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CPRN RCRPP

Work quality as the weak link in the 'new' economy

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Key work quality themes

- ✓ What Canadians want from work
- ✓ Why work quality matters
- ✓ Learning and skills
- ✓ The human resource ‘rhetoric – practice gap’
- ✓ Workplace innovation as a solution
- ✓ The role of universities



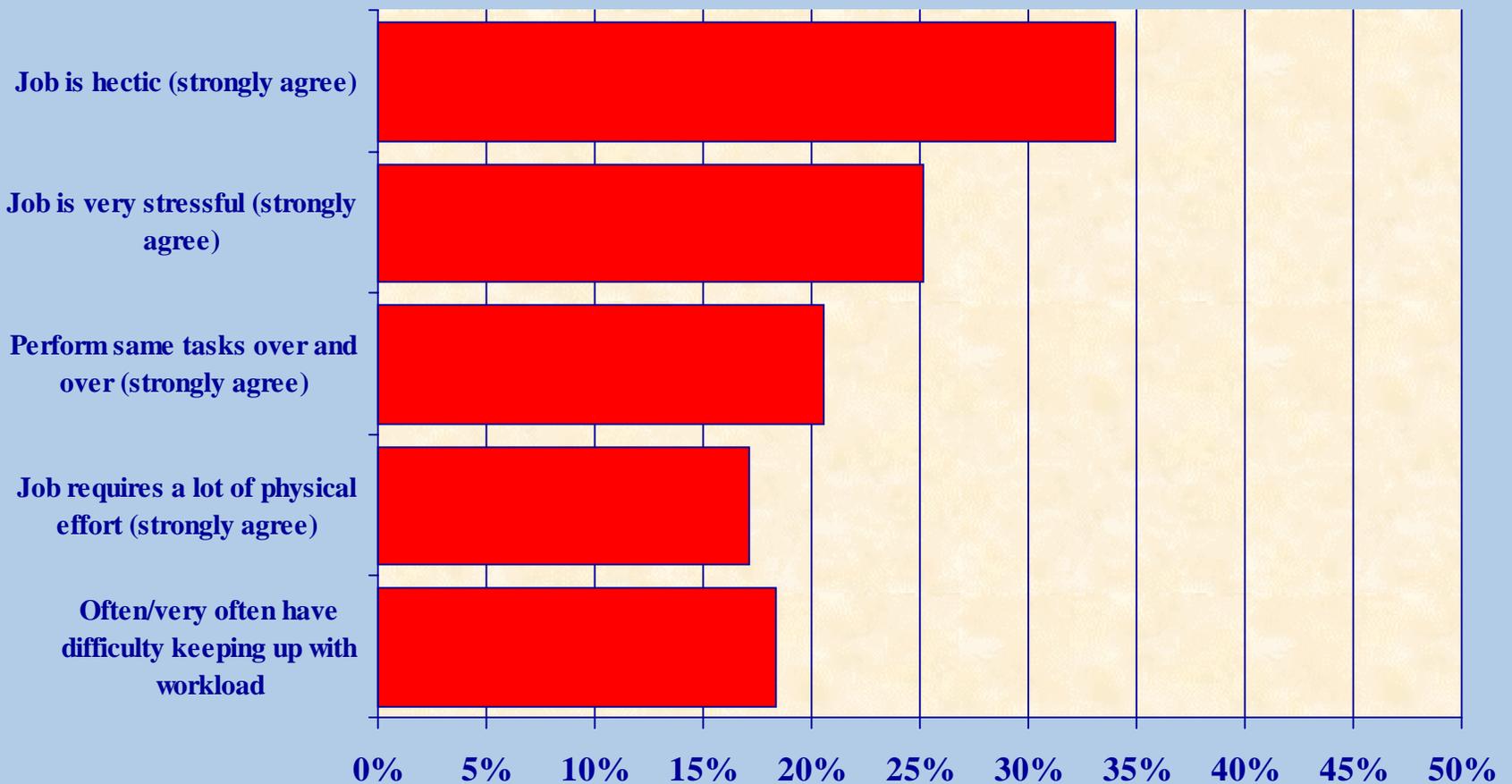
Why focus on quality?

