Workforce Development and Employment Relations

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Chris Leggett

Adjunct Professor in the School of Business at James Cook University

Abstract

New technologies and new forms of work organisation have prompted the adoption by corporate, national, regional and international policy makers and influencers of a broader concept of skills formation than that evoked by 'vocational education and training'. The scope of 'workforce development', framed by human capital theory, is wider than technical expertise, and takes in the social skills, traits and attributes desired by employers, implemented by human resource managers, and propagated by national governments, and that is high on the agenda of regional and international employer, labour and trade union councils. With examples from each of these levels, and with reference to the debates on the nature of skill, this keynote address reviews and assesses the effect on and the implications for employment relations of skills formation conceptualised as workforce development.

The rhetoric of workforce development

The concept of and the term 'workforce development' derive from the changes in national economies in the 1980s, when the rhetoric of national politicians switched: 'from promises of full employment to full employability.... a shift from demand side policies to promote employment to supply-side policies which emphasized individuals' education and skills' (Brown et al., 2001: ix). Theoretical labour became theoretical human capital, and in pragmatic Singapore for the 21st century, 'manpower'. The prospect for the 'lucky country', Australia, was of becoming the 'clever country'.

The impetus for workforce development is global competition. In this year's annual ranking of the competitiveness of nations by the World Economic Forum (WEF), Switzerland was ranked 1st, Singapore 2nd, Sweden 3rd, Finland 4th, the USA 5th, Germany 6th, the Netherlands 7th, Denmark 8th, Japan 9th, and the UK 10th. Australia was ranked 20th. It had been ranked 16th in 2010 (World Economic Forum, 2011).

'Workforce development' evokes a wider meaning than training and development, itself displaced by human resource development (HRD), a meaning associated with a lexicon of terms. For example, that found on the 'Learning and Development' web page of the Chartered Institute of Personnel Development (CIPD) is a virtual lingua franca. It lists 'human resource and employee development, workplace learning, the learning and development function, the learning organization and culture, learning theory and learning styles, learning interventions, lifelong learning, apprenticeships and career management', and, elsewhere on the page, 'talent management' and 'e-learning'. 'Training', it would appear has given way to 'learning'.

What do we know about learning? Conventional HRM textbooks often include a section on the principles of learning in their chapter on HRD, usually informed by the organisation behaviour literature. Chapter 16 of Thomson and McHugh's critical text, *Work Organisations*, is titled 'Learning, Change and Innovation' and begins with a prescient conclusion from Alvin Toffler. We need to 'learn how to learn'. It reads:

> Given further acceleration, we can conclude that knowledge will grow increasingly perishable. Today's 'fact' becomes tomorrow's 'misinformation'. This is no argument against learning facts or data – far from it. But a society in which the individual constantly changes his job, his place of residence, his social ties and so forth, places an enormous premium on learning efficiency. (Toffler, 1970: 374).

Thomson and McHugh refer to the psychological literature on learning, based variously on behaviourist, cognitive and social learning theory and show how the social learning theory combines elements of the behaviourist and the cognitive to enable the learner to 'see what to do', a process of socialisation in which the appropriate behaviours of organizational roles are adopted.. Through the transfer of learning and modes of feedback, training programs are designed to enable skills acquisition. In the present era, skills are required to be regularly updated and staff development has given way to individual continuous improvement. Analogous to individual growth − from Argyris's infant passivity to mature responsibility (Argyris, 1967) − is the idea of the 'learning organisation', a reification, but, as Thomson and McHugh put it:

> Organisations need to develop institutional structures embodied in organisational routines through which experience can be gathered and accumulated. Such organisational memory can be manifested informally through culture or formally

through official records, minutes of meetings and so on. (Thomson and McHugh, 2002: 247).

In our research on the Hyundai Motor Company, my co-researchers and I identified 'the strategies that enabled Hyundai to learn from its initial failures in overseas production. Our analysis suggested 'that organizational resilience, that is the ability to rebound from initial failure, is a further important aspect in the process of organizational learning' (Wright et al., 2009: 163).

Most models of learning fail to acknowledge change as a social activity, within a complex mixture of identities and interests. There is a tension between self-directed and imposed change such that what is called personal growth is often a disguised imposition, and there is the problem that constant change programs may lead to change fatigue.

Corporate workforce development

Workforce development and the more specific skills development are promoted and practiced at different levels. Let us take a corporate example first, albeit from an organisation that is in the public sector and in the public domain − the Queensland Fitness, Sport & Recreation Skills Alliance (2011).

