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CPRN RCRPP

Work contexts as the weak link in human resource development policy

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Presentation outline

- ✓ Shift the focus on HRD from supply to demand
- ✓ Critical assessment of job skills
- ✓ Evidence on low skilled jobs, underemployment, and supply-demand mismatch
- ✓ Workplace factors, skills and training
- ✓ Moving from training to workplace learning
- ✓ Linking workplace innovation and learning
- ✓ Policy implications for a 'knowledge economy'



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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?



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What are “skills”?

- The policy discourse on skills emphasizes the characteristics of workers’ education, training and competencies:
 - “skill shortages”
 - “skills gap”
 - “employability skills”
 - “brain drain”
 - “intellectual capital”
 - “knowledge workers”
- However, skills are characteristics of workers *and* jobs
- Skills also can be socially constructed within specific labour market and organizational contexts
- Needed is a comprehensive, multi-disciplinary perspective that examines the complex interactions between supply and demand within these contexts



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Rethinking the skills gap

- Looking more closely at the match between the supply of and demand for skills, it is useful to turn the idea of a ‘skills gap’ on its head:
 - ✓ Under what conditions do workers’ skills exceed job requirements? Why?
 - ✓ How fully and accurately do employers assess specific skills or educational qualifications when recruiting or promoting?
 - ✓ How common is credentialism?
 - ✓ How can the skill requirements of jobs be increased or broadened?



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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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Workers' Views on Skill Use

- Human resource development goals require a thorough analysis of structures and environments, attitudes and behaviours inside the workplace
- It is here that the conditions for the utilization of workers' skills are laid down by management in terms of recruitment processes, job descriptions, and career development and training opportunities
- To document the workplace contexts supporting HRD, we need to shift our attention from skill acquisition to how workers view the use of their skills and education
- Asking individuals how they evaluate the skill content of their jobs, or the extent to which they are overqualified for their job, is a reasonably accurate gauge of human resource utilization
- Research that documents workers' reports of their job skill requirements is an accurate way of looking at the actual skills demanded in particular jobs



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Under-utilized human resources as a demand-side problem

- 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
 - literacy skills gap and “use it or lose it” problem

