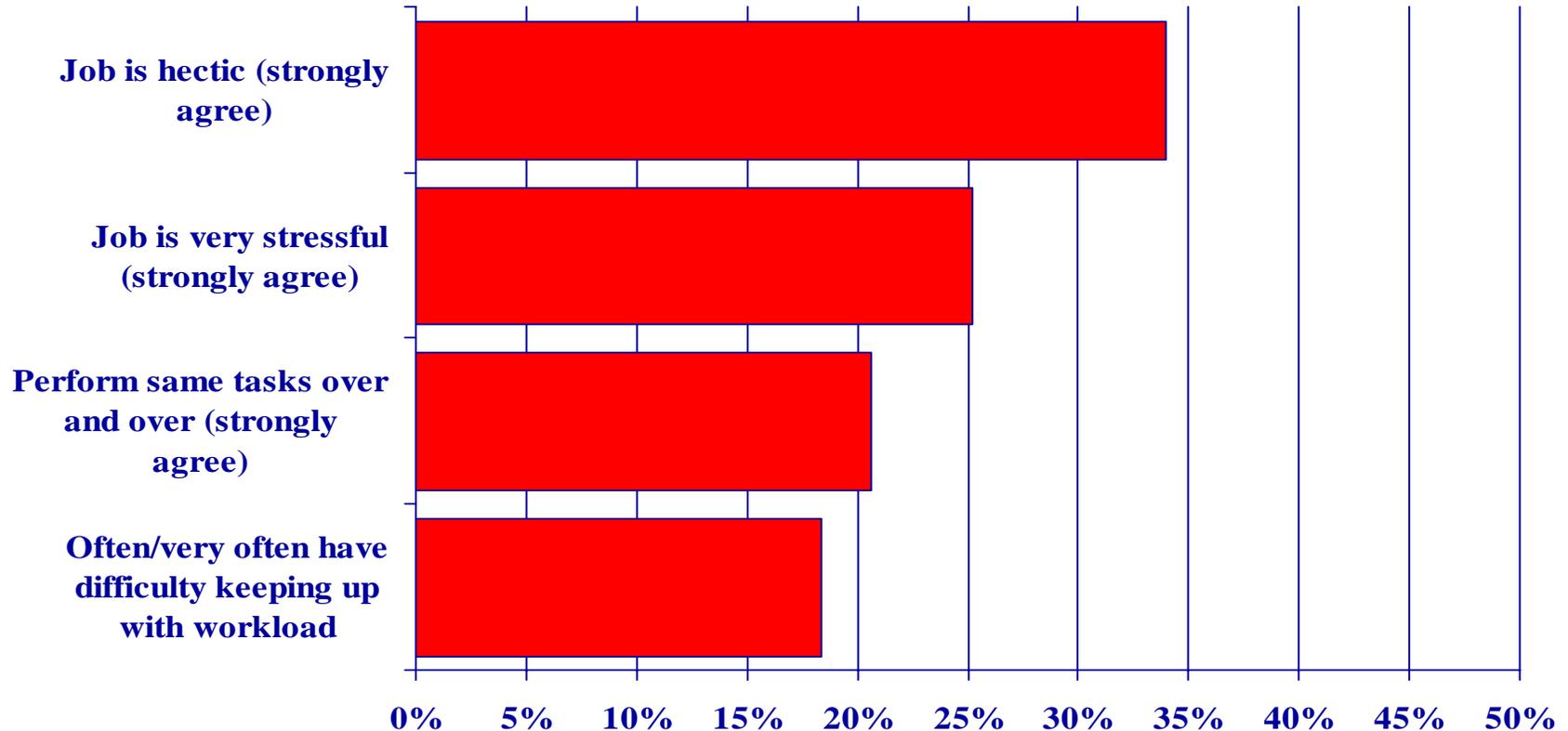
Work and personal life are increasingly integrated, but often in conflicting ways. How do we create healthy boundaries between the two?

