Shaping the future workforce and workplace

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Alberta 2014

WORKFORCE

- Highly educated
- Broad skills
- Committed learners
- Change resilient
- Collaborative
- Diverse

WORKPLACE

- Innovative
- High performance
- High quality jobs
- Flexible
- Inclusive
- Ethical

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Workforce and workplace renewal pressures

1. Demographics
2. Skills and learning
3. Information technology
4. Values
5. Socio-economic environment
6. Sustainability

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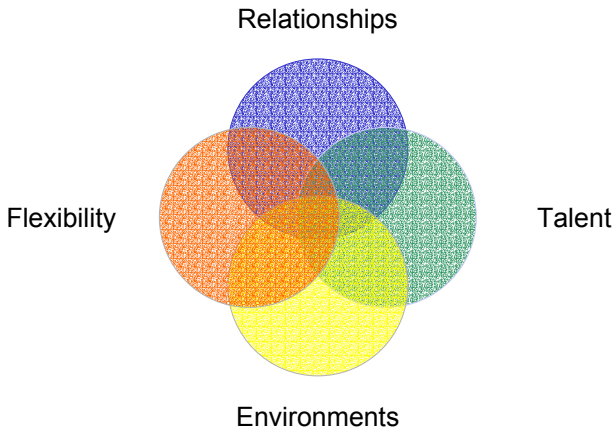
Future work basics



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1. Flexibility

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Demographic trends are future HR challenges

- Average age of the labour force is rising
  - Rose from 36.5 to 38.4 between 1991-2001 in Alberta
  - 11.6% of the Alberta workforce is 55 and older
- Relatively fewer youth entering labour market
  - In Alberta, ratio of 20-34 yr olds to 55 + workers declined from 4.2:1 to 2.8:1 between 1991 and 2001
- Workforce aging already creating labour shortages in health, education, construction trades
- Recent immigrants accounted for 70% of labour force growth in the 1990s – diversity challenges
- New jobs require higher skills and education

Source: Statistics Canada, *The changing profile of Canada's labour force*. 2001 Census: analysis series. February 2003. www.statcan.ca

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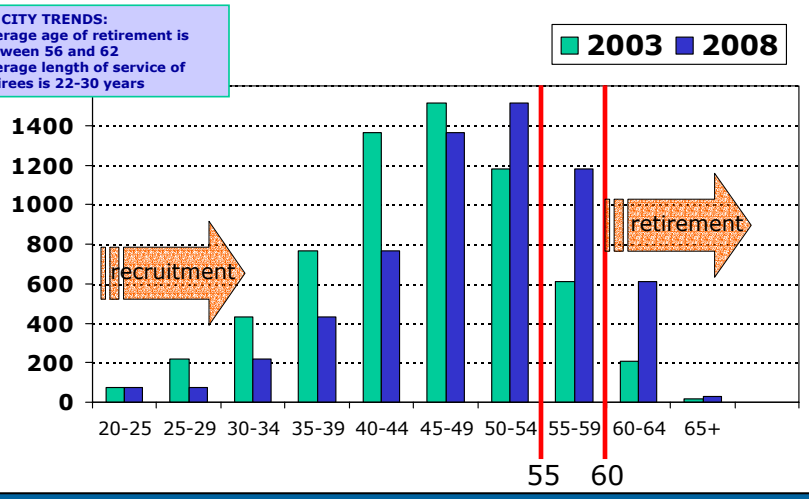
Demographic crunch

Age distribution for City of Edmonton, full-time employees (police excluded), January 2003, projected to 2008

TWO KEY CITY TRENDS:
1. **Average age of retirement is between 56 and 62**
2. **Average length of service of retirees is 22-30 years**



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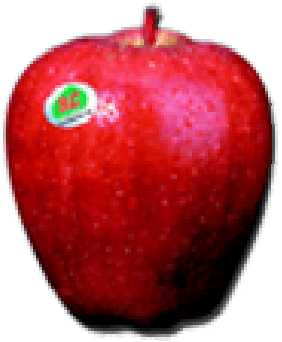
The age – organization mismatch

Age profiles don't fit job structures and career systems

Typical large organization

Typical employee age profile



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"Martin wants debate on retirement age"

December 19, 2003

OTTAWA (CP) - Canadians should not be compelled to retire at age 65 and it's time for a national debate on the benefits of allowing older workers to stay on the job, Prime Minister Paul Martin said.