Evidence of mismatch between workers' skills and job requirements



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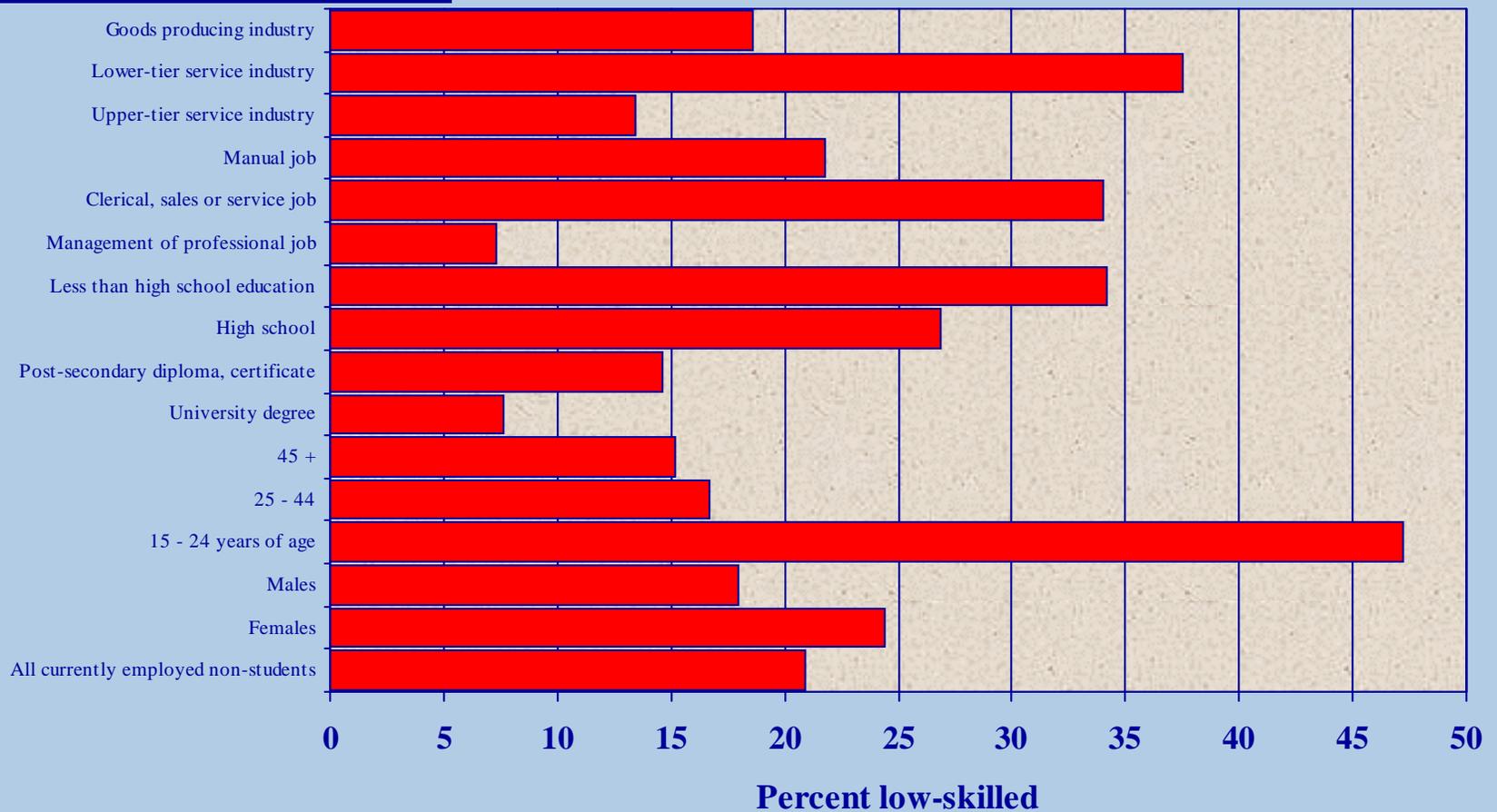
The next 5 graphs report selected evidence from the Alberta Graduate Survey, the GSS, and the IALS:

- Characteristics of workers in low-skilled jobs
- Characteristics of workers reporting overqualification or underemployment
- Relationship between use of specific skills and underemployment (university grads)
- Relationship between use of specific skills and job satisfaction (university grads)
- Relationship between workers' literacy skills and their job requirements