- Canadians want challenging, interesting work through which they can develop their potential and make a contribution. This is not new.
- The economic restructuring of the past 2 decades deflected attention from quality of work issues. The issues were more alive in the 1970s.
- High unemployment and job anxieties in the '90s created a narrow focus on job creation. While important, this side-lined a quality agenda.
- Now a competitive labour market and growing concerns about recruitment and retention are drawing attention to the quality of jobs.
- Improved work quality can benefit individuals, employers, and society as a whole. It is a route to a high-skill economy in which quality of life is seen as the major goal.

There are many signs that low-quality work is more widespread than commonly thought. Here are selected indicators of poor working conditions...



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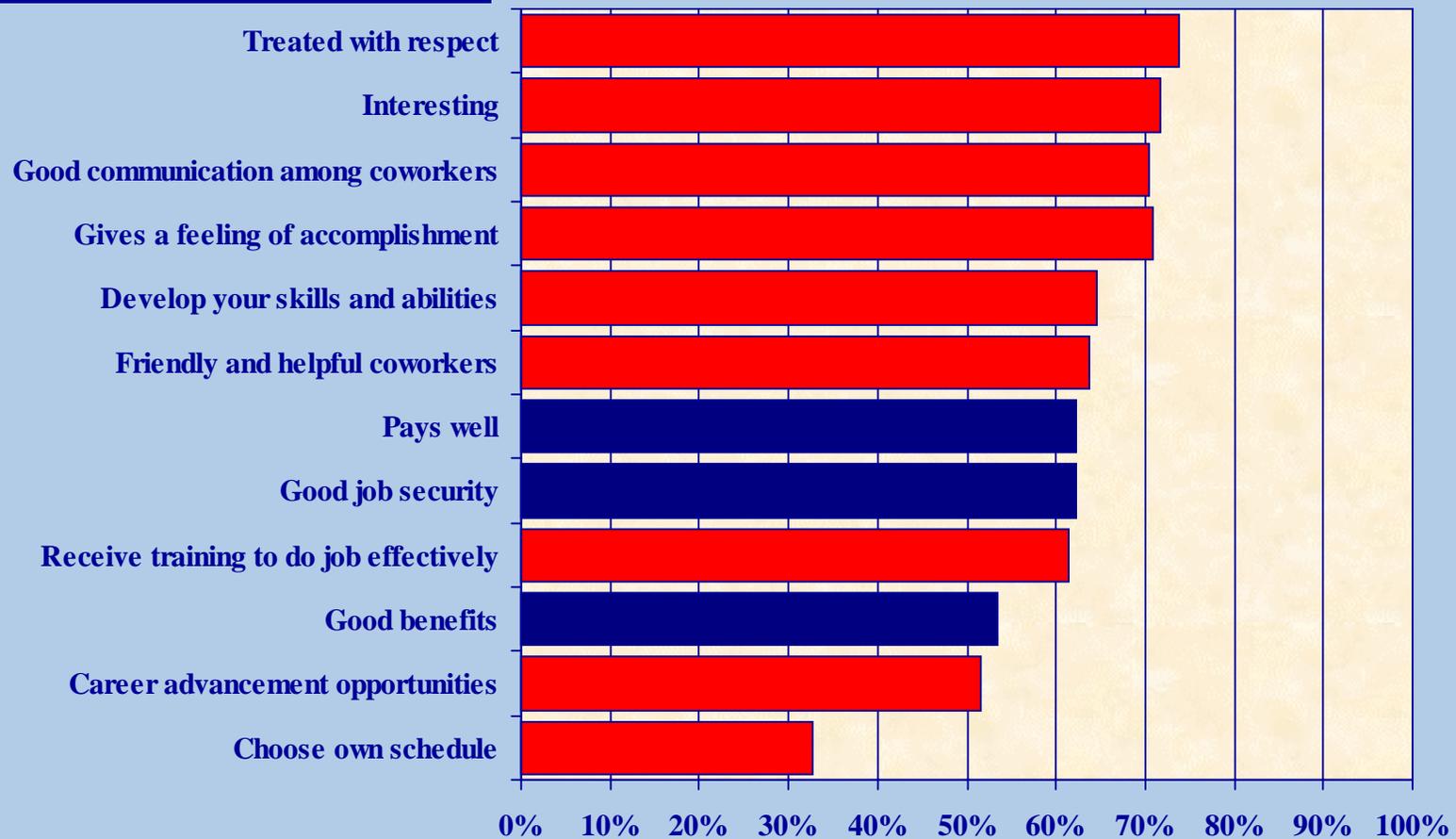


