

High Quality Work Environments as the Key to Attracting, Retaining and Developing Top Talent

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Presentation outline

- ▶ Ingredients of a high quality work environment
- ▶ Pressures to improve the quality of work
- ▶ What Canadian workers want in a job
- ▶ Implications of workforce ageing for recruitment
- ▶ Closing the job-quality deficit
- ▶ Employment relationships and 'good jobs'
- ▶ How work environments affect results
- ▶ Strategies for improving the quality of work



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).



Pressures to improve the quality of work

- Demographics: ageing workforce, baby-boom retirements create workforce renewal challenges
- Global knowledge economy: skills, knowledge, creativity -- 'human capital' -- are the key ingredients for economic prosperity
- Information technology: payoffs from these investments depend on job design and work environments
- Lifelong learning: Canada has the best educated labour force in the world, so we need to ensure that this talent is used and further developed
- Values: Canadians want a better quality of work life



But there are countervailing trends:

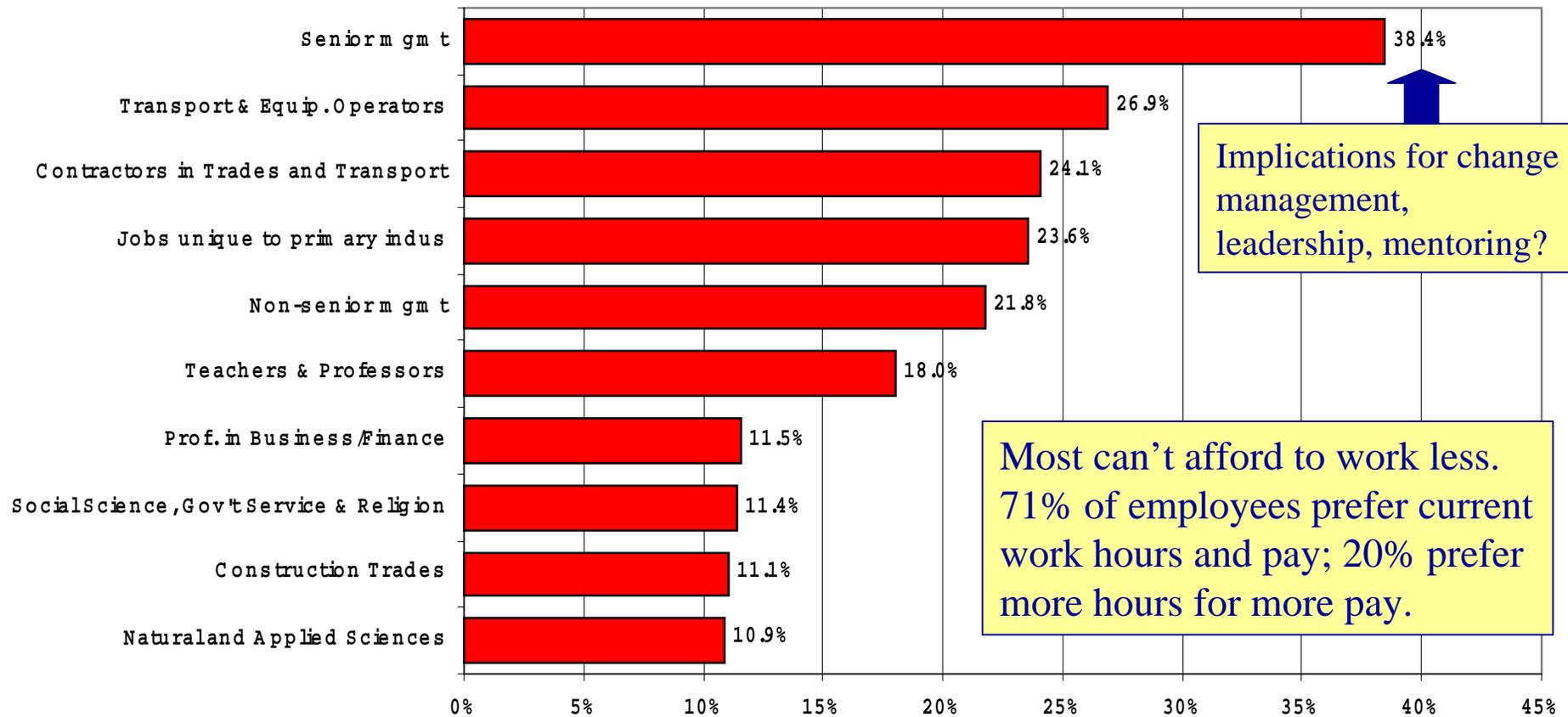
Rising time demands and work-life conflicts

- 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
 - ***why no 'leisure society' with new technology?***
 - ***what can we do to remove the time barrier to life-learning?***

