



THEMATIC INSIGHTS REPORT

State of Skills: Quality of Work

Quality of Work

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KEY INSIGHT #1

When individuals receive training and opportunities to develop their skills, they tend to find greater satisfaction and meaning in their work. Likewise, companies do a better job at attracting and keeping talented employees when they offer opportunities for training and skills development.

KEY INSIGHT #2

To improve the quality of work for front-line employees across industries and sectors, more efforts are needed to build the soft skills of supervisors and managers.

KEY INSIGHT #3

Remote work has contributed to improvements in quality of work, but the benefit is disproportionately with higher-income knowledge workers.

KEY INSIGHT #4

Sustainable gains in work quality can only be achieved by addressing workplace discrimination.

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The Issue

As Canada navigates continuing labour shortages in critical areas of the economy, policymakers and employers are looking for more effective approaches to recruit and retain workers. Improving quality of work, through better wages and benefits, social environments, security, safety, and inclusion, alongside skills and professional development is one part of a larger strategy to address these labour shortages.

The elements of quality of work that were important before the pandemic like wages, benefits, and stability remain critical, but new elements have emerged with varied impacts across groups of workers in Canada. Trends that we saw accelerate since the pandemic include:

- The rapid adoption of new technologies to support the shift toward remote and hybrid work.
- The increasing availability of jobs in the gig economy and the growing number of people engaging in gig work.
- Rapidly evolving health and safety standards, especially impactful on healthcare and other front-line and essential workers.
- Growing attention to equity, diversity and inclusion (EDI) strategies to reduce barriers for equity-deserving groups.

The pandemic also brought with it a collective reflection on how quality of work impacts overall well-being and quality of life. Many workers are seeking a better balance between work and home life, with more emphasis on flexibility to accommodate personal care, interests and responsibilities.

These new elements must be understood and integrated into our broader conceptualization of job quality and feed into solutions on how to improve upon it.

What We're Investigating

The Future Skills Centre's Quality of Work series explores the different dimensions of job quality and examines how these factors relate with present-day challenges in the labour market, particularly those that have arisen due to the pandemic. In 2021, we issued a Call for Proposals to invite research teams to explore a variety of dimensions related to the quality of work experienced in Canada. The projects were intended to respond to strategic questions, including:

- What are the trends around quality of work in Canada, and how has the pandemic influenced discussion around job quality?
- Where are the pain points in the economy and amongst various population groups as they relate to low or deteriorating quality of work? How much has this impacted labour shortages in certain industries and sectors?
- What are the research and policy issues that need to be considered regarding quality of work in Canada?

We developed partnerships with 19 research teams to explore different dimensions of quality of work from April 2022 to November 2023. This State of Skills brief highlights trends across these projects, in terms of what they investigated, what was learned and why it matters.

The Quality of Work series started with a critical review of what is already known about work quality – and how other entities, such as the International Labour Organization and Statistics Canada – have understood quality of work. Importantly, the literature review proposed how we might advance a more nuanced understanding of quality of work in Canada, and how skills development is necessary but not sufficient to improving quality of work more broadly. This overview was complimented by a survey of over 5,000 Canadians on the future of work in Canada, building our understanding of key needs and expectations among workers emerging as a result of the experience of working through the pandemic.

Diving deeper, several projects focused on remote and hybrid work arrangements. The projects sought to increase understanding of the emerging advantages, concerns and implications of the shift to hybrid and remote work and the impact on experiences of quality work. Collecting feedback from both workers and employers, these projects covered topics such as surveillance and monitoring, digital technologies, right-to-disconnect policies and skill development to support hybrid and remote work.

Several projects explore the role of work benefits, including changes to their availability in response to labour shortages, and how they have evolved to reflect the growing need for mental health support. A case study of the positive impacts of the Canada Emergency Relief Benefit on uptake of training and skills development opportunities offers a different but important perspective on publicly-funded benefits.

The research portfolio also includes local exploration of quality of work issues, including place-based studies on local dynamics. In the Grand Erie region in Ontario, employees and employers were surveyed to understand their quality of work priorities in hopes of informing workforce development action plans to resolve local labour and skills shortages. In Nova Scotia, a survey of employees sought to understand the factors that influence job work in traditional, hybrid and virtual work setups, and how employers in the province can enhance the work experience for these groups.

Finally, a group of projects sought to understand the pandemic experiences of work quality of particular groups, including gig workers, people with autism, people living with disabilities, young workers and newcomers. These projects surveyed and interviewed workers about their current and past experiences, and collectively highlighted the importance of inclusion in our understanding of quality of work.

What We're Learning

No universal definition for good quality of work.

While comprehensive indicators and measurement frameworks exist that lay out the essential domains of quality of work, there is no consensus on a quality of work definition – many terms are used interchangeably with significant overlap in how they are defined and understood. There is also no consensus on what constitutes good quality of work. Beyond the basics of a decent wage and health benefits, what is shown across the projects supported by our work, is that different aspects of quality of work matter more or less to particular groups and individuals in a given context and time. People with care responsibilities tend to value flexibility and remote or hybrid work options. Many young people prioritize being treated fairly and respected. The characteristics of gig work can feel like good quality for some, while being poor quality for others. Many of the projects in this series highlighted the need for employers to engage employees to better understand what good quality of work means to them, to ensure strategies to improve quality of work are aligned with what is valued by their workforce.