Percent of workers who 'strongly agree' that
"Your job allows you to balance your work and family or personal life"



More signs that low-quality work is a problem

Percent of Canadian workers reporting that

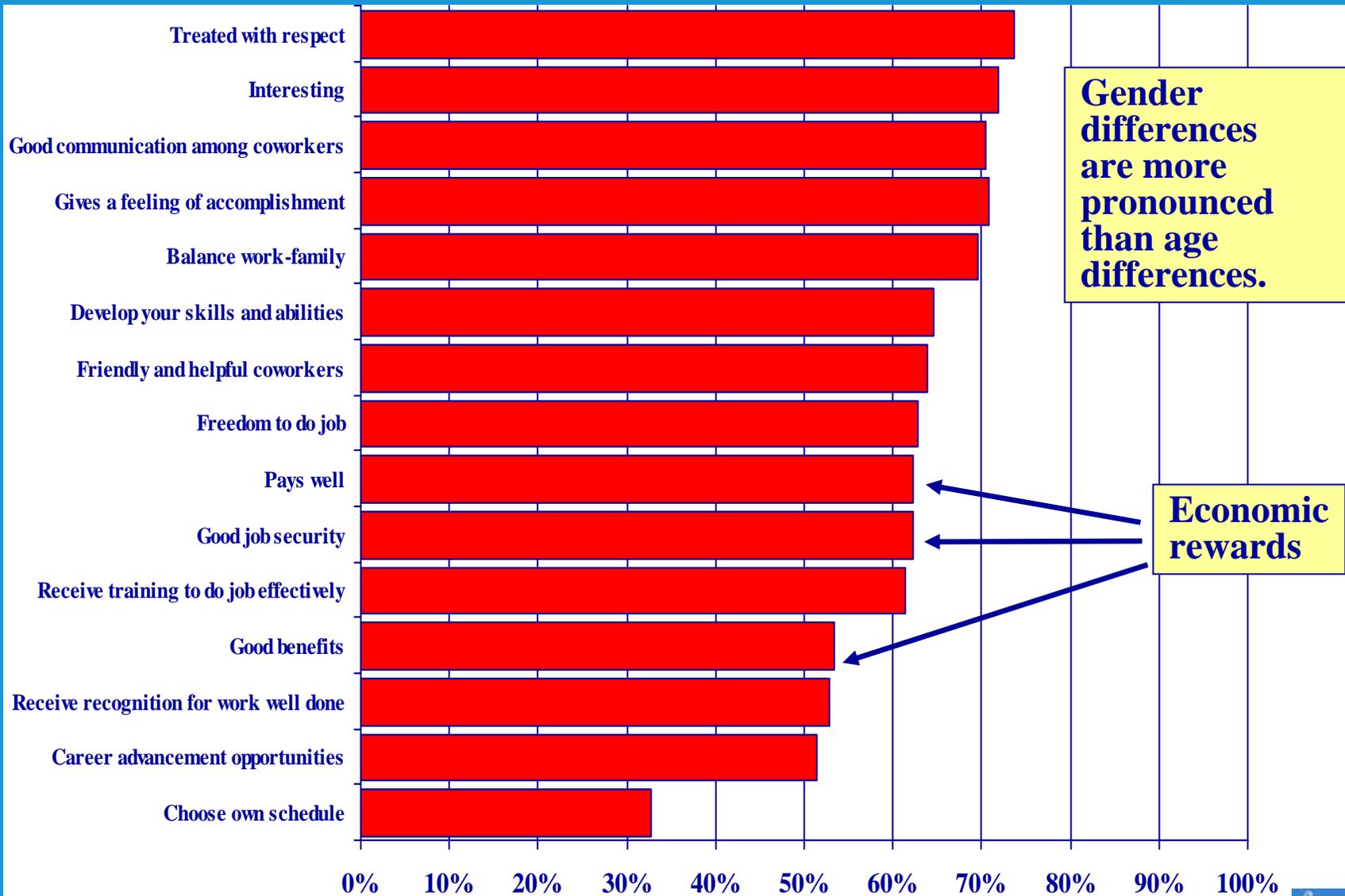


Work pace, job demands and workload impact the quality of life, including opportunities for learning and skill development.



We highly value quality work...

What workers consider "very important" in a job, Canada, 2000



But for many, their jobs do not measure up...