The Alliance defines workforce development as how an industry or organisation attracts and retains workers and provides them with learning and skilling opportunities. It includes the knowledge and skills of workers, their organisation, government policy and funding, legislation, industry regulation, and best practice. According to this definition, workforce development takes place on four levels. The bottom level is the individual that includes knowledge, skills, motivation and attitude. Above it is the team level, and this involves worker cohesion. Above the team is the organisation level, which equates with the HRM functions of recruitment and selection, performance management, employment benefits, knowledge management. The top is the system level, by which is meant education, funding, partnerships between key groups, opportunities for collaborative problem-solving, and workforce development support mechanisms. The definition concludes by noting that workforce development is more than education and training, and that it embraces mentoring programs, industry workshops, and on-the-job training programs. The Alliance's definition is an HRM-informed one and as such implicitly normative, comprehensively structured and stratified.

As I have noted earlier, workforce development is conceptually wider than technical expertise, and takes in the social skills, traits and attributes desired by employers, implemented by human resource managers, and often propagated by national governments. By way of example, I refer to a recent study that investigated the Toyota Production System (TPS) at Toyota Motor Thailand (TMT).. It observes that:

> [the] lack of clarity in the conceptualisation of 'skill' in HRM practice plays a key role in labour control at TMT. The concept of 'skill' has come to include broader 'attributes' of personality, particularly the 'right' attitudes, and this facilitates management control of labour, since workers with the 'wrong' attitudes can be defined as unskilled and performance managed accordingly. Toyota specifically includes what could be called 'competencies of compliance', and in what it calls the 'Toyota Way'. Its performance management system defines such characteristics as competencies necessary for the advancement of the firm (Weerasombat, 2011: 1).

The inflation of the concept of skill to take in attributes such as motivation and attitude is criticised by theorists such as Payne (2009) for denying skill as a management problem in the labour process. But others (Arkani and Clarke, 2002) contend that a physical notion of skill denies its social nature, that it is constructed through work, education and institutional regulation'. The socialisation of behaviours, attitudes and values at work is empirically observable, whether its purpose is to increase labour productivity, exercise management control or both.

National workforce development

In his essay 'Skill formation in the twenty-first century', Phillip Brown begins:

> It is widely argued that global economic competitiveness rests on the knowledge and skills of the workforce. Such ideas have led developed nations to find ways of upgrading the skills of the many rather than limiting the opportunity for high skilled work to an elite of executives, managers and professionals. (Brown, 2001: 1).

In more recently developed nations such as Singapore skills upgrading became central to public policy. Singapore's Ministry of Manpower on the occasion of its launch of a blueprint for the future of Singapore's labour force announced:

> In the face of new global and internal challenges, the development of our manpower capabilities will be increasingly important. The ability of our workforce to create,

absorb, process and apply knowledge in order to maintain and generate new value will be a primary source of our competitive advantage. The *Manpower 21* blueprint is therefore a significant contribution to the country's efforts to achieve continued economic growth for the well being of Singaporeans. (Ministry of Manpower, 1999, unpaginated).

Pace Jane Austen, it is a truth universally acknowledged, that a country bent on economic growth, must be in want of a developed workforce. But how do we identify, analyse and assess a nation's workforce development? Workforce development and skills are difficult to measure.

A forthcoming comparative study of workforce development in Asia focuses on how managers, technical staff, and blue collar workers are trained and developed. It offers analyses by levels of education and by vocational qualifications attained – higher education, further education, para-professional, technical, apprentice, semi-skilled and largely unskilled. Analyses are also by sector, by enterprise and by enterprise type, by gender and by residential status, and by duration – short term, long term and lifelong. Distinctions are made between general, firm-specific and occupation-specific skills, and between private and publicly funded training. Employer strategies – internal or external labour market sourcing, production or investment orientation, planned and unplanned development – are relevant criteria. How the state, trade unions and employers' associations regulate workforce development is a critical line of inquiry. Finally, the impact of workforce development on the economy, on the society, and on work systems may be assessed. (Benson and Zhu, forthcoming 2012).

National governments' exhortation of desirable worker attitudes and the provision and development of institutions for skill formulation predate the rhetoric occasioned by the turn of a century. In Singapore, for example, the 'First Industrial Revolution', initiated in the 1960s, by the People's Action Party (PAP) government was resourced by cheap, low skilled but disciplined labour. The strategically induced shift of Singapore to a high-technology, high value-added economy, heralded as a 'Second Industrial Revolution', in the late 1970s was accompanied by a tripartite emphases on assessable workforce skills acquisition and the inculcation of right attitudes. Beginning in the 1990s and continuing into the 21st century, as we have seen, there has been a government-led push towards 'a knowledge-driven economy of high skills and innovative talent.