"I don't believe in mandatory retirement," Martin said, during an interview that will be broadcast Saturday.

"I think that people should really be allowed to work as long as they want to work, and as long as they can make a contribution."

Martin turned 65 this year and is just beginning the job of his lifetime.

Source: cnews.canoe.ca

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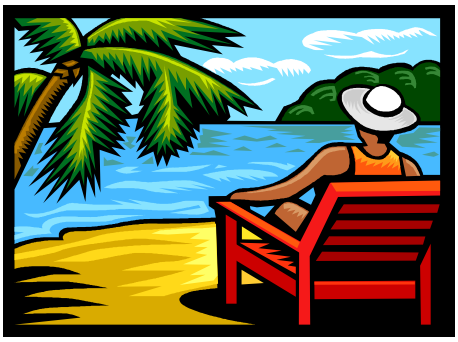
Rethinking retirement

- Baby-boomers are reinventing retirement
- Average retirement age rose in 2003 (62)
- Employers and policy-makers need to be proactive



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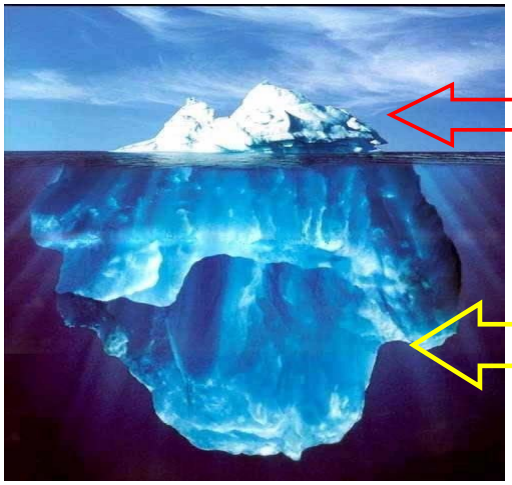
Older worker re-employment

Family, spouse, finances, location, health, skills and education, gender, age, ethnicity, AND…



Retirement planning and decisions

WORK ENVIRONMENT & CAREER EXPERIENCES

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An aging workforce requires innovative people practices

- Workforce aging is not just a "retirement" or "succession" issue
- Innovative approaches to human resource management:
  - Flexible retirement policies
  - Non-traditional recruitment (middle-aged; related fields)
  - More team work – horizontal and vertical
  - Selective knowledge transfer
  - Life-long learning to fast-track prepare younger workers
- You need a comprehensive HR strategy that addresses culture, careers, learning, job structures, management and leadership

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2. Talent

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Tapping underutilized talent

- Alberta's employment rate is very high
  - 70% of adults are employed (63% Canada, 49% Nfld)
  - Some room to increase among youth and 60+
- Better utilize immigrants
  - Foreign credential recognition
- Growing Aboriginal population
  - 86,000 off-reserve Aboriginal people, 66% employment rate
- Make fuller use of underemployed workers
  - Involuntary part-timers, contingent workers
  - Trainable unemployed

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You can't hire your way out of labour and skill shortages

- Too costly
- Too time consuming
- Too short-term focused
- HR already overloaded
- A better solution: *creatively develop and use existing talent*

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Knowledge and innovation

- "Knowledge is the main source of competitive advantage, and it is people who embody, create, develop and apply it." *Achieving Excellence: Investing in People, Knowledge and Opportunity. Canada's Innovation Strategy*. Industry Canada 2002 [www.innovationstrategy.gc.ca]

- **THE BIG QUESTION**: what kind of workplace does this require?

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Leverage existing talent

- You must maximize the use of all existing talent
  - Surveys find that 25% of workers report their education, skills and experience are not used in their job
- Human resource practices and work organization must enable the continuous *use and development* of skills?
  - Learning is central to a human resource-intensive business strategy

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Talent drives performance

"The fundamental premise of high performance management systems is that organizations perform at a higher level when they are able to tap the ideas, skill, and effort of all their people."

Jeffrey Pfeffer, *The Human Equation: Building Profits by Putting People First*. HBS Press, 1998. p. 90

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3. Relationships

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Relationships are the building blocks of a satisfying and productive workplace

- Four dimensions of employment relationships define a 'good job':
  1. trust
  2. commitment
  3. communication
  4. influence
- Strengthened by a healthy and supportive work environment
- Weakened by downsizing, restructuring

See: G. Lowe and G. Schellenberg, *What's A Good Job? The Importance of Employment Relationship,* Canadian Policy Research Networks, 2001.