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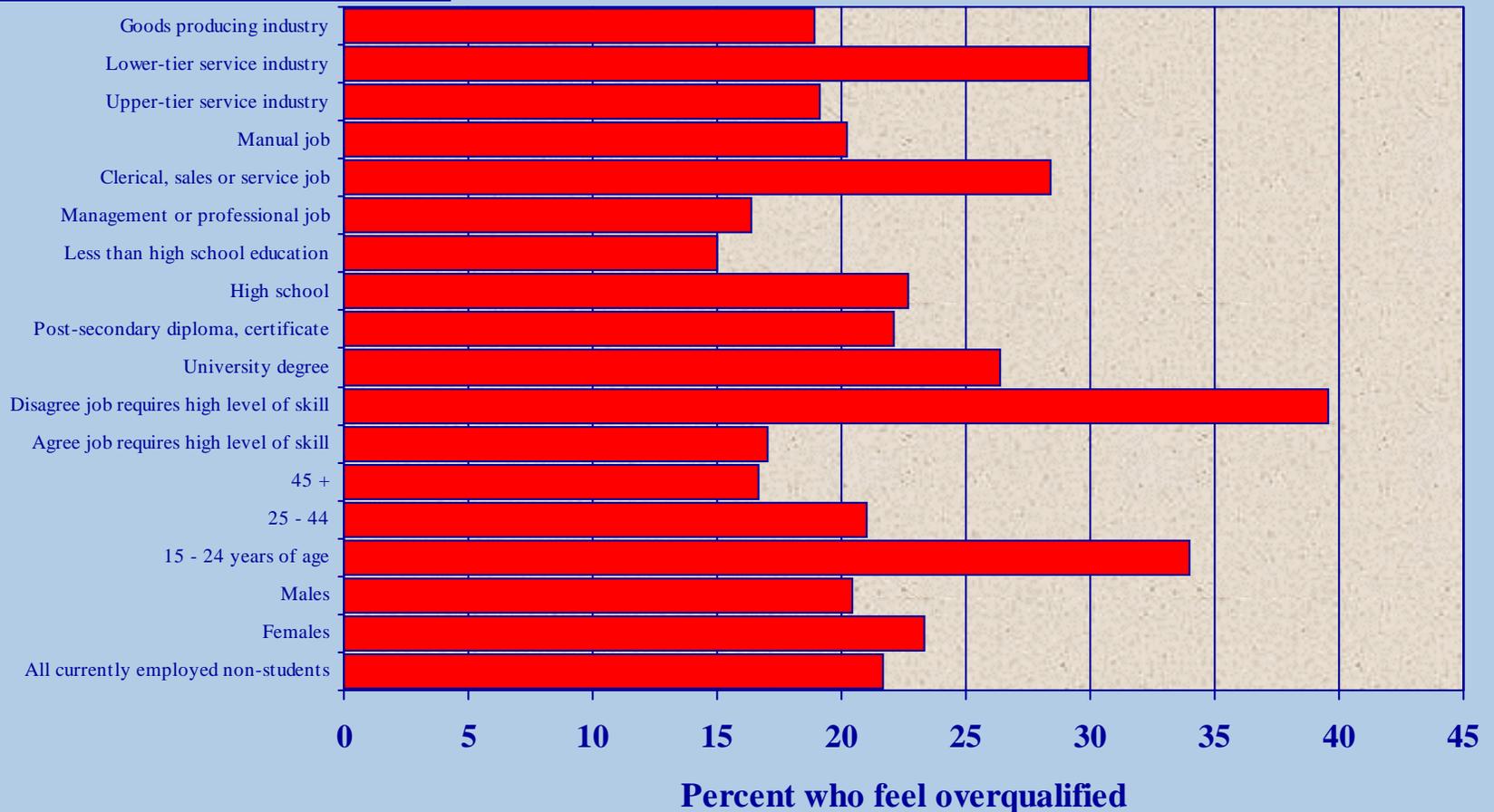
1) A profile of workers who report that their job is low-skilled, Canada, 1994



Source: G. Lowe, *The Quality of Work* (2000) n = 4385 employed non-students, 1994 GSS.



2) A profile of workers who feel overqualified for their job based on their experience, education and training, Canada, 1994