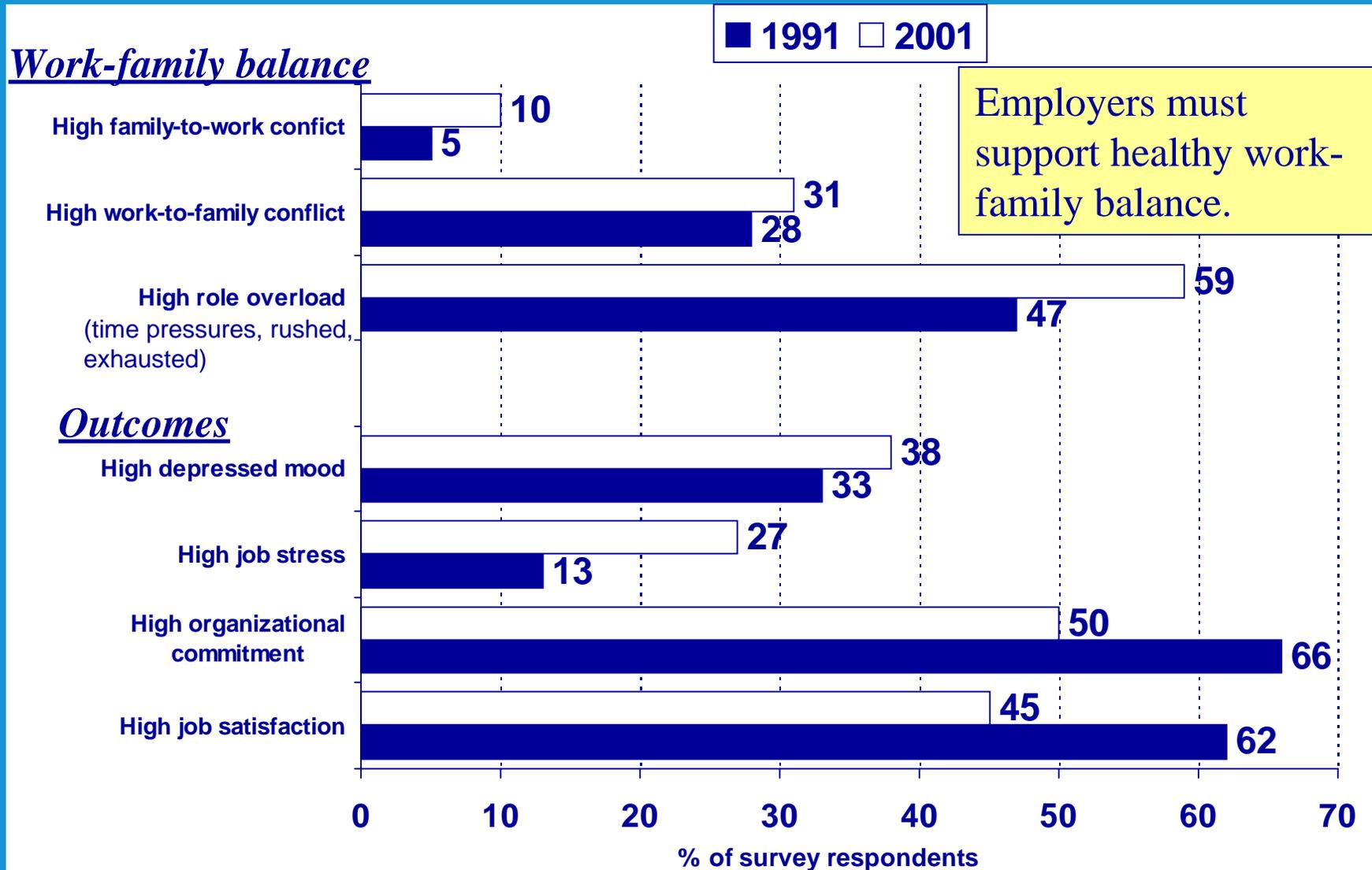


Long work hours impact quality of life and productivity

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



Work - family conflict and its consequences

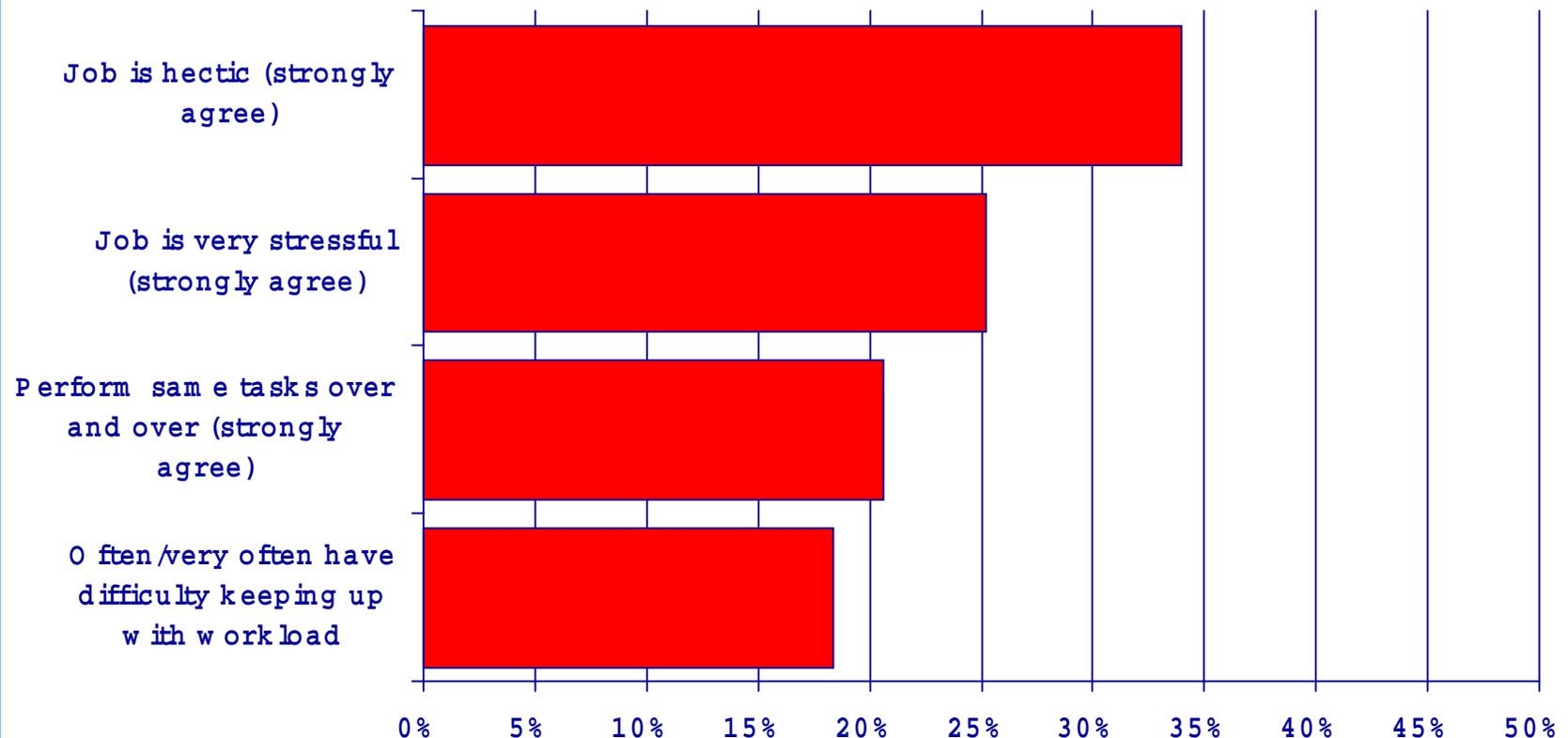


Source: Duxbury and Higgins, *Work - Life Balance in the New Millennium* (CPRN Discussion Paper, October 2001) www.cprn.org