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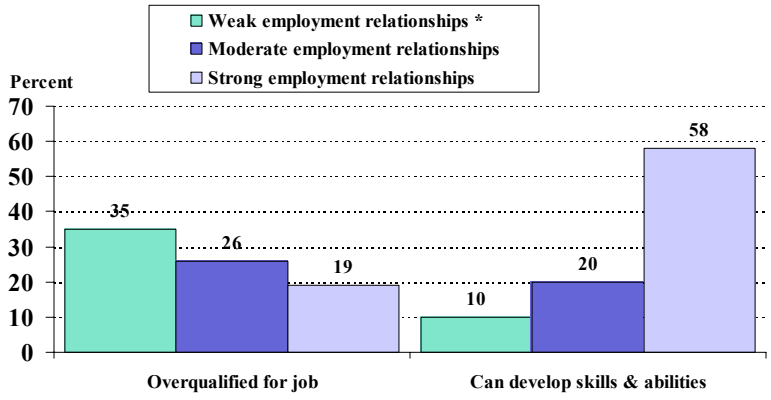
Employment relationships nurture talent



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

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Trust, learning and performance

- Workplace learning is a key feature of High Performance Work Systems
  - high mutual trust and high commitment
  - make better use of all workers' intelligence, skills and creativity
  - engage all employees in seeking ways to improve performance
- "Employees have to feel secure enough to experiment and try new behaviours and learn from mistakes."
- Trust is a precondition for feeling secure

Source: D. Ashton and J. Sung, *Supporting Workplace Learning for High Performance Work*. Geneva: International Labour Organization, 2002.

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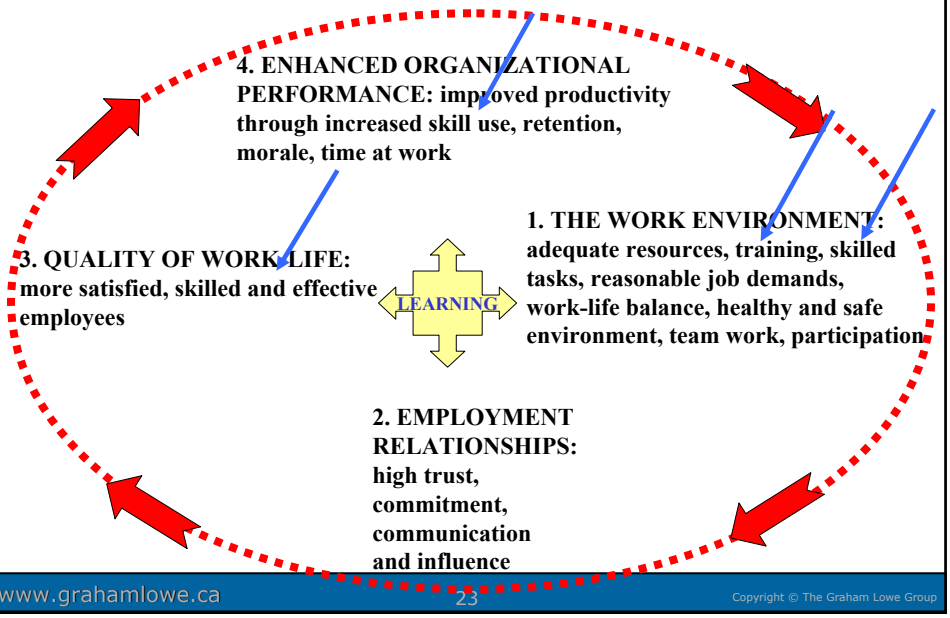
A virtuous circle