Behind the rhetoric Singapore has long operated a Skills Development Fund (SDF) and has a well established Workforce Development Agency, (WDA) with among its function the organisation of the development of Singaporean professionals, managers and executives (PMEs). These, along with a network of tripartite organizations sustain the momentum of workforce development. Most recently Singapore unveiled a master plan for continuing education and training (CET) that promises productivity for employers and employability for Singaporean workers. The latest development was the ground-breaking in October for the building of the NTUC's Devan Nair Institute for Employment and Employability (e2i) that has been appointed to manage CET (National Trades Union Congress, 2011).

Australia's workforce development agenda 'Workforce Futures – a national Workforce Development Strategy for Australia' was presented by Skills Australia to the government in 2010. It notes that 'Australia faces a number of pressing workforce threats and opportunities' and distinguishes global challenges, such as new technology, from national challenges, such as demographic change. Its emphasis is on raising productivity by increasing skills and avoiding skills shortages.

Workforce Futures sets six objectives that constitute a social program as well as identify labour market aspirations. They are:

(1) Sustain economic growth and raise productivity by increasing skills and avoiding future skills shortages.

(2) Lift the workforce participation rate to 69 per cent by 2025 to provide the required workforce and improve social inclusion.

(3) Lift the unacceptably low level of adult language, literacy and numeracy to enable effective educational, labour market and social participation.

(4) Increase productivity, employee engagement and job satisfaction by making better use of skills in the workplace.

(5) Position the tertiary education sector to ensure it has the resourcing and workforce capacity to deliver skills for the new economy.

(6) Lead a new partnership approach to workforce development at government, industry and enterprise level.

For each of these objectives Workforce Futures lists a series of actions for their achievement and some indicators for determining their success.

Among the objectives of Workforce Futures is the resourcing of training provision. In its submission to the Productivity Commission the Australian Council of Trade Unions (ACTU) was specific about the vocation and education training (VET) workforce, the workforce development of workforce developers if you will. In addition to its calls for a workforce development strategy for VET and a high level of VET teaching, the ATUC called for a review of VET casual employment, recognition of continued collective bargaining between VET employees' unions and providers, and for the negotiation of professional career paths.

Inevitably in Australia's federal political structure there are tensions between the states' and the Commonwealth's management and funding of workforce development, including of VET. A Queensland government report in August put the case for up to $150 million of Commonwealth incentive payments to be directed to its Strategic Investment Fund for Workforce Development and argued for similar changes across the country. The report acknowledged concerns about the quality of provision in some areas of VET, including a neglect of the training needs of new entrants to the labour market (*The Australian*, 9 August 2011).

Different countries will have different workforce development infrastructures. A regional, Asia-Pacific, comparison between Japan, Singapore, Korea and Hong Kong reveals both similarities – the high standards of education, for example – and differences – the, modes of government regulation, for example.

In all four countries the high value placed on education standards is well institutionalised, but in Singapore and Japan there are classes of worker that are excluded. In Japan it is 'non-regular workers', i.e. the casual and temporarily employed, in Singapore foreign workers. Although it has been mooted that foreign workers in Singapore could have access to training for a workforce skills qualification (WSQ), a growing undertone of resentment by Singaporeans towards foreign workers is inhibiting the adoption of less exclusive policies. This official ambivalence was recently revealed in a recent speech by the secretary general of the NTUC in Singapore's parliament. He said that the labour movement had always maintained that foreign workers are not the enemy of the Singapore labour movement, because foreign workers were in Singapore to perform a useful role, a supporting role. On skills upgrading, he asked if Singapore were not better off with one skilled foreign worker instead of two unskilled ones as this would reduce the social cost of foreign workers in Singapore but still take advantage of their contribution to the Singapore economy. He pointed out that the labour movement, i.e., the NTUC, had been advocating more protection for

Singaporean professionals, managers and executives (PMEs), but this did mean that it was advocating a no foreign PME policy (National Trades Union Congress, 2011).

Other differences in workforce development infrastructures reflect their histories; for example, the industry training boards in Hong Kong are modelled on past British practice, but there does appear to be a convergence on the state as the strategist for national workforce development and skills formulation. Brown et al (2001:3) acknowledge national policy makers' responses to the challenge of globalization and their aspirations to transition their societies to high skills ones, but they write 'this is understood in different ways that reflect the historical, cultural, social, political and economic conditions in each country.