More signs that low-quality work is a problem

Percent of Canadian workers reporting that

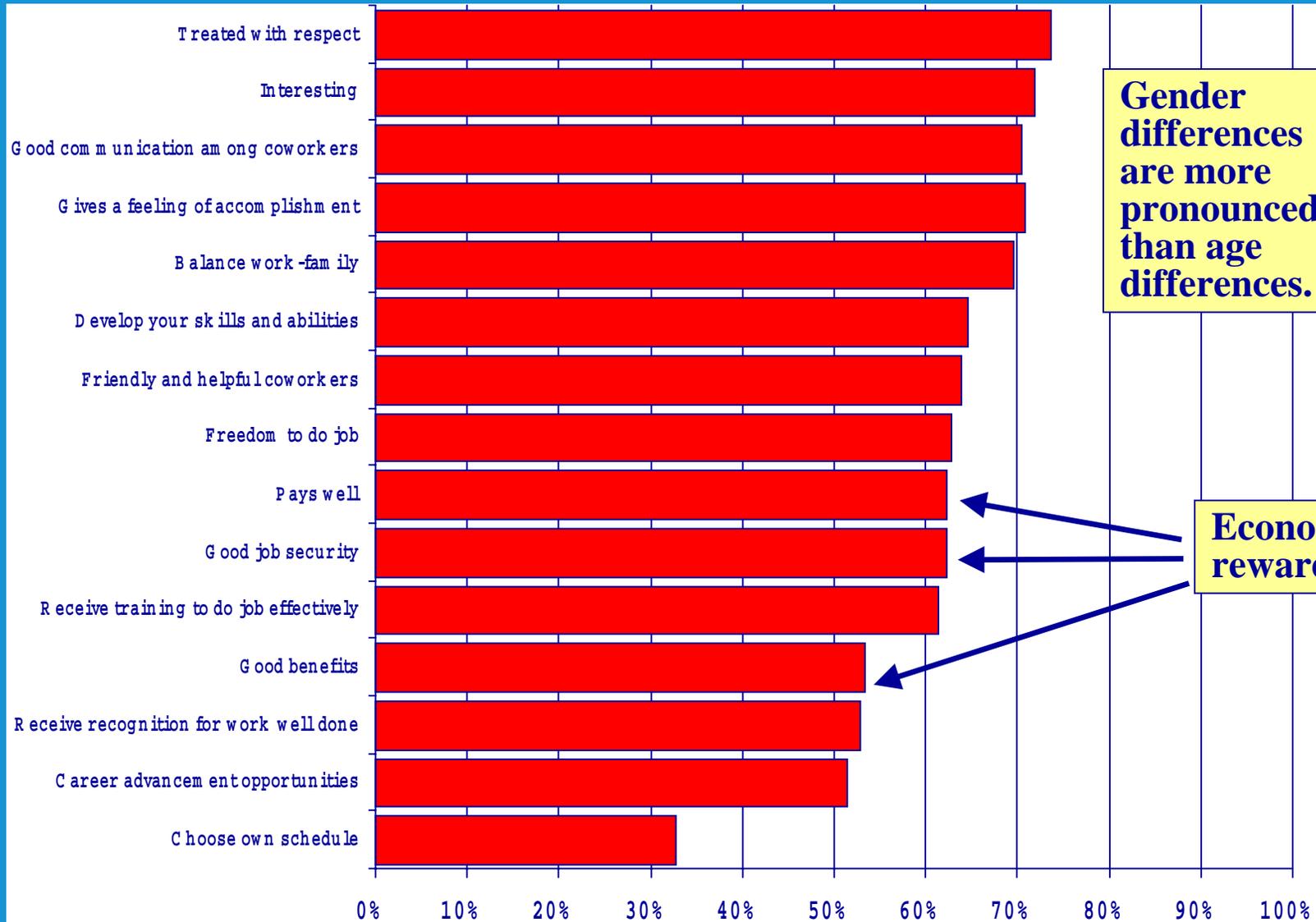


Work pace, job demands and workload impact the quality of life, including opportunities for learning and skill development. What are the implications for recruitment and retention -- and results?

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

We highly value quality jobs and work environments...

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



Gender differences are more pronounced than age differences.

Economic rewards

Source: CPRN's quality of employment indicators website WWW.JOBQUALTY.CA
 Data from the CPRN-Ekos Changing Employment Relationships Survey, Canada, 2000 (n=2500)



Is the **nEXUS** generation different?

“Ultimately, the best reward for Nexus employees is what they want most from work: challenge, collaboration, task variety, and greater impact. While keeping compensation current and competitive is part of the equation, employers should spend equal time thinking about how they might recognize Nexus with the next project or opportunity.”

Source: Robert Bernard, Dave Cosgrave and Jennifer Welsh, *Chips and Pop: Decoding the Nexus Generation* (1998: 199)

- True, but these values are not unique to this age group (mid-20s to late 30s) or to a post-modern society.
- Personally rewarding work has long been a core value.