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4. Environments

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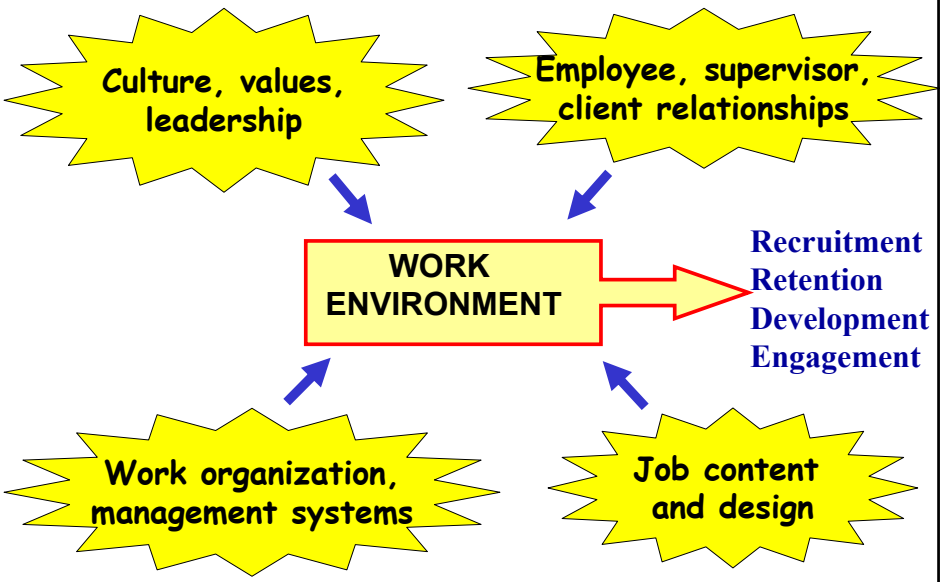

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Aligning individual and organizational values

- Canadians highly value jobs that provide:
  - Respect
  - Interesting work
  - Good communication
  - Sense of accomplishment
  - Work-family balance
  - Develop skills and abilities
- Gender differences greater than age differences
- Not meeting these needs affects renewal goals

See: G. Lowe and G. Schellenberg, "Employees' value proposition," *Canadian HR Reporter*, July 2001. K. Hughes, G. Lowe and G. Schellenberg, *Men's and Women's Quality of Work in the New Canadian Economy*, Canadian Policy Research Networks, 2003.

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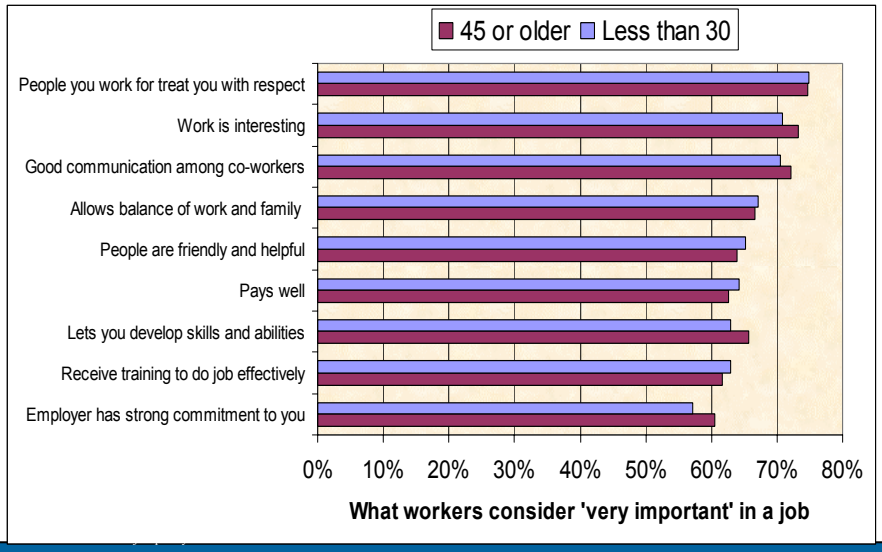
What younger and older workers consider 'very important' in a job: Convergence