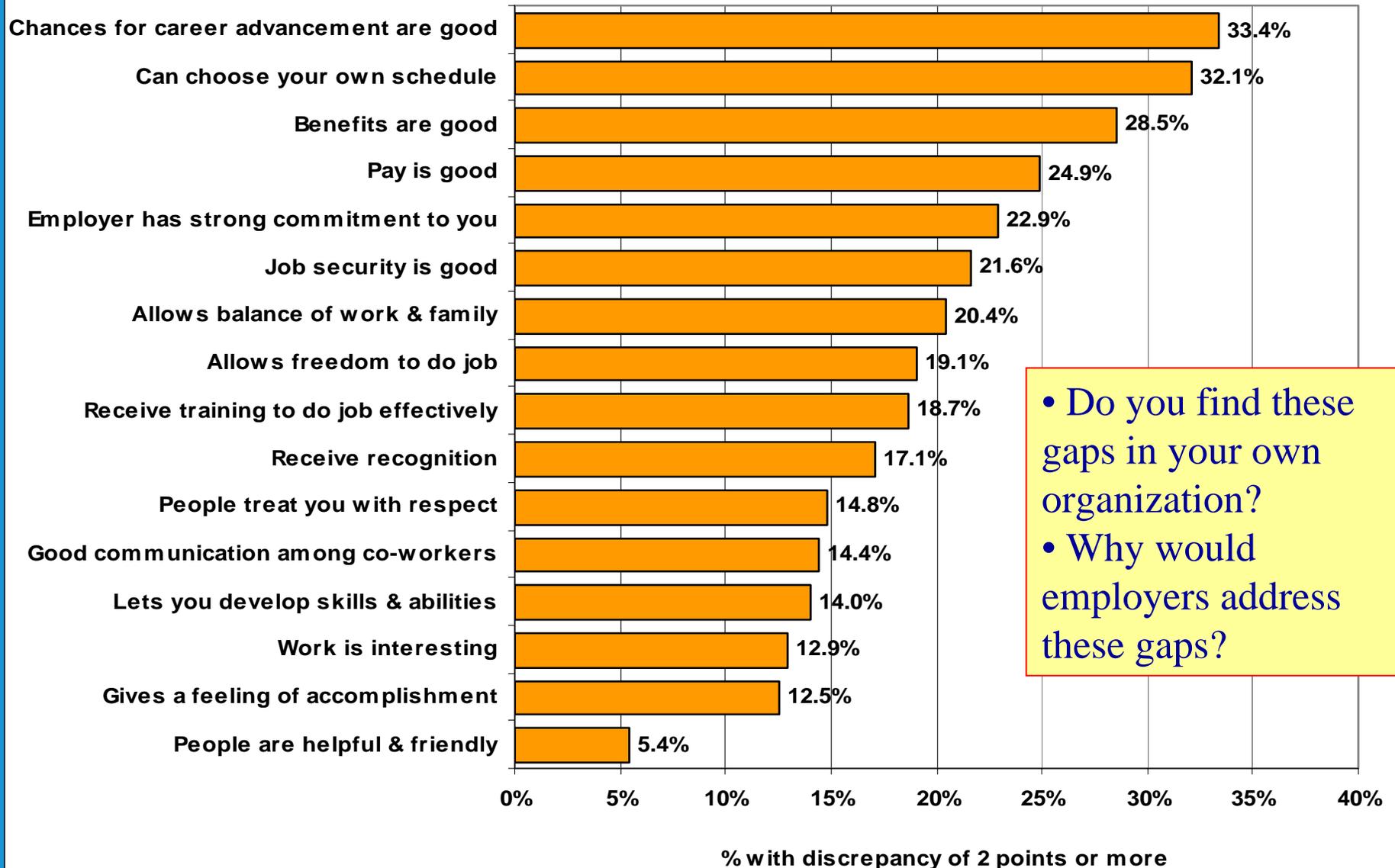
The 'Job Quality Deficit'