Source: CPRN-Ekos Changing Employment Relationships Survey 2000 (n=2500).



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What workers consider “very important” in a job, Canada, 2000



Source: CPRN-Ekos Changing Employment Relationships Survey 2000 (n=2500).



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The 'Job Quality Deficit': comparing what workers want in a job with what they actually have

The largest Job Quality Deficits:

- Advancement opportunities
- Benefits
- Pay
- Flexible schedules
- Work - family balance
- Job security
- Training

- High quality work must provide decent benefits and pay
- But 'intrinsic' job rewards that provide personal fulfillment and growth are most important to Canadians
- Human resource management policies and practices must address both sets of needs

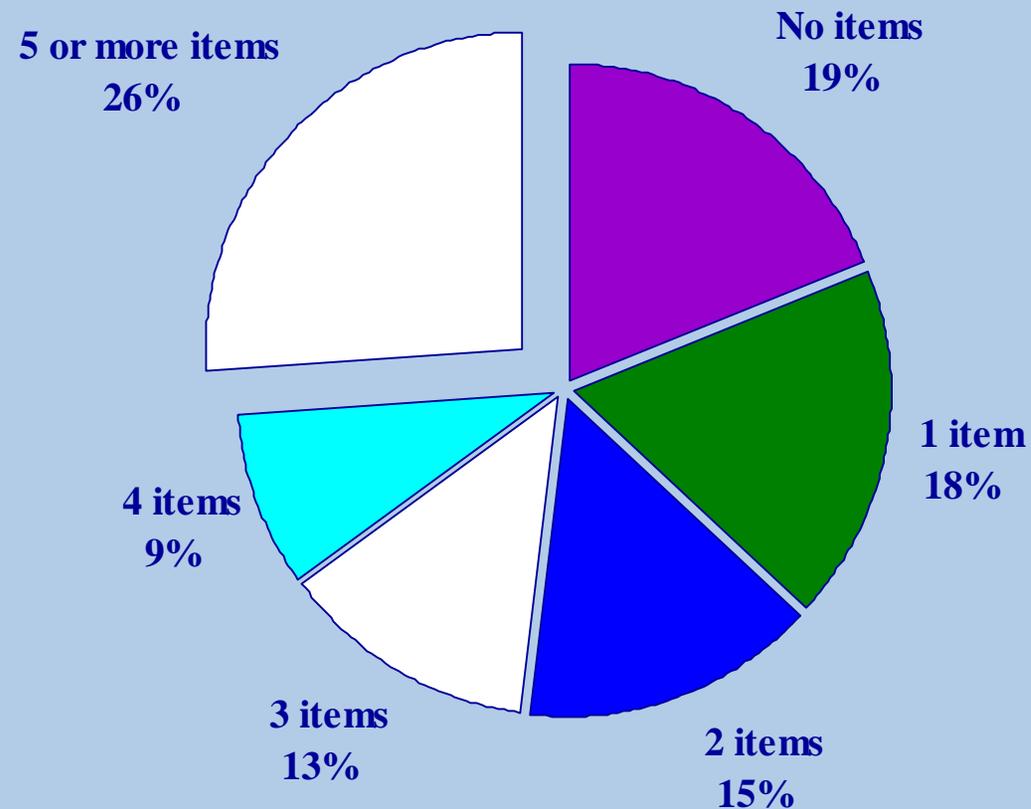
Source: CPRN-Ekos Changing Employment Relationships Survey 2000 (n=2500).



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Number of job characteristics in which respondents have a large* 'Job Quality Deficit'

* Large deficit is defined as a difference of -2 to -4 when two 5-point scales are compared.