Benefits are increasingly offered and diverse.

Employers are increasingly including a range of non-wage benefits in job ads. Compared to before the pandemic, employers have become more likely to offer and advertise:

- Job flexibility, including flexible working hours and flexibility in physical hours worked
- Working from home
- Paid time off, sick leave, and maternity/paternity leave
- Health, dental, and vision insurance

- Life and/or disability insurance
- Fringe benefits like free lunches, gym membership and discount programs.

Making work meaningful with training and skills development.

As part of the package of benefits that come with employment, workers increasingly want and expect learning opportunities to progress their careers. This desire for learning can be seen in 40% of all survey respondents who received Canada Emergency Relief Benefit pursuing some type of training or education opportunities while receiving the benefit. Some employers are responding to this desire – more are offering training and skills development opportunities. 20.5% of Canadian job ads from 2017-2019 offered things like education assistance, on-the-job training and professional development opportunities. By 2022, the share of job postings advertising such opportunities rose to 28.3%. Other projects identified strategies for employers to increase meaningful work through offering training and skills development for new and current employees, including cross-training initiatives, mentorship programs and leadership cultivation.

Training for supervisors and managers.

There was emphasis across several projects in our Quality of Work series on the need for additional training and skills development for managers and supervisors as keys to mediating quality of work, regardless of the industry or sector. When supervisors and managers are skilled, they foster trust and job satisfaction on their teams, improving retention. The focus of the feedback from the many workers surveyed and interviewed across the Quality of Work series was on the need for improved soft skills for managers and supervisors, as a lack of these skills in this group may prompt high turnover rates. This is especially true in cases where supervisors and managers are described as the main perpetrators of discrimination and harassment, something highlighted by a number of workers surveyed and interviewed across this series. Employers seeking to improve quality of work for those on the front-lines of their service offerings should consider making investments in the managers and supervisors of those front-line employees.

Mental health, mental health, mental health.

“The increasing levels of stress people feel in the working environment and the growing impact on mental health means that employers, who may have seen mental health as a personal consideration in the past, are now being called to see the mental health of their employees as an organizational-level issue and key to any strategy to improve recruitment and retention.”

– *The Changing Nature of Quality of Work: The Employee Perspective*

Many of the projects in this series explored how quality of work impacts mental health, and the need for more employers to consider mental health impacts in how work is actually carried out. While formal offerings like health benefits and employee assistance programs are increasingly being offered, many employers have not updated these offerings to accommodate the growing need for diverse support services, especially those that fall outside of modern western medicine. A growing number of employers are aware of the growing need for mental health support, and in response are making changes to how work is done to support better work-life balance, including increasing schedule flexibility, vacation and time off, work from home policies and broader employee wellness programs.

Remote workers are happier workers.

With remote work here to stay, several of the projects in this series explored the impact of remote and hybrid work on quality of work. Across projects, remote work was correlated with higher job satisfaction and a more trusting relationship with employers compared to hybrid and on-site workers. Remote workers experienced tangible benefits including reduced commuting time and costs, less stress, improved overall well-being and improved safety. It is not surprising then that the majority of remote workers surveyed across this series indicated that they would prefer to work remotely all or most of the time. However, tension exists between the expectation and preference for remote work, especially among knowledge workers, and their employers who cite concerns about workplace culture, productivity, and team collaboration. Across projects, too few employers consulted their employees about their future work arrangements, leaving many workers feeling unsatisfied with plans for hybrid and in-office work in the future. A lack of consultation with employees was also evident in the development of organisational policies to manage a remote workforce, including in workplace surveillance and the right to disconnect. A large proportion of remote workers reported experiencing some type of surveillance from employers, yet only a third reported being provided information about the surveillance policy.

The projects in this series also sought to make clear who was benefiting from remote work most — well-educated, middle-aged knowledge workers with high household incomes. These workers have traditionally enjoyed good quality of work compared to others, and the move to remote work has benefitted this group disproportionately, potentially widening the existing quality of work gap between these workers and others.

Equity, diversity and inclusion to improve quality of work.

Many employers are looking to recruit and retain newcomers, women, racialized groups, people living with disabilities and other groups who have been historically marginalised in the labour market, as the solution to labour shortages. However, these groups face complex, longstanding challenges to good quality of work across sectors, industries and regions. The projects in this series highlighted the persistent challenges these groups face, despite employer efforts to attract and retain these groups in greater numbers. The projects catalogued ongoing concerns with low wage and lack of benefits, unpredictable schedules and incomes, especially for many of those who feel forced into the gig economy, including young people, racialized workers and people living with disabilities. Despite a growing proportion of employers promoting equity, diversity and inclusion initiatives in their job ads, many of the individuals interviewed and surveyed across the projects in this series described experiencing discrimination in the workplace. Groups experiencing discrimination were more likely to report quitting or disengaging from jobs.