- This is the gap between what workers want and what they have
- Developed for CPRN's new Quality of Employment Indicators Project
- *CPRN-Ekos Changing Employment Relationships Survey, 2000 (n=2500)*
- Respondents were asked how strongly they agreed or disagreed (5-point Likert scale) that each statement *described* their current job
- Also asked to indicate how *important* (5-point 'not at all important - very important' Likert scale) each aspect would be if they were looking for a new job today
- Subtracting the "importance" scale from the "description" scale provides a discrepancy score -- the *Job Quality Deficit*

Coming this fall: www.jobquality.ca
CPRN's employment quality indicators website

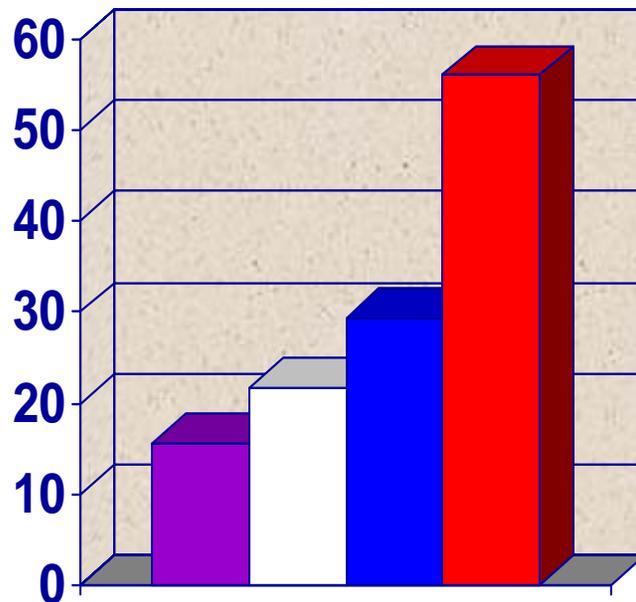
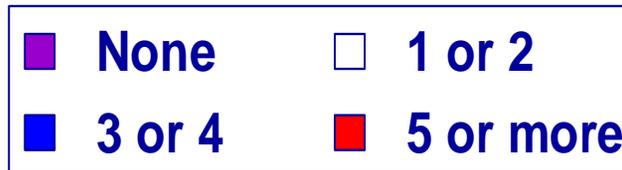


Per cent of employees with a large 'job quality deficit' (discrepancy between their actual and desired job characteristics), Canada 2000

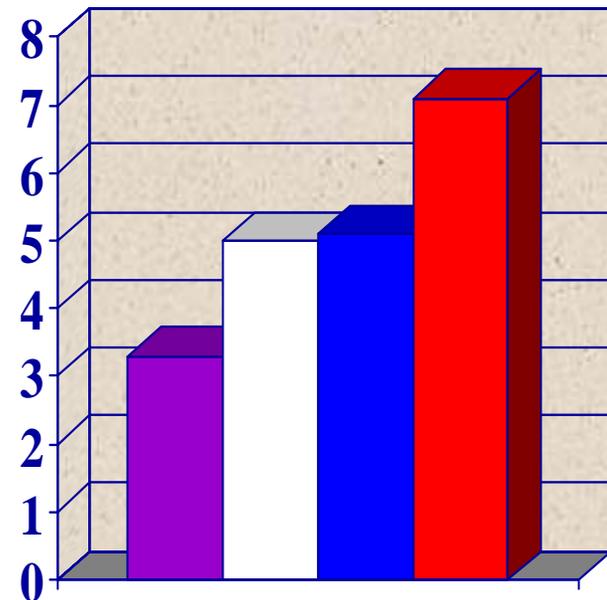
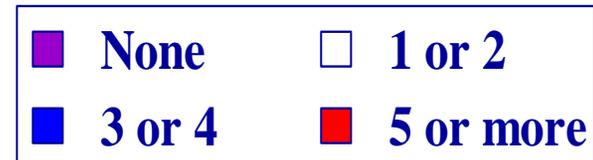


Job Quality Deficits cost employers

of Job Items on Which Respondent Reported a Large Job Quality Deficit



% agree/strongly agree
workplace morale is low



Average # days absent
for illness/injury last yr.