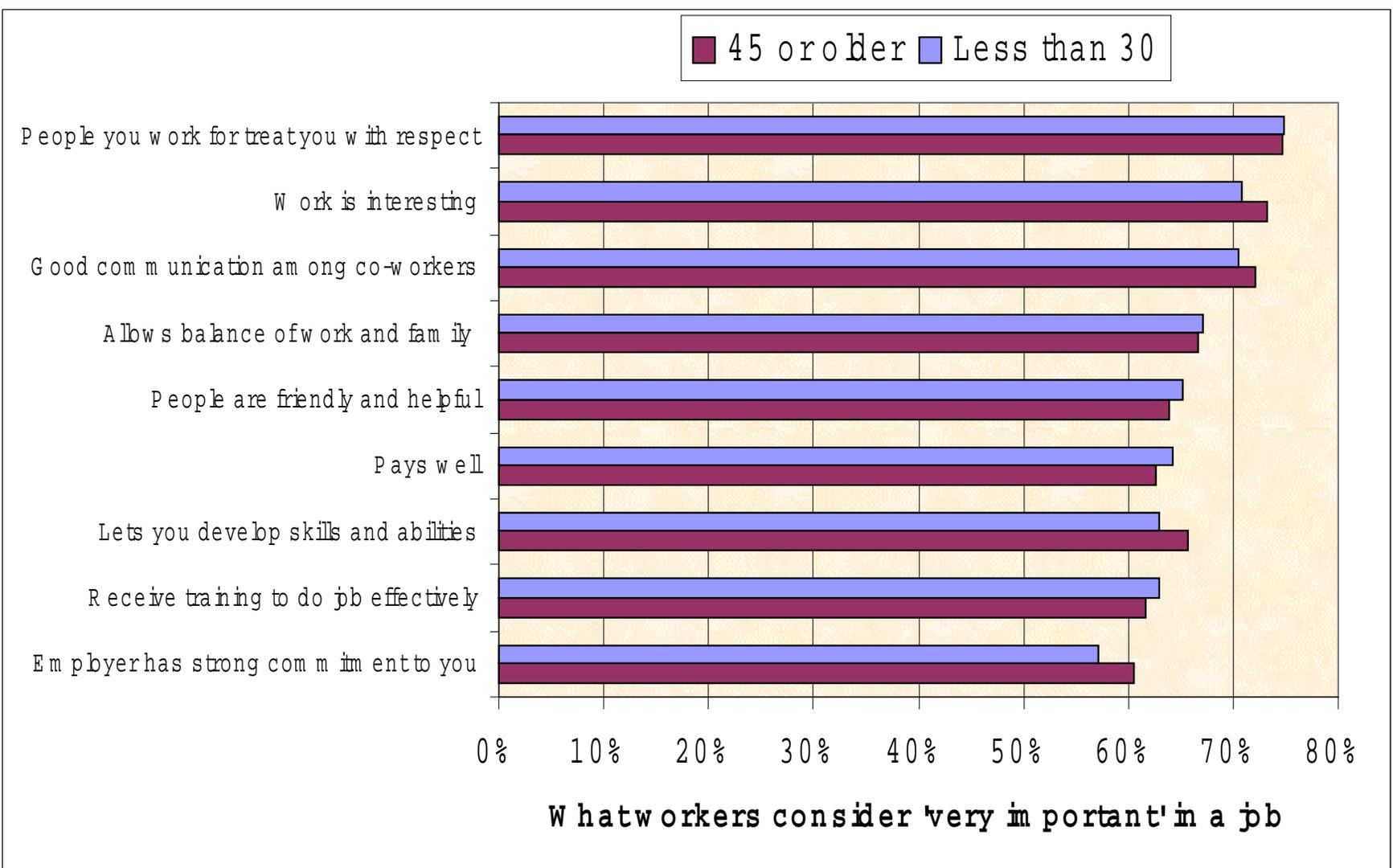


The generations converge on job quality goals

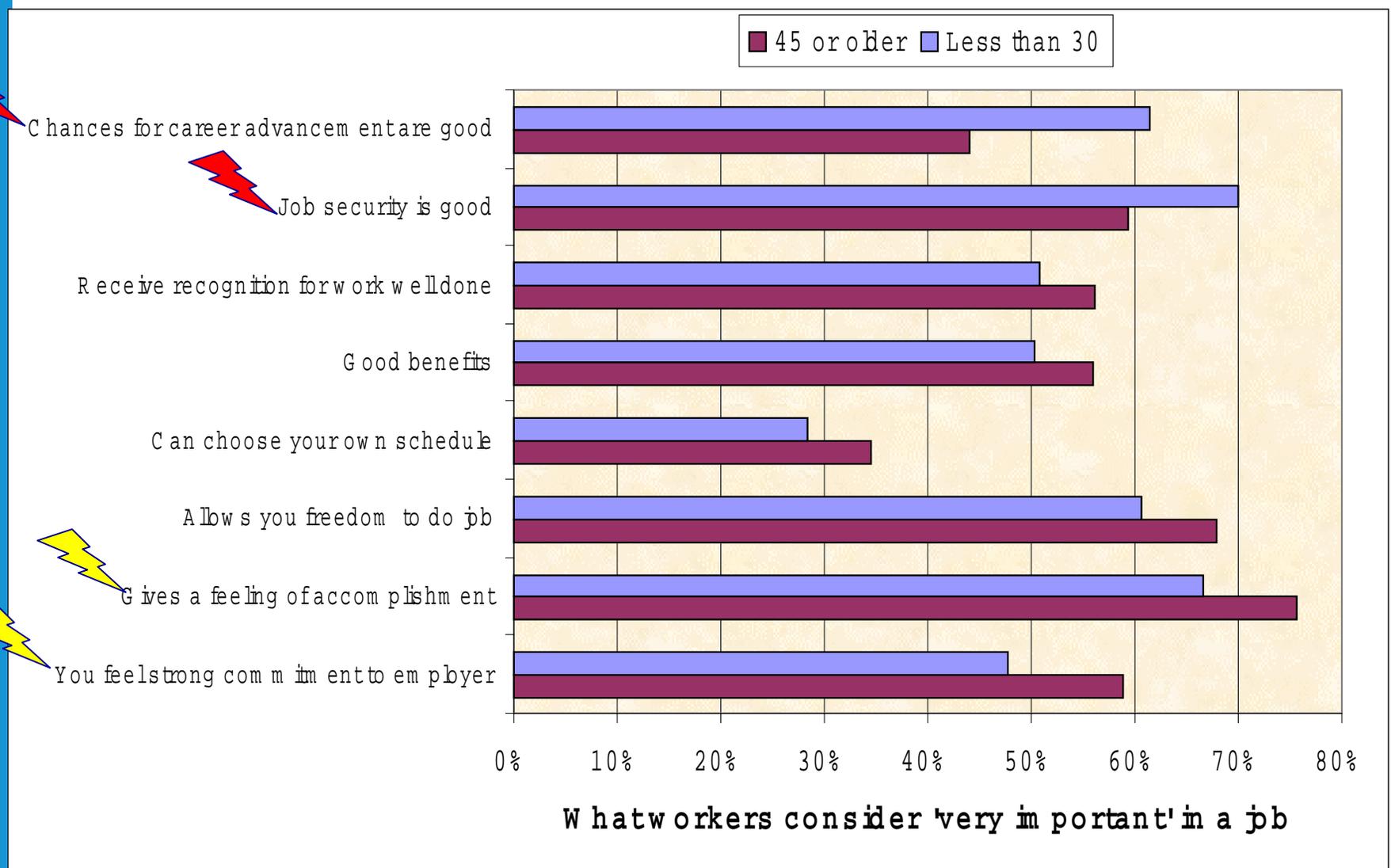
- **Job quality problems first seriously raised when baby boomers entered job market in 1970s**
 - Needs urgent attention in an era when human resource development and ‘life-long learning’ and ‘knowledge’ really matter
 - The same basic management and organizational barriers exist today as in 1970s
- **Work rewards and working conditions that will attract and retain youth also desired by older workers**
 - In this respect, there is continuity across the generations
 - However, there’s always been age differences in job expectations and satisfaction, because workers adapt to their changing circumstances and diminishing choices over time as they move through the life course
 - This approach avoids the internal inequities created by emphasizing the needs of one age group over another
- **Don’t overlook the work and life needs of the 35, 45 and 55 year olds on your staff**