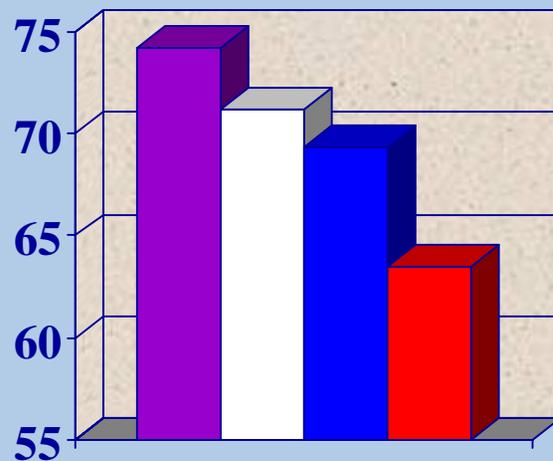
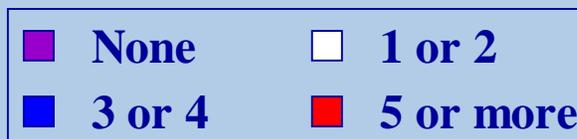




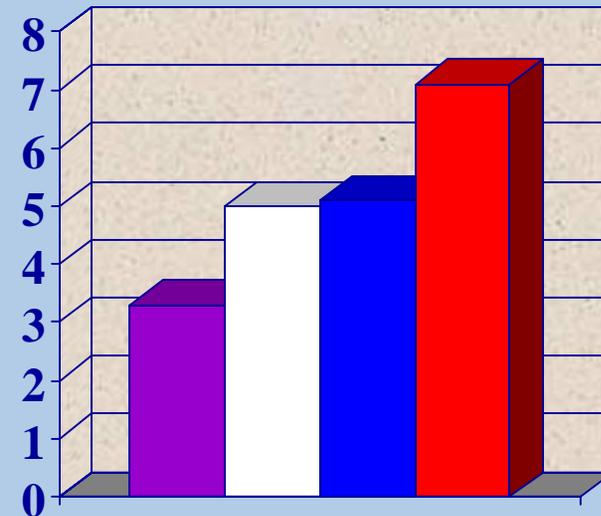
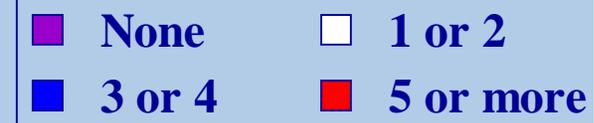
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Job Quality Deficits and health outcomes