Reducing the job quality deficit

Challenges:

- Need decent benefits and pay
- But also need personal fulfillment and supportive workplaces
- Human resource management policies and practices must address both sets of needs
- Closing these deficits will contribute to recruitment, retention and employee development

Barriers:

- most employers do not place human resources at the centre of their business strategy....
 - **30% of workplaces consider employee participation a “very important/crucial” part of their business strategy (1999 WES)**
 - **36% of workplaces consider skill development as a “very important/crucial” part of their business strategy (1999 WES)**



A closer look at what defines a 'good job'

- CPRN's *Changing Employment Relationships Study* identifies four underlying dimensions of employment relationships:
 -  trust
 -  commitment
 -  communication
 -  influence
- the social and psychological underpinnings of work
- expands our understanding of what defines a 'good job'

See: G. Lowe and G. Schellenberg, *What's A Good Job? The Importance of Employment Relationships*. CPRN Research Report, 2001.



Work environments and organizational change shape employment relationships

- Demographic characteristics or location in the labour market (e.g., standard or non-standard work) do not account for variations in employment relationships.
- Strong employment relationships depend on :
 - a healthy and supportive work environment
 - interesting work
 - receiving the needed training
 - having the tools and resources to do the job
 - job security
- Organizational change also affects employment relationships.
 - downsizing reduces commitment and trust
 - ‘restructuring’ negatively affects communication

