

# Better Work

The path to good jobs is through employers

By Tom Zizys October 2014

# Hourglass labour market

- ▶ Growing number of jobs at the two ends of the labour market:
  - Higher-skilled knowledge sector jobs
  - Lower-skilled entry-level jobs
- ▶ Need to support more access from entry-level jobs to middle-skilled jobs
- ▶ Need to increase share of middle-skilled jobs

## **Enough with supply side – need to focus on demand side**

- ▶ Numerous dysfunctions of labour market, especially affecting youth and newcomers
- ▶ Canadians + Ontarians have answered the call for greater educational attainment
- ▶ We also have highest proportion of post-secondary degree holders working at or below a poverty wage
- ▶ Need to promote more demand-led strategies for better jobs and careers

# Skills shortage?

- ▶ Several studies question whether there is a skills shortage, except for a few locations and a few specific occupations
- ▶ Employers complain about lack of soft skills and fit in their workplace
- ▶ Precisely the kinds of skills acquired in the workplace
- ▶ Employers need to support transition into a job and advancement within that job

# Prescription: focus on employers

- ▶ Grooming individuals for a job
- ▶ Supporting access to next rung of the career ladder
- ▶ Employers need to invest more in training

## THE QUESTION:

Is there a business case for employers investing in their workforce?



# The labour market



## LATE 60s/EARLY 70s: STAGFLATION

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### TECHNOLOGICAL TRANSFORMATION

- Automation
  - Information technology
  - Communications
  - Transportation
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### POLITICAL ATTITUDES

- Expansion of government caused reaction
  - Economic difficulties generated anxieties
  - Rise of charismatic Right: Reagan, Thatcher
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### THE “GREAT DOUBLING”

- In 1990s, add workforce of Soviet Bloc, India and China to world labour pool
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### GLOBALIZATION

- Post-war recovery
  - Japan
  - Emerging low-cost countries
  - Eventually: global supply chains
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### BUSINESS PUSH-BACK

- Reaction to regulatory state
  - Promoted lower costs – lower taxes
  - Active pursuit of reduced government role
- 

### FINANCIALIZATION

- Reduced barriers to international flow of money
  - Shareholder value
-

# The labour market

“perfect storm”



**LATE 60s/EARLY 70s: STAGFLATION**

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## BUSINESS PUSH-BACK

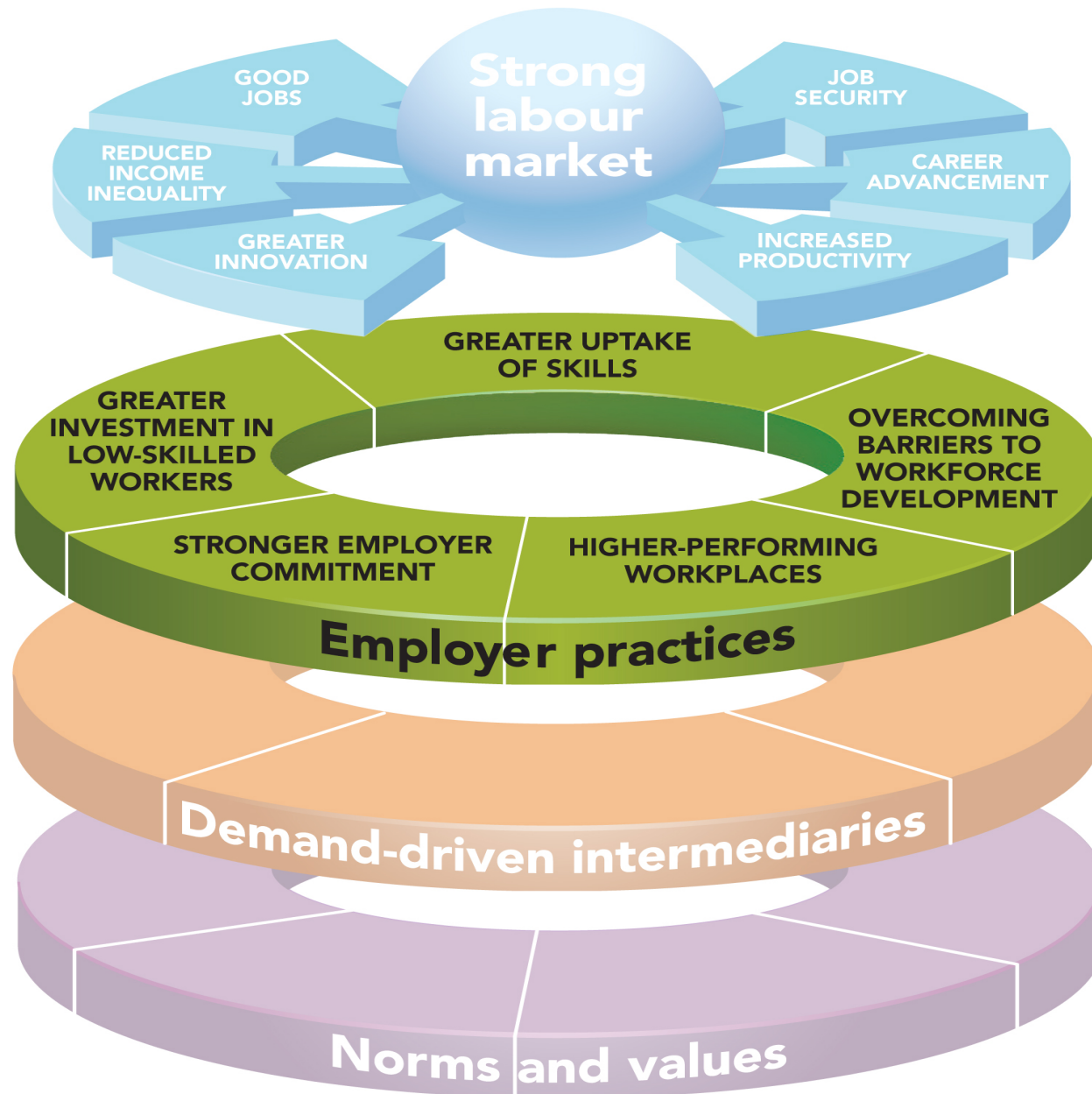
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## FINANCIALIZATION