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



% reporting excellent/very good health



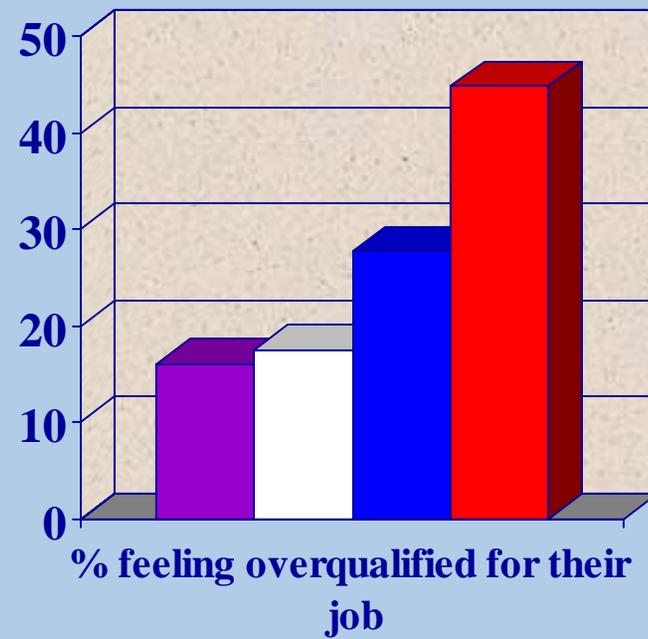
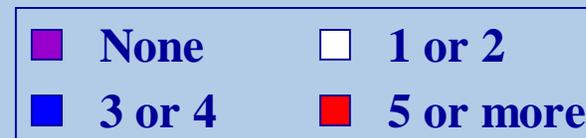
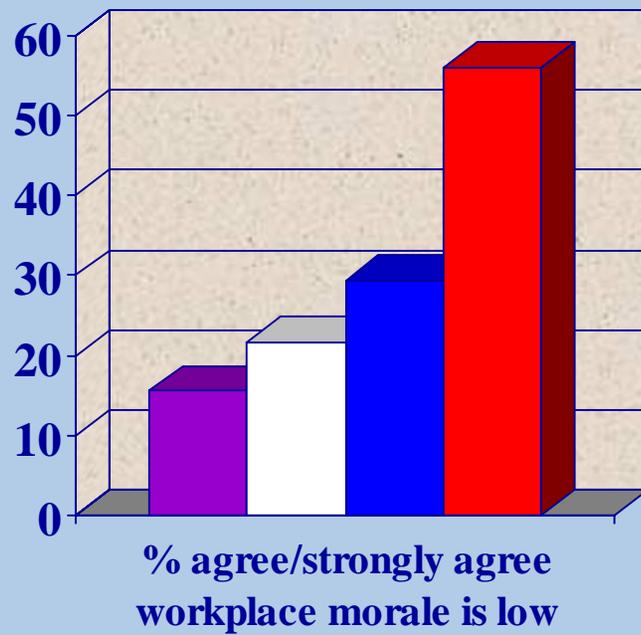
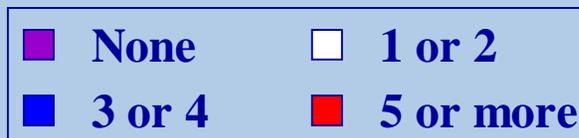
Average # days absent for illness/injury last yr.



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Job Quality Deficits and human resource outcomes

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



Learning as a cornerstone of tomorrow's economy...



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- Learning and knowledge are concepts that for decades have been linked with economic development.
- Marshall McLuhan observed in the 1960s: ‘The future of work consists of learning a living in the automation age.’
- At the same time, Peter Drucker talked about the rise of knowledge workers as signaling a shift to a post-industrial economy.
- So there was no new thinking behind the federal government’s commitment in the 1999 throne speech: ‘To ensure Canada has a leading knowledge-based economy in the 21st Century, the government will work with its partners to help Canadians increase their skills and knowledge.’



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Supply-side human resource development policy

“We are living through a transformation that will rearrange the politics and economics of the coming century....Each nation’s primary assets will be its citizen’s skills and insights.” (Robert Reich, *The Work of Nations*, 1991)

- Focusing on labour supply is a “field of dreams” approach to economic prosperity
- This raises 2 critical questions about HRD policy:
 - is there the demand for existing skills?
 - what determines the fit or mismatch between supply and demand?



Weaknesses in public policy

- Human resource development policies emphasizes the characteristics of workers' education and training, skills and competencies:
 - “skill gaps and shortages”
 - “lifelong learning”
 - “brain drain”
 - “intellectual capital”
 - “knowledge workers”
- However, skills are characteristics of workers *and* jobs
- Needed is a comprehensive perspective that examines the links between supply and demand within work contexts
- This is why the quality of jobs and the overall work environment are so important for achieving organizational goals



Shifting our focus to work contexts: job skills from the demand side

This is not a new issue....

- ‘... if employers are unable to increase the challenge or the skill requirements in the jobs they offer, they may simply have to pay more to have the dull work done.’
- ‘Looking to the future, the evidence suggests that the pressures on Canadian employers to make jobs interesting and rewarding are likely to become more acute than ever.’

SOURCE: Economic Council of Canada. People and Jobs. (1976): 32, 185

Today, the pressures for workplace reform are even more intense....