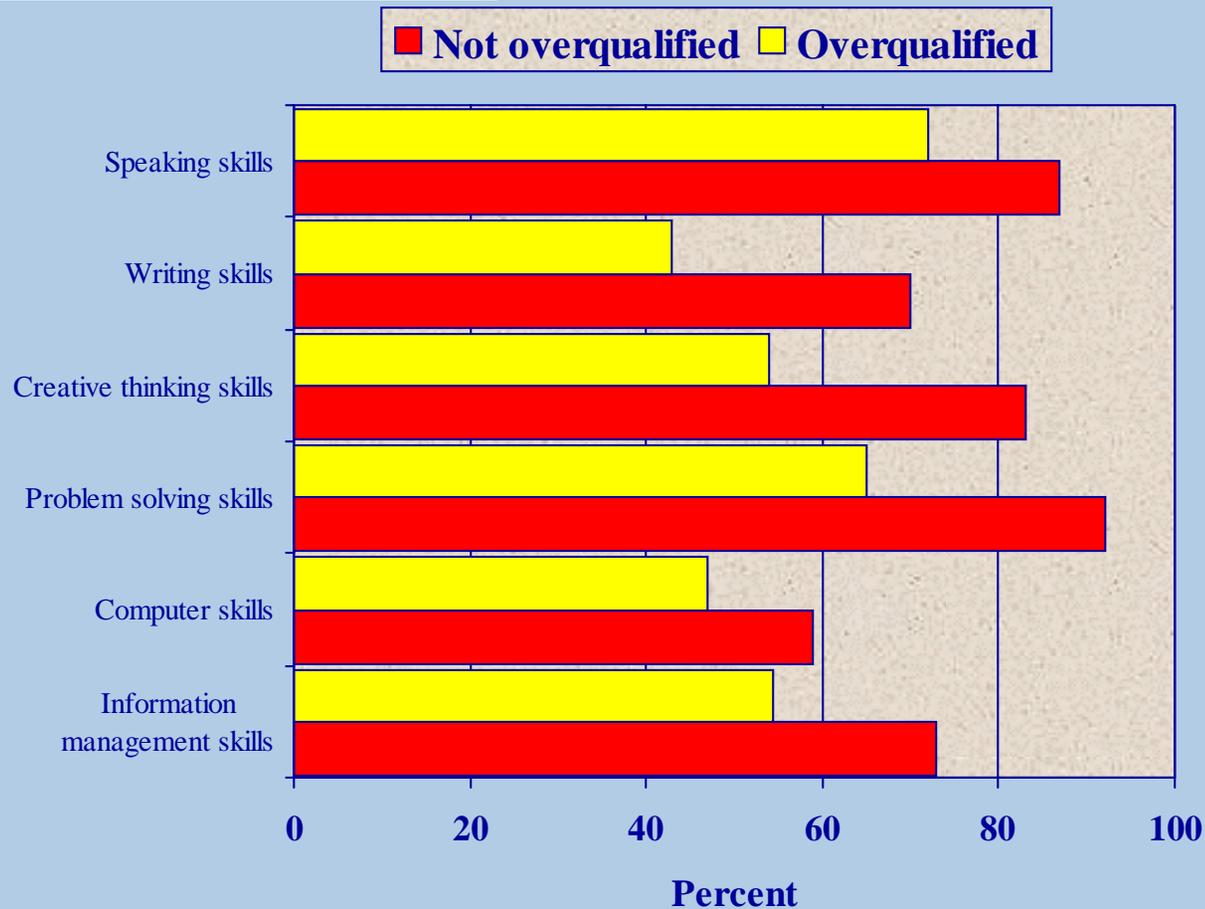


Source: G. Lowe, *The Quality of Work* (2000). Sample = 4379 employed non-students, 1994 GSS.



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3) Extensive use of skills, knowledge, and abilities by perceived overqualification in 1997 job, 1994 Alberta university graduates no longer in the educational system