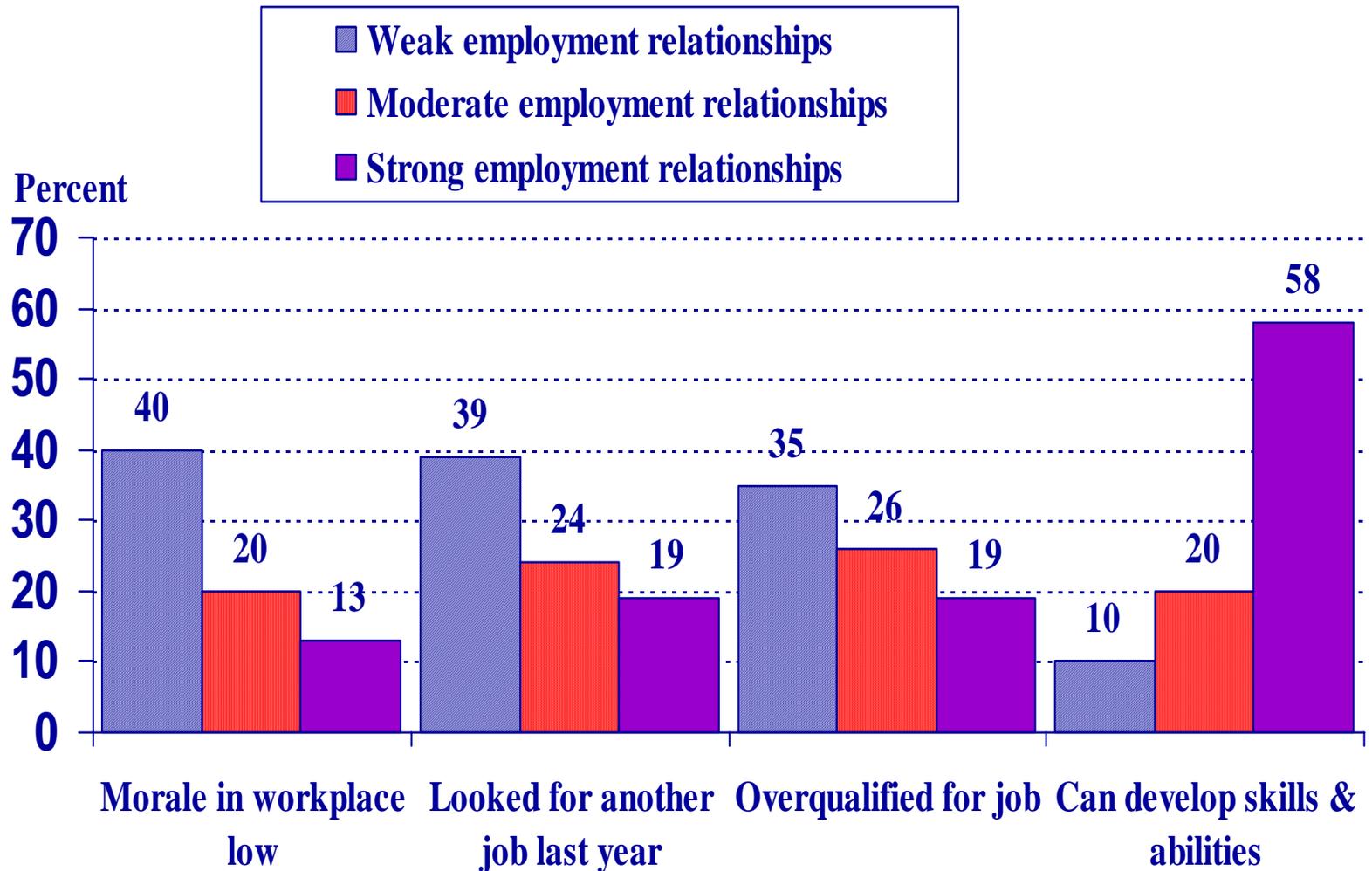


Strong employment relationships matter for employees AND employers

- Individuals with strong employment relationships have significantly higher levels of job satisfaction (after taking into account a range of other possible influences)
- Weak employment relationships are linked to turnover, absenteeism, low workplace morale, and lack of skill development and use (after taking into account a range of other possible influences)
- Thus, the costs and benefits of high quality work environments -- which underpin strong employment relationships -- are individual, organizational and societal