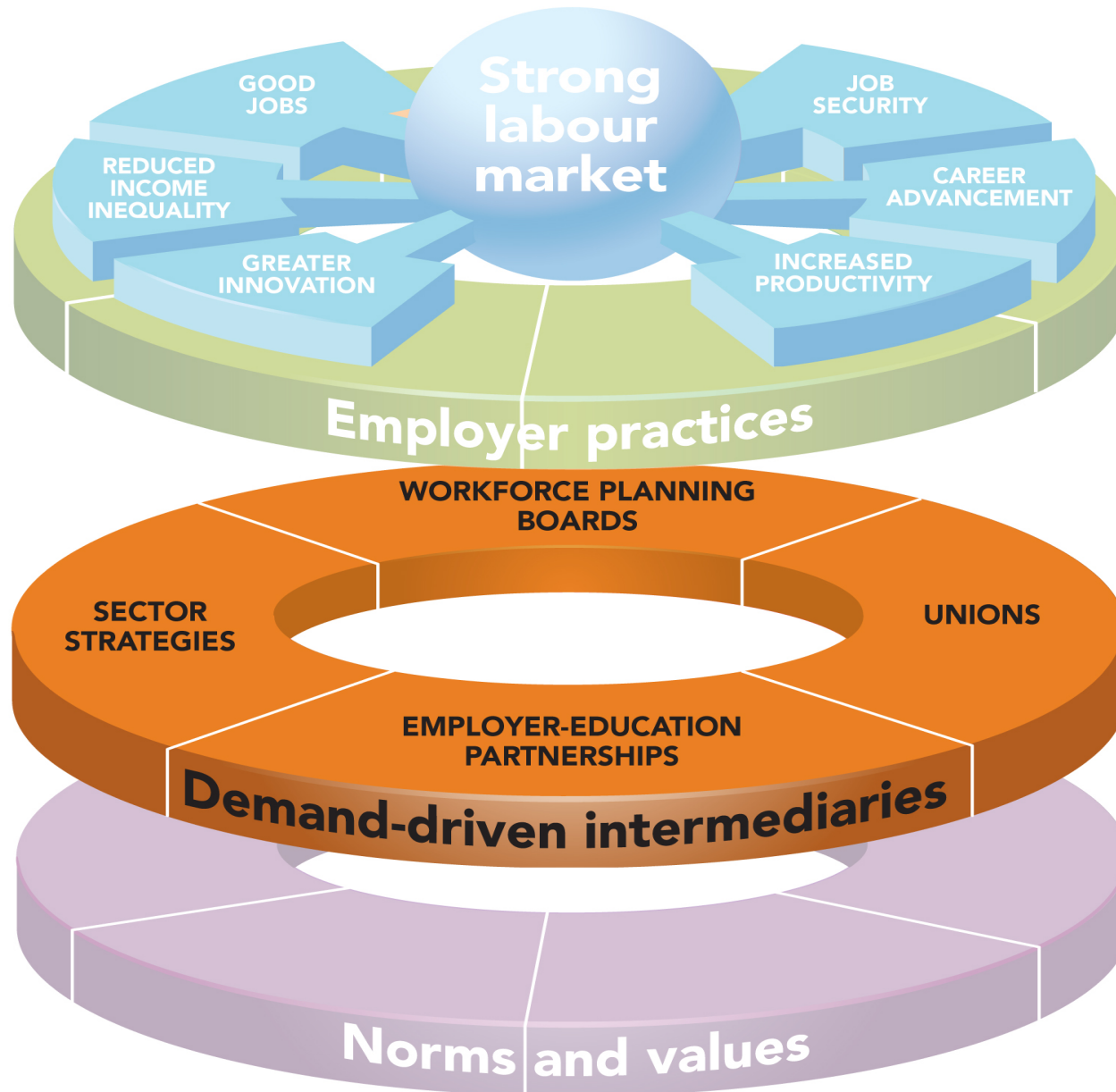
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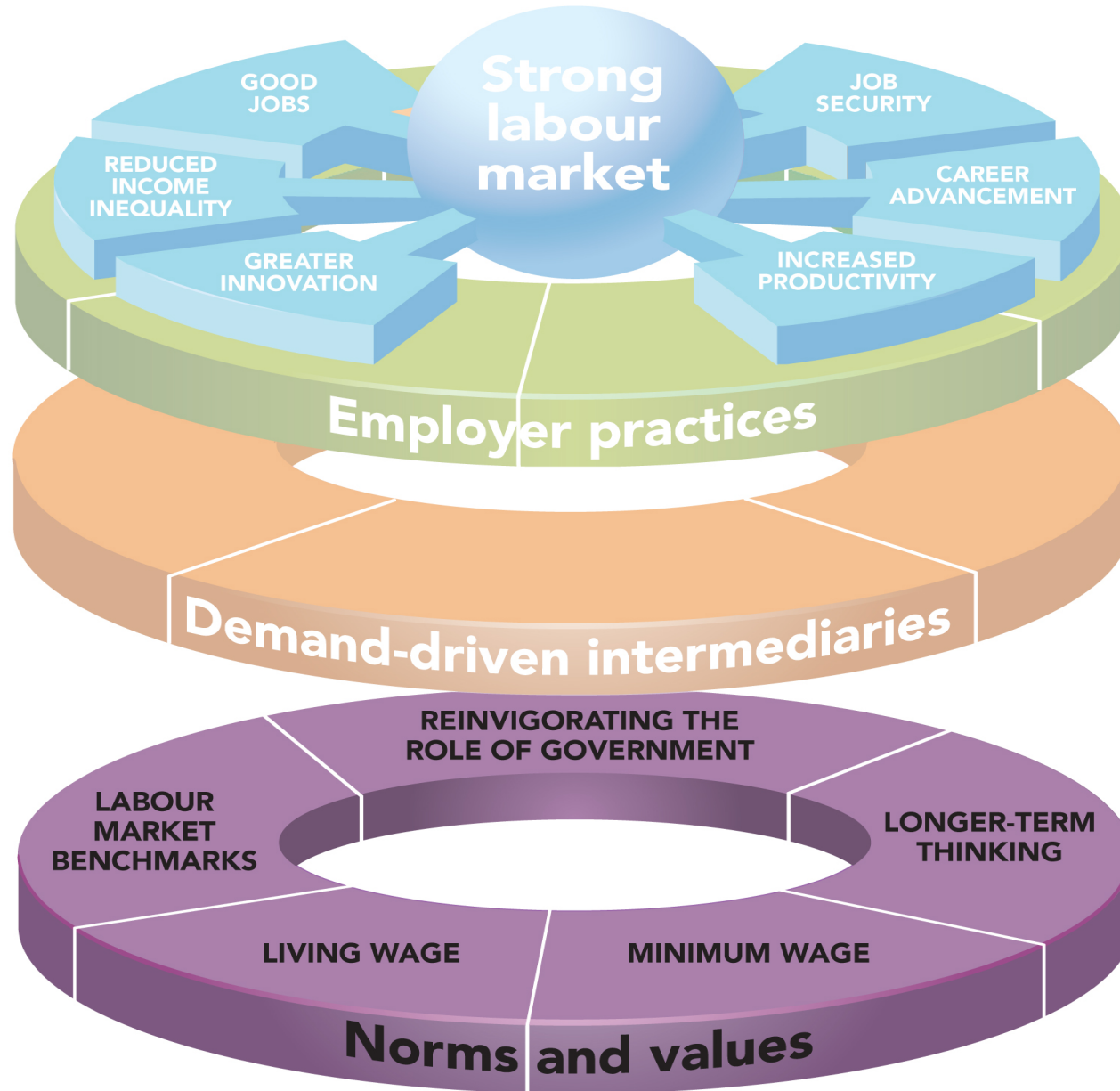
# Recommendations: Employer practices



# Recommendations: Intermediaries



# Recommendations: Norms and values



# The fundamental tension

- ▶ Collective realm versus private action
- ▶ Politics versus the marketplace
- ▶ Left to its own, the marketplace will always expand
- ▶ “Cannot interfere with the free market” is the start, not the end, of the debate
- ▶ The purpose of society is to articulate the values that will trump market decisions