Unsurprisingly, for many individuals in these groups, definitions of good quality of work emphasised being treated fairly and feeling respected.

Why It Matters

In 2022, the number of job vacancies in Canada averaged two and a half times the average observed in 2016. But research suggests it may not be just a shortage of people, at least not yet. Since 2016, the number of unemployed Canadians with a bachelor's degree or higher has exceeded the number of vacant positions requiring such an education. Since 2021, the more acute shortages have only been observed for job vacancies requiring a high school diploma or less – 58.1% of job vacancies – and in specific sectors, such as healthcare.

Based on FSC-funded research, employers are increasingly including skill, education and experience requirements, especially basic digital skills and core skills, like teamwork, in jobs ads for positions at the bottom of the wage distribution. While the average offered hourly wages for jobs that require a high school diploma or less grew by 5.0% in comparison to a year ago to \$20.05, this remains below the living wage rate for many parts of the country.

Across the skills ecosystem, there is a lot of emphasis on skills training for individuals or groups to get them ready for jobs, but quality of work itself is also an important part of any strategy to attract and retain workers to these, and other in-demand roles. If employers want to be competitive for talent – regardless of their industry – they should look at how to improve quality of work as a strategy to expand their talent pool and retain people. If they do not, they risk getting left behind, resulting in lags in productivity.

“The founders and CEOs of companies with a good-jobs system have a mental model different from that of most others, in that they believe value is created by being the best at delivering for customers. They can’t do that without strong operational execution, and they can’t execute well without investing in people and keeping turnover low. This is so obvious to them that they don’t understand why anyone would tolerate bad jobs, the resulting high turnover, customers’ frustration, botched inventory, and so on. [...] Bad jobs create bad workers.”

– *The Obstacles to Creating Good Jobs*

Existing quality of work frameworks can be helpful for employers to visualise the levers they can pull to improve quality of work for their current and future employees. However, while there are ideas with broad application, individual employers have to assess what is available to them and what would be most valued by their workforce, or the employees they hope to attract. Employers should pay particular attention to emergent issues, especially wage increases to manage cost of living, benefits that include mental health supports, authentic efforts to increase equity, diversity and inclusion, and the accompanying policy infrastructure to support remote and hybrid work, including surveillance and right-to-disconnect policies.

In larger companies and organizations, enhancing work quality often hinges on a question of will and determination. However, the feasibility of implementing such suggestions and strategies may pose unique challenges for many small and medium sized enterprises (SMEs). While SMEs aspire to ensure high quality of work, they often encounter significant challenges stemming from their limited capacity to increase wages, offer training and other non-wage benefits. Given the importance of SMEs to the Canadian economy, these questions are a call to action for innovative solutions.

Canada is still only about half way through its expected retirements, with labour force participation expected to fall to levels not seen since the 1970s by 2030. To address the current and expected labour shortages, Canada must increase the pool of workers, train those workers with the right skills and ensure workplaces provide good quality of work to attract and retain the workers they so desperately need.

What’s Next

The Future Skills Centre will continue to generate insights and mobilize knowledge about quality of work across all of its areas of focus. More specifically, it will continue to work with its partners across the skills and training ecosystem to deepen efforts to make workplaces more inclusive, to support small and medium enterprises and bridge the key gaps in policy and practice related to job quality issues in the Canadian context.

HOW TO CITE THIS REPORT

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Projects in this Report

Quality of Work of Canada's Contingent Workforce

Improving the quality of work in Canada: Prioritizing mental health with diverse and inclusive benefits

Shaping the Future of Work in Canada: Beyond the COVID-19 Pandemic

Understanding CERB's Impact: More than just an income support program?

The right to disconnect in Canada's post-pandemic context

Assessing the Impact of Hybrid Work Models on Work Quality

Technology Impacts on Quality of Work in Canada

Work Quality Experience and Engagement among Young Workers

Monitoring Remote Work in Canada: Support or Surveillance

Workplace Innovation for Quality of Work: Research Synthesis and Recommendations on Adaptation for Canadian Contexts

Examining Quality of Work in Grand Erie: An Assessment of Needs, Gaps and Opportunities

Disabled Gig Workers in Canada: Exploring their Experiences and Identifying Interventions to Improve their Safety and Well-being

Quality of Work Factors for Autistic Youth in the Digital Economy

Did the pandemic and current labour shortages change the quality of jobs?

Skills and Strategies for Quality Hybrid Work in Canada

The Future Skills Centre acknowledges that the Anishinaabe, Mississaugas and Haudenosaunee share a special relationship to the 'Dish With One Spoon Territory,' where our office is located, bound to share and protect the land. As a pan-Canadian initiative, FSC operates on the traditional territory of many Indigenous nations across Turtle Island, the name given to the North American continent by some Indigenous peoples. We are grateful for the opportunity to work in this territory and commit ourselves to learning about our shared history and doing our part towards reconciliation.

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