Younger and older workers converge on key work values



However, there are some divergent work values



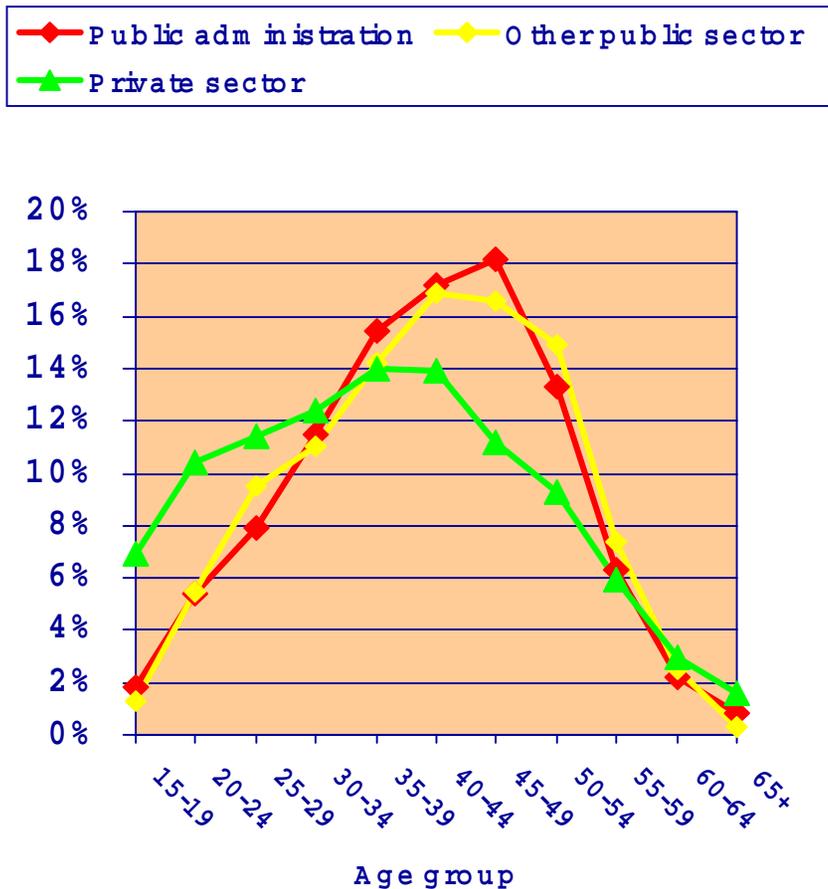
Insights from other studies of young, educated workers

- Federal Public Service Commission survey of students in work experience, co-op and internship programs (2000):
 - interesting work, competitive wages, opportunity to work in field of study, balance work-life, long term job security, advancement opportunities were most important in choosing a career
- Ipsos-Reid/Royal Bank survey of university students (2000):
 - vast majority would choose interesting work over a chance to make a lot of money
 - when choosing a place to work, learning opportunities and salary were most important
- Alberta graduate follow-up survey (1997):
 - only 1 in 3 'extensively' used writing, computer, information management skills and 1 in 4 felt overqualified



Rethinking recruitment and retirement

Age composition of labour force by sector,
Canada, 2000



Source: Calculated from Statistics Canada, Labour Force Survey, 2000

- The demographic crunch begins in 2006, when early Baby Boomers reach 60
- Large sector differences
- Will demographic pressures force employers to improve job quality?
- Middle-aged and older workers are a growing labour pool
- Need to rethink 'retirement'
- Phased retirement
- 'Life-long learning'
- What other strategies are you considering?



Public sector employers must ensure that the jobs they provide measure up to employees' expectations...