- An increasingly well-educated workforce
- Concerns about skill shortages and rapidly changing skill requirements
- Social and economic costs of ***not*** promoting the fuller use ***and*** development of workers’ capabilities



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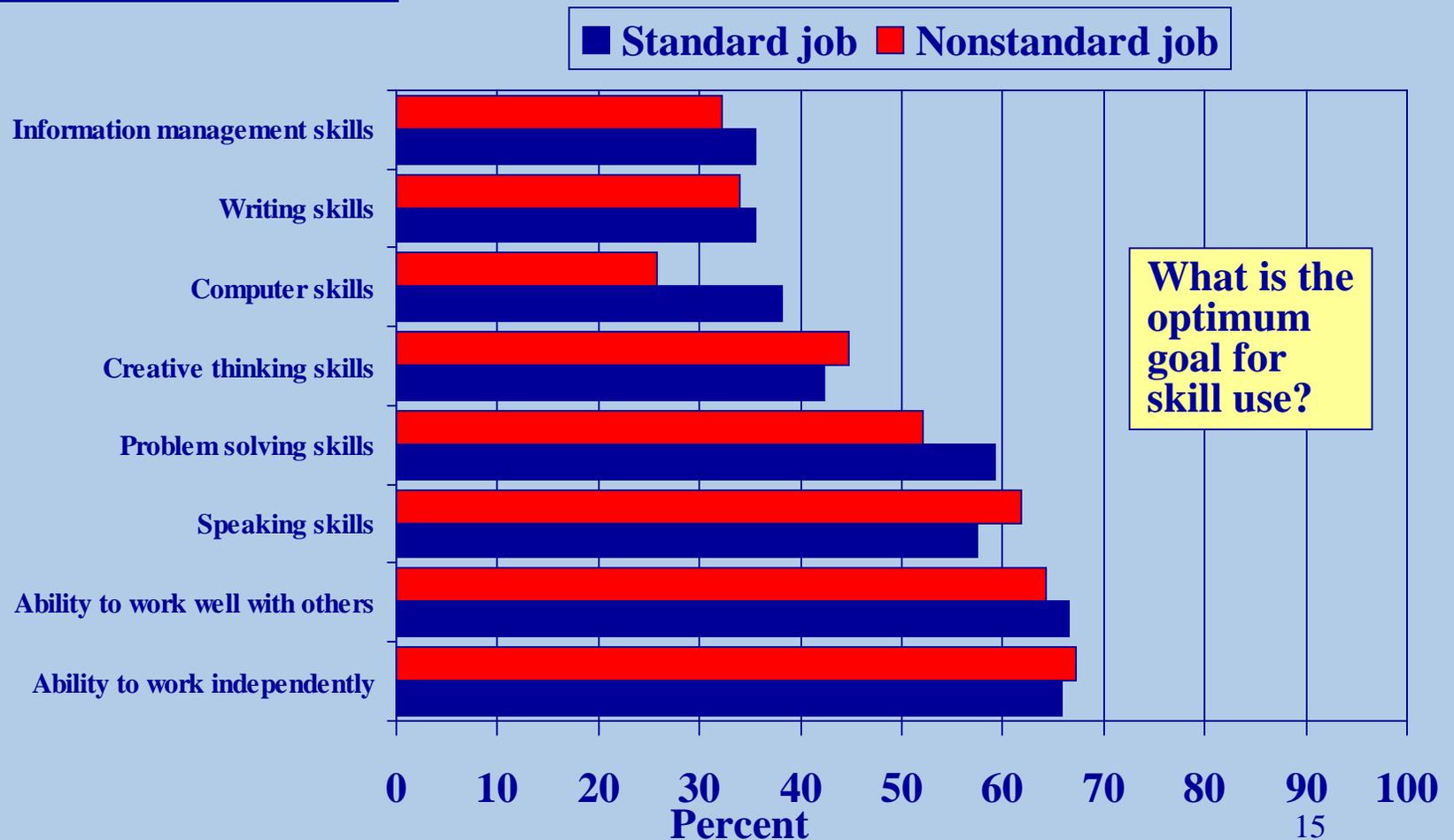
Untapped human resources is a problem affecting workers and employers