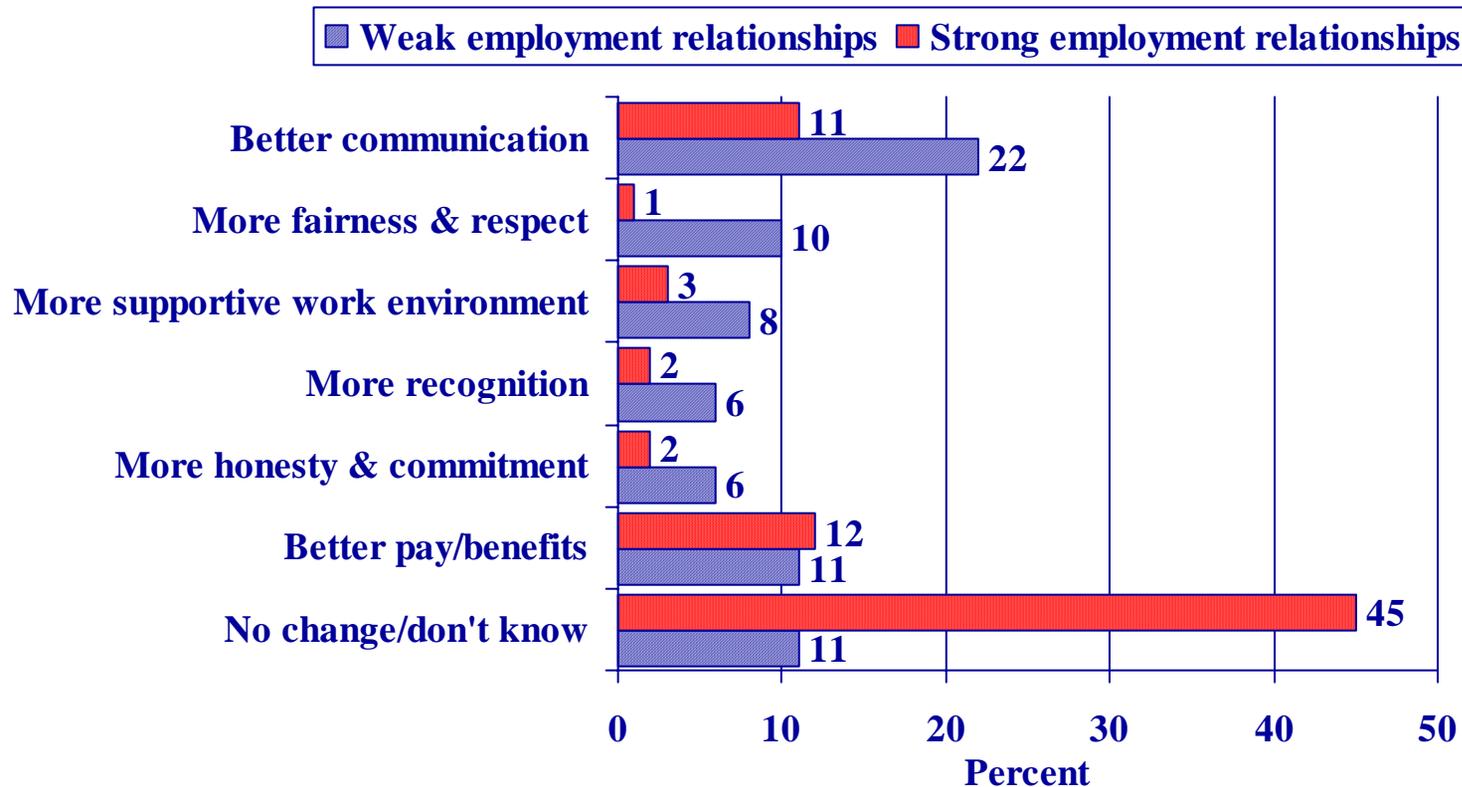


How employment relationships matter: selected outcomes by strength of employment relationships



What workers want improved in employment relationships

Single Most Important Change Canadians Would Like to See in Their Employment Relationship



Improvements in 'soft issues' are more important than better pay and benefits. Communication is a problem, but social and organizational barriers make it hard to fix.



Change strategies must address a wide range of factors...

- **physical work environment**
- **psycho-social work environment**
- **employment relationships**
- **organizational structures and processes**
- **job design**
- **management practices and supervision**
- **overall business strategy**
- **organizational culture**
- **worker attitudes and behaviour**



One fruitful direction for workplace innovation

High performance workplace models address what workers' value, the job quality deficit, and employment relationships. Research suggests that 'bundles' of these factors are linked to quality of work life and productivity.

- flat organization
- team-based work
- flexible job design
- commitment to training and learning
- employee participation
- sharing of rewards and information
- promote worker well-being
- supportive supervisors



Skills and learning are embedded in high-quality work

This is a major policy thrust:

- ✓ Canada will only realize its full potential by investing aggressively in the skills and talents of its people. *2001 Speech from the Throne.*
- ✓ Today, more than ever, skills are a critical success factor for individual, companies, industrial sectors – not only the high-tech sectors, but all sectors – and countries. *Stepping Out. Report of the Expert Panel on Skills, 2000.*

But it overlooks work contexts:

- Not sufficient to focus on supply of skills
- Public policy must address the enabling conditions for the continuous use and development of skills
- This requires a comprehensive strategy for improving overall job quality
- Also requires an inclusive approach -- all workers have 'knowledge' to contribute



Workplace innovation and learning

- Research on firms' training behaviour distinguishes 3 levels:

 incidental learning with no formal training investment

 event triggered training

 learning organizations

The learning organization:

- 'Bundled' innovative organizational and management practices
- Human resource-intensive business strategies
- Continuous formal and informal learning
- Requires a supportive leadership and culture

Good question: 'What are the barriers and incentives to training?'

Better question: 'What are the barriers and incentives to workplace innovations that support high-skilled, knowledge-intensive work?' This raises many work environment issues.



Building commitment to high quality work environments

- ☞ **Make high quality work environments central to corporate values and mission, creating accountability for treating employees as assets**
- ☞ **Negotiate clear roles and responsibilities for management, government, unions, professional associations**
- ☞ **Benchmark job quality, analyzing impact on employees and results**
- ☞ **Diagnose areas of strength and weakness, develop strategies to address latter, track progress**
- ☞ **Evaluate the impact of organizational change on employees and results**
- ☞ **Build quality work environment goals into business plans, showing links to results**
- ☞ **Provide incentives for managers to contribute to specific job quality goals**
- ☞ **Communicate to public and politicians how high quality work environments improve the quality of social and economic life**



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