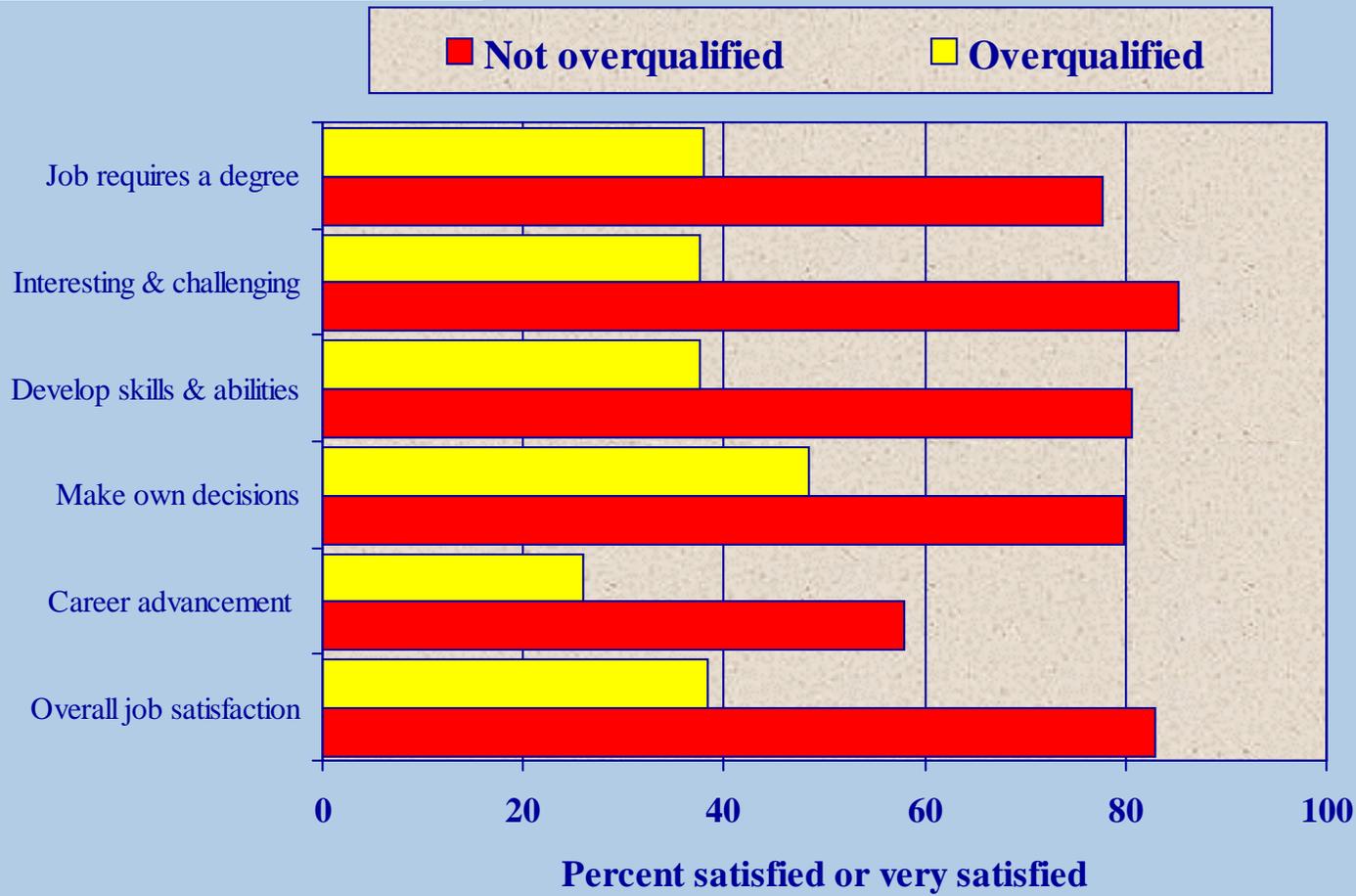


Source: G. Lowe, *The Quality of Work* (2000). n = 4204 employed non-students, 1997 Alberta Graduate Survey.



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4) Overall job satisfaction and satisfaction with job content, by perceived over qualification in 1997 job, 1994 Alberta university graduates no longer in the educational system

