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Developing and Using Skills for a Knowledge-Based Economy

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A “knowledge economy?”

- “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)
- A critical assessment of human resource development policy is overdue: is there the demand for existing skills?
- Is this a “field of dreams” approach to economic growth and prosperity?



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What is Alberta's Advantage?

"Alberta's human resources are the cornerstone of our economy. The development of people and effective human resource practices are key to the ongoing competitiveness of our industries and the continuing vitality of our economy and communities."

Source: *People and Prosperity: A Human Resource Strategy for Alberta* , Government of Alberta, Feb. 1997, p. 5



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A Learning Culture?

- about 1 in 3 full-time workers receive employer-sponsored training
- training benefits those already well educated and in good jobs - adds to polarization
- is training and education the new social safety net?
- many barriers to a “culture of continuous learning” -- this is not part of most business strategies
- Conference Board’s *employability skills profile*: is this what employers need and use?

Underutilized human resources



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- Canadian workers are among the best educated in the world, with 40% having a post-secondary credential - Alberta the leader
- 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

Untapped Alberta talent



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- 1997 survey of 1994 Alberta university grads
- Economy booming, low unemployment
- By most indicators, grads “successful”
- But essential knowledge, skills and abilities not well utilized: 1/3 ‘extensively’ used writing, computer, information management skills
- Working independently and with others are most widely used abilities, but don’t require a degree
- 1 in 4 felt overqualified, as in other studies



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Key labour market trends are barriers to a knowledge economy

- self-employment accounts for 20% of Alberta's labour force
- most job creation is among self-employed or in small businesses
- 19% of all employed are part-timers (1/3rd are involuntary)
- 11% of all paid jobs are nonpermanent (temporary, casual, or seasonal)
- homework is an emerging trend: 6.5% of employed labour force in Calgary and 5.8% in Edmonton usually work at home
- longer hours among full-timers: 21% of paid workers in Alberta worked overtime (averaged 9.2 hours weekly)
- most families now need 2 incomes to make ends meet - long hours are stressful and create work-family conflict, and leave little time for education/training

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



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Changing employment relationships

- **Changing work and labour market structures alter the underlying employment relationships**
- **Employment relationships encompass rights, obligations, expectations, and values that enable the exchange of work for pay**
- **Key issues of trust, commitment, loyalty, work values**
- **Public policy may rest on out-dated assumptions about the ‘employment contract’**
- **What are the human resource development implications of ‘individualized’ ERs and weak attachment of workers to firms?**

Tech Change: Human Resources are Crucial



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“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, in 1997 Conference Board study.)



What does the public want?

- value both economic security and challenging work
- want a say in workplaces
- flexibility without sacrifice
- quality of life: better balance between job, family, community roles
- strong education ethic; basis for life long learning



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The high performance workplace

In an environment of high competition and flexible technologies, quality and innovation are key.

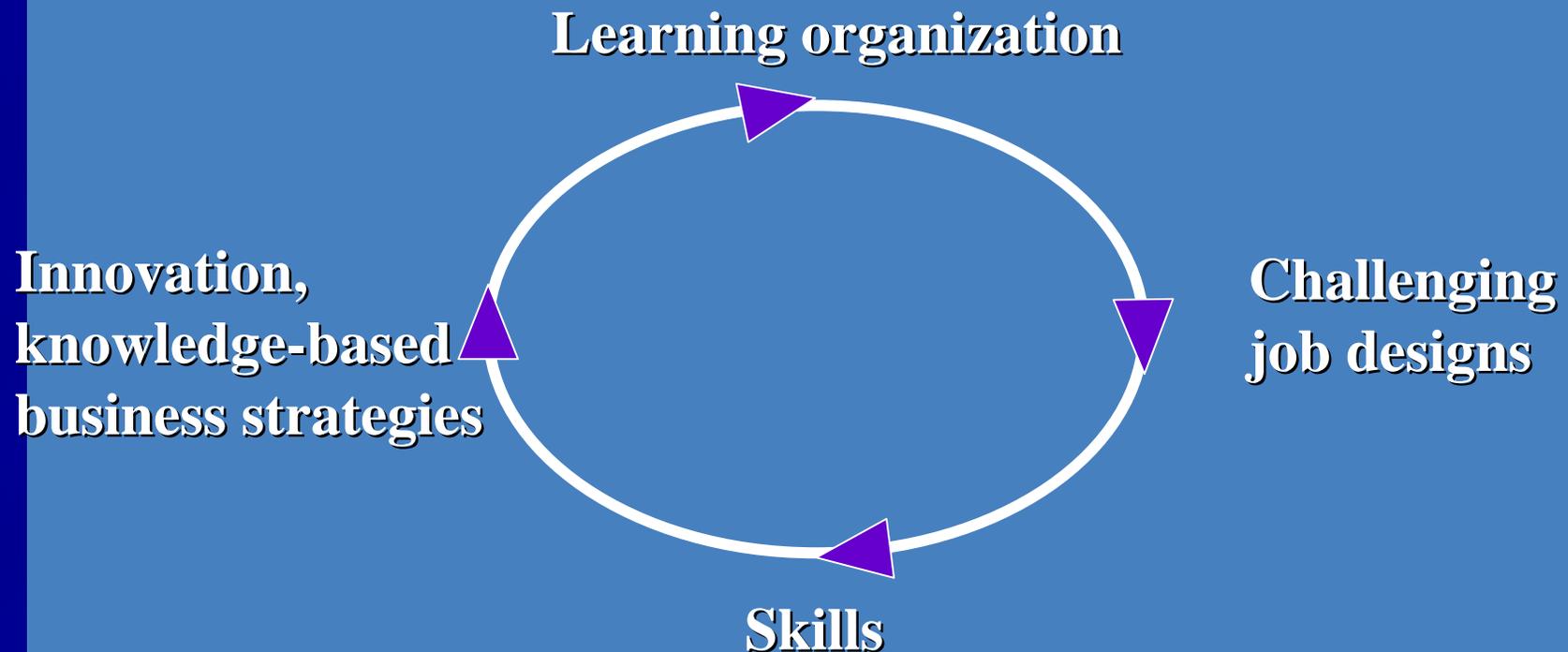
- flexible organization
- team-based work
- commitment to training
- employee participation
- sharing of rewards and information
- promote health and well-being
- family-friendly policies

(G. Betcherman et al., *The Canadian Workplace in Transition*, IRC Press, 1994)



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Skills and learning: the virtuous circle



Source: G. Betcherman, K. McMullen & K. Davidman, TRAINING
IN THE NEW ECONOMY. CPRN, 1998, p. 68.



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But change comes slowly...

- Most firms still have Taylorist job designs, make low investments in people, are authoritarian, and don't respond to employee's personal needs

A conclusion from: G. Betcherman et al., *The Canadian Workplace in Transition*, 1994, p. 58

Shifting the jobs debate



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- Job creation vital
- But also must set policy goals to achieve enhanced job quality
- Focus on entry-level jobs: a first step
- What's best for young workers today will benefit adult workers now and in future
- This is the only way to make human resources the province's most valuable asset



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Policy challenges

- **how can we promote learning organizations and lifelong learning?**
- **how can we redesign jobs to tap more human potential?**
- **how can public policy, employers, professional associations, unions, educational and training institutions help create these changes?**
- **how do we address the negative social impact of labour market trends?**
- **will the overall result be an improved quality of life for Albertans?**



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