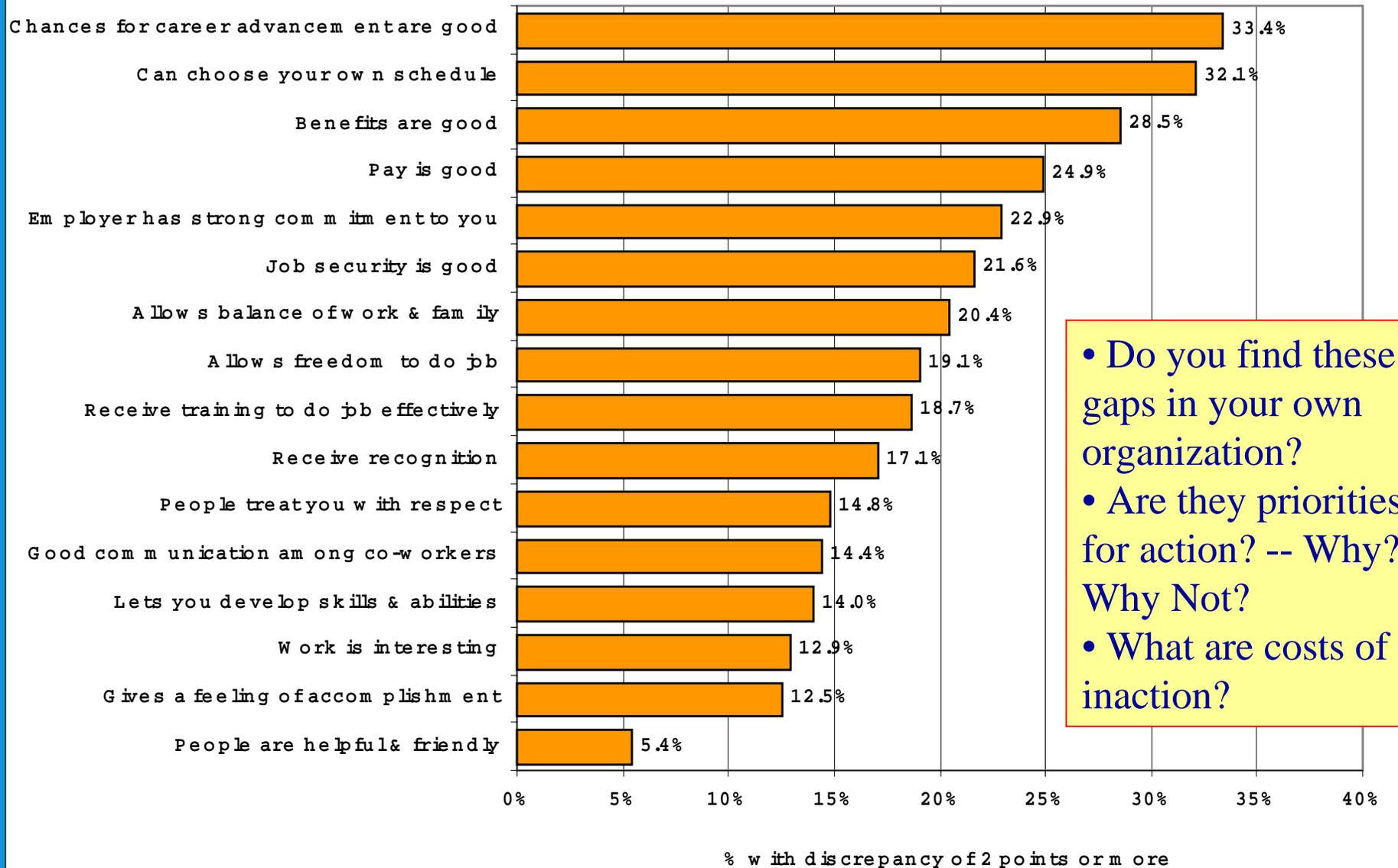
Closing the 'Job Quality Deficit'

- This is the gap between what workers want and what they have
- *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***

See: www.jobquality.ca
CPRN's employment quality indicators website



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

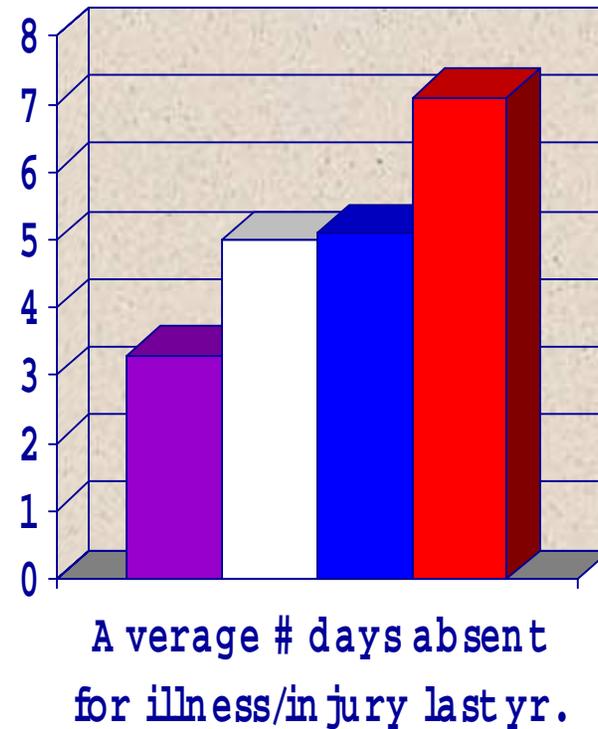
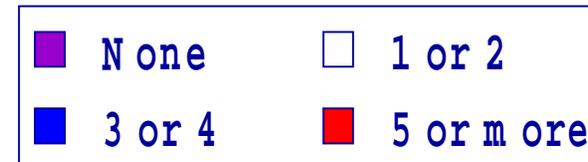
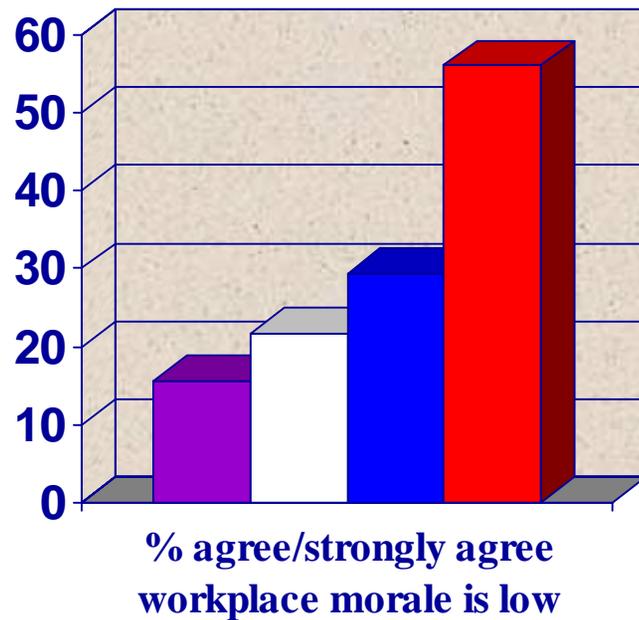
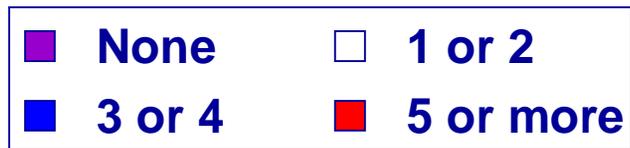