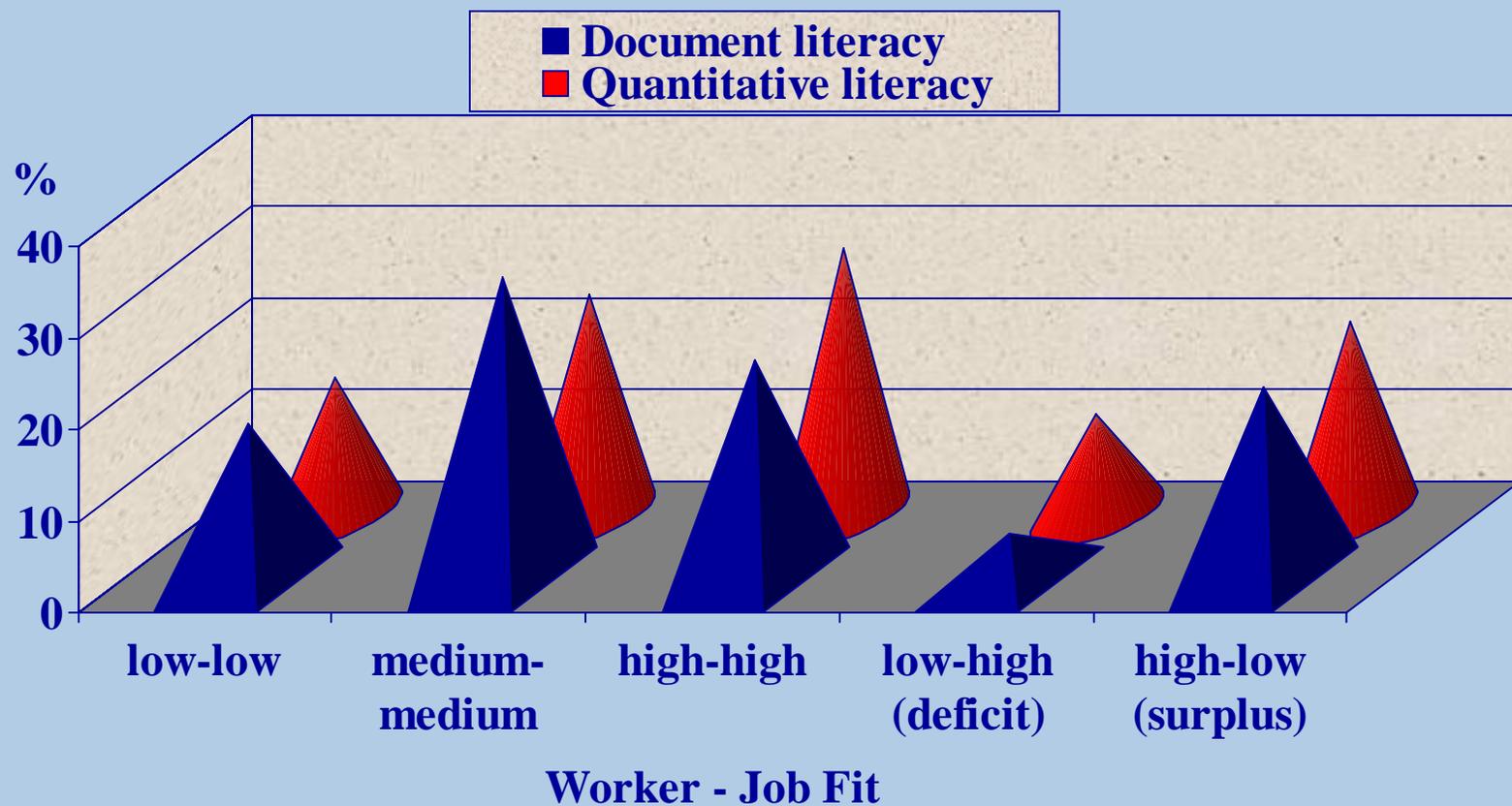


Source: G. Lowe, *The Quality of Work* (2000). n = 4204 employed non-students, 1997 Alberta Graduate Survey



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5) Fit or mismatch between workers' literacy skills and workplace literacy requirements, Canada, 1994



Source: H. Krahn and G. Lowe, *Literacy Utilization in Canadian Workplaces* (1998). n = 2604, IALS.

Reframing the basic HRD policy question...



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- **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



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Key elements of a workplace focus on HRD

- job requirements and design
- work organization
- management practices
- organizational culture
- support for HRD-oriented
worker attitudes and behaviour

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



Workplace innovation and training

The *Workplace and Employee Survey* (WES) pilot offers useful insights in this regard, building on the surveys for *The Canadian Workplace in Transition* (1994).

- 1 in 5 of the 748 establishments surveyed viewed human resource strategies such as employee skill development and involvement, and improved labour-management relations, as being very important or crucial to their business. 13 percent said they were not at all important.
- Larger firms are more committed to human resource development. HRD-intensive firms also tended to have more flexible work arrangements and be more innovative organizationally.
- Forms of work reorganization requiring training included teams, quality circles, and flexible job design. As well, training is correlated with compensation schemes such as productivity gain sharing and incentive pay.
- Thus, employers with HRD-based business strategies were training intensive.
- Training does not happen in isolation from other innovative work organization and human resource practices.
- Establishments committed to training see it linked to larger productivity goals. Not only is training provision part of technological and organizational innovation, it also is linked to business strategies. Cost-reduction business strategies were associated with a lower incidence of training.