- Canadian workers are among the best educated in the world: over 40% have post-secondary credentials
- However, various surveys show that:
 - 23% of workers feel overqualified
 - 29% of university grads are in jobs that do not formally require a degree
 - 1 in 5 workers with post-secondary credentials are in jobs requiring only a high school diploma
 - highly literate workers in low-literacy jobs creates a “use it or lose it” problem
- These facts are inconsistent with a knowledge-based economy
- Is it realistic to aim for 95% or 100% fit between workers’ skills and abilities and job requirements?
- Untapped human potential results in reduced quality of worklife and productivity



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Extensive use of skills, knowledge, and abilities in current job, nonstudents in 1997 by type of job, 1994 Alberta university graduates





The new work paradigm: innovative workplaces improve the quality of work and productivity

The high performance workplace model is also called 'high-trust - high-skills', 'high involvement', 'flexible':

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

Research is linking 'bundles' of these factors to quality of work life and productivity.

Information technology also requires new approaches to organizing work, in addition to new skills



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Merging the technical and the social...

“The secret to success seems to lie in flexible adaptation to technological change. This means ensuring that the workforce has the *skills* to respond to the demands of technological change. It also requires adapting *organizational process and structure... Organizations have to understand that technology creates systemic change...*”

Gaylen Duncan, Information Technology Association of Canada

This gets at what economists call the ‘productivity paradox’: productivity gains don’t match investments in new technology.



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Reframing the basic human resource policy question...

- **Good question:**

“What are the barriers and incentives to training?”

- **Better question:**

“What are the barriers and incentives to workplace innovations that support a learning culture and high-skilled work?”

Shift in focus from training activities to learning contexts

The 'virtuous circle' of learning and innovation in a high quality work environment



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Adapted from: G. Betcherman, K. McMullen & K. Davidman, TRAINING FOR THE NEW ECONOMY. CPRN, 1998, p. 68.



But workplaces change slowly

- Most firms still have traditional (Taylorist) job designs, make low investments in people, are authoritarian, and don't respond to employees' personal needs
 - A conclusion from: G. Betcherman et al., *The Canadian Workplace in Transition*, 1994, p. 58
- This comment is still accurate
- Barriers to workplace innovation include:
 - mind-set that employees are costs, not assets
 - lack of information about alternatives
 - no perceived problem, lack of a 'crisis'
 - resistance from front-line managers
 - top-down, centralized control stifles risk-taking lower down
 - union resistance to work reorganization (yet some of the most innovative workplaces are unionized)



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Key labour market trends are redefining workplaces, creating new barriers to HRD

- self-employment, especially own-account
- most job creation has been self-employment or in small businesses
- core vs. contingent workers
- decline of the 'standard job' and internal labour markets
- home-based work
- polarized work hours
- dual-earner families, time-crunch, and stress
- changing employment relationships: "Me & Company"

What are the implications of these trends for job quality?



What needs to be done

- 2 Canada needs to enable all workers to apply their talents in their jobs, and to encourage employers and workers to develop untapped talents.
- 2 This requires a more comprehensive approach to human resource development policy.
- 2 Encourage innovative changes within workplaces, the missing link in the development and use of people's potential.
- 2 The policy goals of improved productivity (firm performance) and quality of life (what workers want) converge around the concept of a learning-intensive work context.
- 2 Need to document the individual and organizational benefits of workplace learning
- 2 Learning must be built into the design of the work itself, with workers having considerable control over the process.



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The four pillars of quality work

- Fulfilling and meaningful work
- Decent standard of living
- Health, well-being and balance
- Rights

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



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A checklist of quality-work goals that stand on their own

- ✓ Basic right to work that provides a decent living standard and economic security
- ✓ Mutual trust among employers and workers
- ✓ Opportunities for all workers to participate in decision making on how, when and under what conditions they do their work
- ✓ A culture of openness regarding information and resources to use this information
- ✓ Healthy and safe work environments, developed collaboratively
- ✓ Work environments supportive of a balanced life
- ✓ Encouragement of innovation based on workers' initiative and creativity
- ✓ Opportunities to use and develop skills, knowledge and abilities while working

As a university educator, ask yourself...



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- Should instructors help students translate course learning into employability skills?
- Should universities work with employers to find better ways of working?
- What other roles can universities play to improve job quality?
- As workplaces, do universities meet the ‘quality’ criteria?



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