- Do you find these gaps in your own organization?
- Are they priorities for action? -- Why? Why Not?
- What are costs of inaction?



Job Quality Deficits cost employers

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



Closing the job quality deficit is a major HRM challenge

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 Workplace and Employee Survey, StatsCan)**
 - **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 (www.cprn.org)



Work environments and organizational change shape 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 employers organize work and manage workers affects the quality of work life and organizational performance -- and policy goals

4. ENHANCED ORGANIZATIONAL PERFORMANCE: improved productivity through increased skill use, retention, morale, time at work

1. THE WORK ENVIRONMENT:
Provides: adequate resources, training, skilled tasks, reasonable job demands, work-life balance, healthy safe environment, team work, and participation

2. EMPLOYMENT RELATIONSHIPS
High levels of trust, commitment, communication and influence

3. QUALITY OF WORK-LIFE:
more satisfied, skilled and effective employees



Finding solutions: workplace innovation strategies

*The **‘high performance workplace’** model is skill-intensive, flexible, and high-involvement. It addresses what workers’ value in jobs:*

- 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

Which public sector employers have moved in this direction? What can we learn from their experiences?

Research suggests that ‘bundles’ of these factors are linked to quality of work life and productivity, which in turn contributes to HR attraction, development and retention goals.



Old and new government workplace models

Declining



Emerging

THE BUREAUCRATIC WORKPLACE

Implemented in the early 20th-century to eradicate patronage and create a career civil service:

- multi-layered, rigid hierarchical structure
- top-down chain of command
- specialized division of labour, narrow job descriptions
- majority of workers performed routine administrative tasks
- driven by rules and regulations
- training
- vertical career mobility for a minority
- work environment issues not important

THE FLEXIBLE WORKPLACE

International research shows that when 'bundled', these practices can improve performance and the quality of work life:

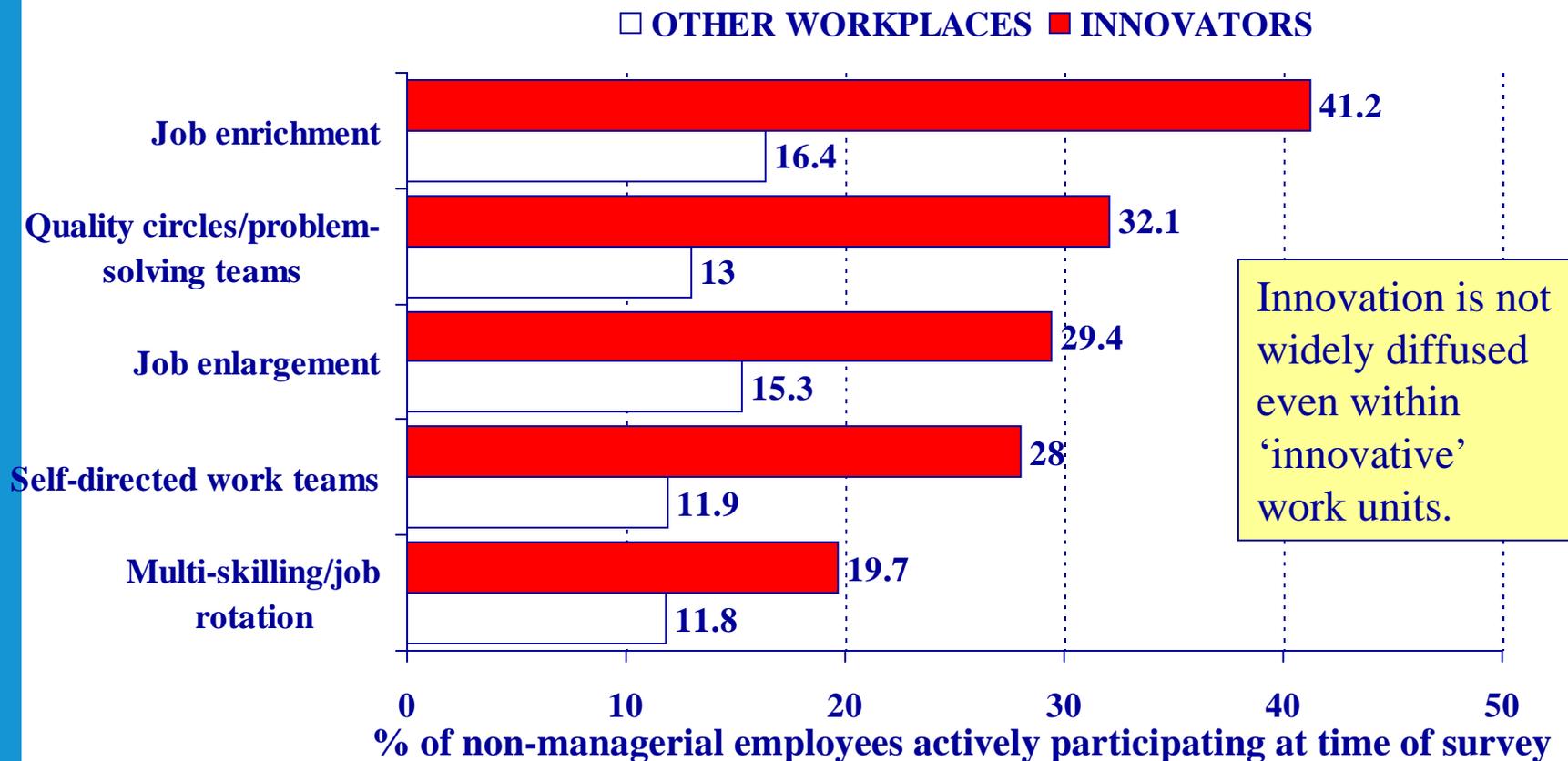
- flatter, more fluid organizational form
- employee participation in decisions, shared information
- extensive team work
- more skilled and knowledge-intensive jobs
- delegated responsibility
- learning
- horizontal and spiral career paths
- healthy, supportive work environment