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Characteristics of establishments and workers associated with intensive use of ^{\$} human resource management strategies

ESTABLISHMENT CHARACTERISTICS	EMPLOYEE CHARACTERISTICS
Product oriented	Unionized
Use progressive approaches to organizing work	Promoted at least once
Offer formal vocational training	Receive formal appraisals
Provide a grievance procedure	Work flexible hours
More generous non-wage benefits	Participate in progressive work organization practices
Adopt alternative work arrangements	
Use formal performance appraisals	

Source: WES Pilot survey.



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The high performance workplace

This workplace model is also called ‘high-trust - high-skills’, ‘high involvement’, ‘flexible’:

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

More research is required to clearly link these factors to ‘learning’ in the fullest sense.



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From 'training' to 'learning'

- Public policy promotes the concept of lifelong learning as a means of ensuring that workers' skills are regularly updated and expanded.
- This is assumed to benefit national economic prosperity.
- Lifelong learning requires a more open and flexible education and training accessible throughout one's adult life.
- Equally important, it also means creating organizational environments that encourage on-going learning as part of one's job.
- Advocates of lifelong learning and learning organizations often fail to recognize that the traditional design of many workplaces and jobs do not actively promote learning.
- Without addressing these organizational barriers, adult education and training policies intended to provide more lifelong learning will have limited success.
 - Needed are incentives for employers to upgrade job skill requirements and give workers more latitude to acquire and apply new knowledge as part of doing their jobs.
 - Managers in learning organizations must empower workers to make decisions about their jobs.
 - This requires changes not just in workplace structures, but in its culture as well.
 - Learning requires a longer-term and broader perspective on human resource development.

Organizational innovation and learning



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- 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

Source: G. Betcherman, K. McMullen & K. Davidman, TRAINING FOR THE NEW ECONOMY. CPRN, 1998.



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Learning and innovation in a high quality work environment



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



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But workplaces change slowly

- Most firms still have 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
 - resistance from front-line managers
 - top-down, centralized control stifles risk taking lower down
 - lack of a crisis
 - union resistance to work reorganization (a paradox)



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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: declining trust, commitment, loyalty

What are the implications of these trends for future skill development and use?



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Summary – toward an inclusive knowledge-based economy

- Canada needs to enable all workers to apply their talents in their jobs, and to encourage employers and workers to develop untapped talents.
- Overall skill levels, and requirements, have been rising for decades.
- But looking beyond the overall demand for skills and educational credentials, we find unsettling signs that this intellectual capital is not effectively used.
- Job requirements often exceed what daily work activities require from a worker.
- Moreover, many jobs are not designed to encourage the development of the ‘intellectual capital’ now perceived by business as so important.
- A revised HRD policy agenda must include reforming work organizations and job design. It is possible for organizations to achieve a ‘high-skill equilibrium’ by designing work environments that are flexible, and encourage worker innovation and initiative.
- This is a path to higher productivity. Better use of workers’ skills encourages firms to pursue business strategies founded on skill and learning – in short, on providing quality work that gives priority to people.



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Policy challenges

- 2 Incorporating the complex interactions between supply and demand requires a far more comprehensive approach to HRD.
- 2 An interdisciplinary perspective on workplaces suggests that these contexts are a 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) may converge around the concept of a learning-intensive work context ('learning organization' is too exclusive).
- 2 Need models of workplace learning in which individual and economic outcomes can be documented empirically.
- 2 The research from diverse perspectives suggest that skill use, work design, and learning are connected.
- 2 Learning must be built into the design of the work itself, with workers having considerable control over the process.
- 2 But the vision of a knowledge-based economy must have room for all workers to contribute, or it could become another dimension of polarization.



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