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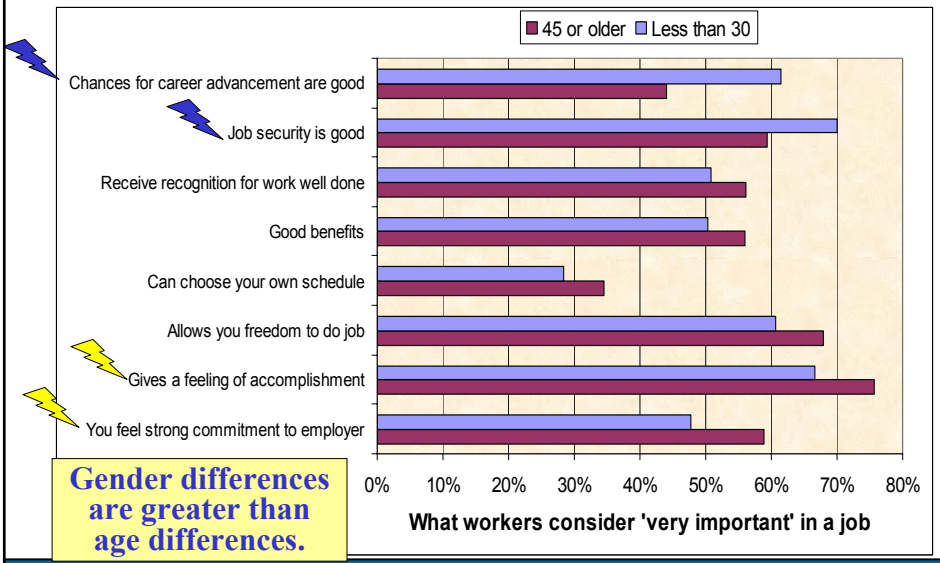
What younger and older workers consider 'very important' in a job: Divergence



Gender differences are greater than age differences.

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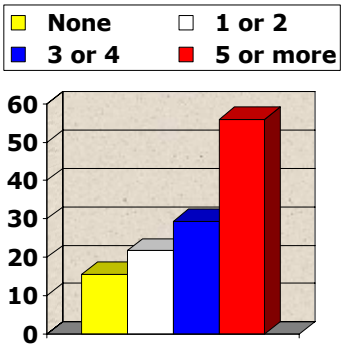
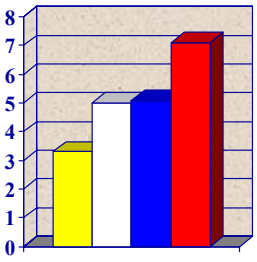
Job Quality Deficits = gap between actual and desired job characteristics.
•***Biggest gaps***: career advancement, choice over schedules, benefits and pay, employer commitment, job security, work-life balance, job autonomy, training

Costs of not meeting expectations

# 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.

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Treating people as assets

Here's how high-quality work environments help people deliver excellent results:

Workplace quality:
-Supportive, healthy work environment
-Resources
-Work rewards
-Job content and design
-Supervision and communication

People capacity:
-Recruitment
-Retention
-Learning and development
-Adaptability

Results:
-Innovation
-Performance
-Quality

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Action

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Principles for leading renewal in your organization

1. Combine workforce *and* workplace renewal
2. Think comprehensive and long-term change
3. Link renewal to strategic goals
4. Put organization's values into action
5. No 'one best way'
6. Use your own language
7. Involve employees in the process

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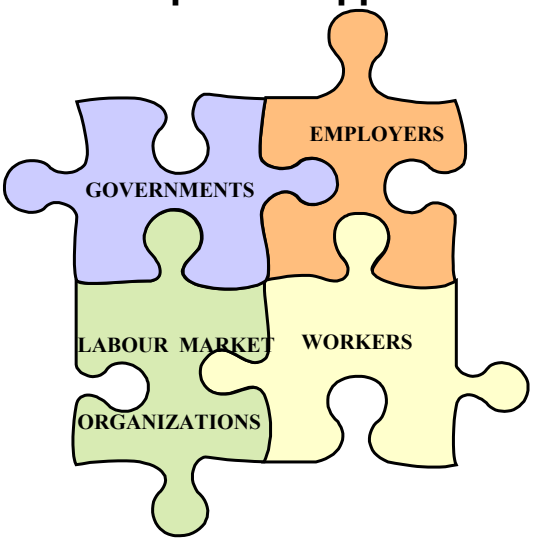
A multi-partner approach to workforce renewal



Examples:

- Canada: Sector Councils
- Alberta: Northern Alberta Development Council
- UK: Investors in People
- Europe: European Employment Strategy

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Shared responsibilities for workforce renewal

Strategy	**Employers**	**Public policy**	**Partnerships**
Tap underutilized labour	✓	✓	✓
Rethink retirement	✓	✓	
Leverage existing talent	✓		✓

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Getting on 'The List'

- National and regional awards, 'lists', and standards can promote public policy goals
- Examples:
  - UK's *Investors in People* www.iipuk.co.uk
  - European Union's *Best in Europe* www.eu100best.org

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Ideas to guide action

- What is your vision of a quality workplace that supports high skills and high performance?

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