CPRN's study of 5 governments found that 28% of work units had high levels on at least 3 of: flexible job design, flexible schedules, information sharing, formal employee participation, and training.

Source: G. Lowe, *Employer of Choice: Workplace Innovation in Government*.
CPRN Synthesis Report, 2001 (www.cprn.org).



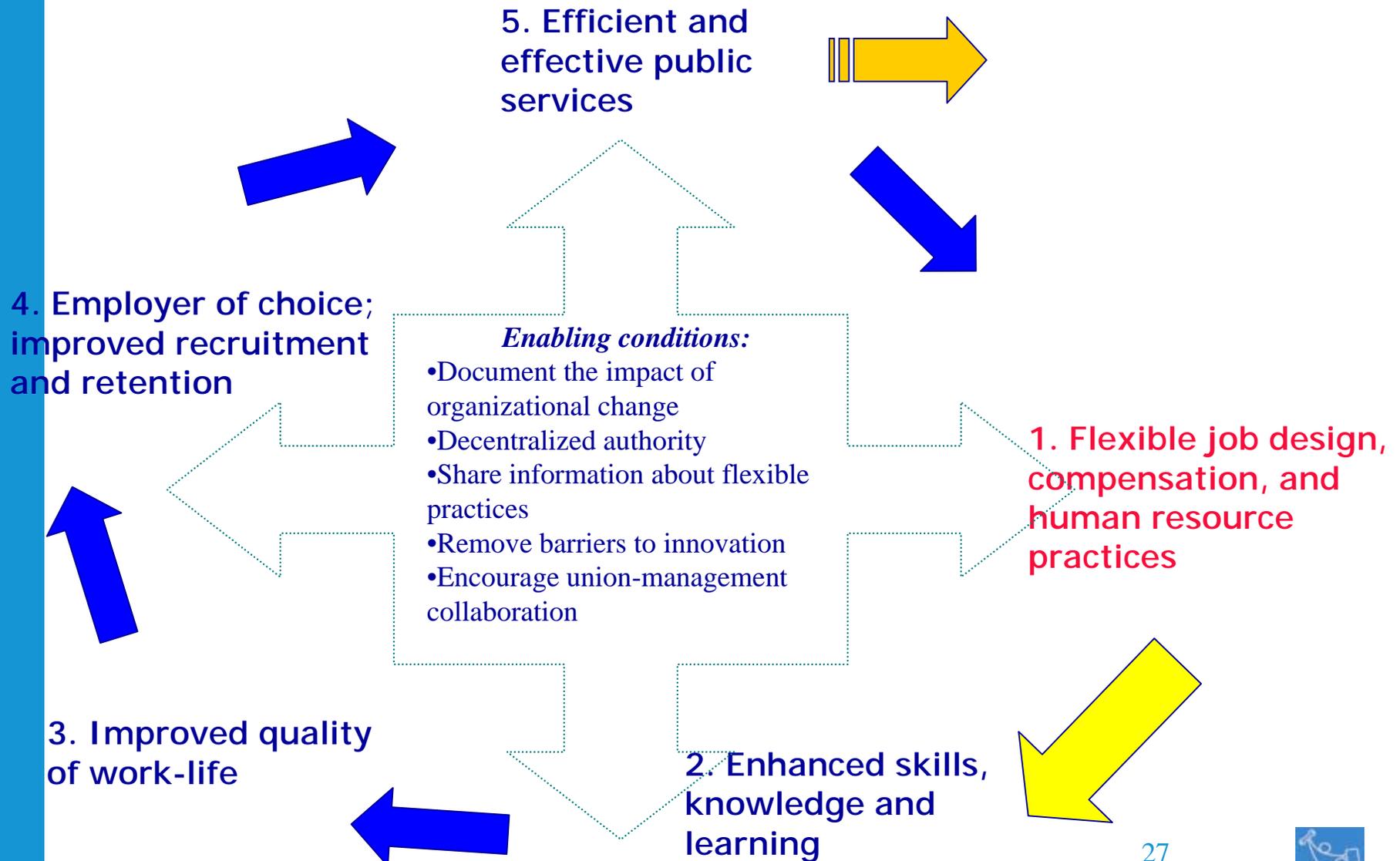
Participation of non-managerial employees in flexible job designs, comparing 'innovative' workplaces with all other workplaces, five governments, 1998



Source: Lowe, *Employer of Choice*, CPRN, 2001.



The virtuous circle of workplace innovation in government



First steps toward improving public sector work environments...

- ✓ Treat quality of worklife (workloads, morale, stress, etc.) as a renewal and effectiveness issue
- ✓ Balance higher skill requirements and responsibilities with employee consultation and empowerment
- ✓ Take an integrated approach to technology, training, job design, staffing, compensation, and other HRM issues
- ✓ Foster cooperative labour-management relations to support innovation



Actions to nurture innovation

- **Support:** existing innovative practices
- **Leadership:** create 'change champions' at all levels
- **Process:** developmental and participative
- **Diffusion:** identify, encourage and reward the use of effective HRM practices



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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