In 2011, the UK's Chartered Institute of Personnel and Development in collaboration with the USA's Society for Human Resource Management (SHRM) surveyed 'Learning and Talent Development' in the UK, India and the USA on the premise that 'learning and talent development is practiced worldwide but there are subtle and sometimes significant differences in practice between different nations' (Chartered Institute of Personnel and Development, 2011). Among the differences and similarities the survey results found the following:

> In all three countries in-house development programs are viewed as most effective by practitioners.
>
> US specialists are more likely [than UK and Indian specialists] to spend their time designing and implementing the delivery of technology-enabled training/e-learning.
>
> Talent management activities are particularly popular in India.
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> Innovation as a leadership skill gap is notably low in perceived importance, in spite of it being critical in mature economies such as the UK and US, and as important in a strong emergent economy such as India's.
>
> E-learning is prominent in all the surveyed countries but the take-up is higher in the US.
>
> E-learning effectiveness, however, is an issue in all three countries.
>
> Evaluation of learning is more likely to take place in the UK and India than in the US.

International agenda

Workforce development is high on the agenda of regional and international employer, labour and trade union councils. At the international level there is a tripartite consensus on the importance of workforce development, although each party's commitment reflects its sectional interests.

The commitment of the ILO is expressed through the conclusions on skills for improved productivity, employment growth and development adopted by the International Labour Conference in 2008. It set out a strategy for skills development that calls for its integration with national and sectoral development strategies, its use to maximize opportunities and mitigate the negative impact of technology, trade and climate change, and the creation of seamless pathways from basic education through vocational training, employment services and lifelong learning (International Labour Organization, 2011).

The mission of the International Organisation of Employers (IOE) is 'to promote and defend the interests of employers in international fora, particularly in the International Labour Organization (ILO), and to this end it works to ensure that international labour and social policy promotes the viability of enterprises and creates an environment favourable to enterprise development and job creation'. Consequently, its policy on the development of employment skills links them to the needs of enterprises (International Organisation of Employers, 2011).

The International Trade Union Congress (ITUC) has a particular concern with structural change in training and development. It points out that:

> Training and re-training promotes and improves employability. But with fast technological changes, skills and even education are fast becoming obsolete. Many countries have their own skills training and re-training schemes, but these often do not match the needs of the changing industries and the labour market.

and:

> Vocational training and re-training used to be the responsibility of enterprises but due to cost cutting measures, workers, especially young workers entering the job market, are forced to develop their own skills at their own expense or the governments' (International Trade Union Confederation, 2009).

Regional agenda

As we have seen from the CIPD's comparative survey of the UK, India and the USA, national professional associations have taken on international perspectives on workforce development. It is noteworthy that the UK' professional HRM association recently opened a CIPD Asia office in Singapore (Chartered Institute of Personnel and Development, 2011a). The rationale for this venture was explained by CIPD Asia's managing director:

> Through our office here, and drawing on our global professional standards, we aim to support and contribute to the development of the HR profession in Asia. HR is a global profession, and we intend to use our Asia office to support the development and CIPD accreditation of more HR professionals in Singapore and across Asia. By working with local partners to deliver more CIPD qualifications directly here in Asia, we want to

create an HR talent pipeline, in full support of the Singapore Government's clear ambition to establish the city as a talent hub for Asia.

Conclusion

To conclude, workforce development has become an important factor in the pursuit of economic growth and many countries have invested heavily in the provision of skills training. It applies as much to professionals, managers and executives as to technicians, production workers and white collar workers. The appeal to workers is to maintain their employability through lifelong learning; to employers to raise their productivity; to governments to avoid skills shortages.

Some researchers have pointed to a diversity of national approaches to workforce development, diversities that reflects each country's unique characteristics. Perhaps one can explain the diversity in terms of a 'cultural lag' (Ogburn, 1957). There is a near universal requirement for workforce development, certainly among developed nations, but it takes time to make the institutional arrangements to meet the requirement. By the time a new infrastructure is in place, the forces of economic and technological change will have made the current arrangements obsolete. But to take this explanation too far is to surrender to economic and technological determinisms that fail to acknowledge change as a social activity.

Responding to change is a social activity that creates tensions within and between individuals and often compromises the interests of particular groups. There are then implications from workforce development for employment relations, at both the enterprise and national levels. What are these implications and what issues may they raise?

The main issue, I suggest, is worker demoralisation, or *anomie* as Durkheim (1896) called it. First, the demands for lifelong learning and worker flexibility may lead to a loss of identity within the social context of work and result in an atomised workforce. Second, when the established norms of the old dispensation are renegotiated in the new one, there is the potential for new configurations of social injustice, for example exclusion from career and development opportunities. Third, the regulation, deregulation and re-regulation of labour markets compound the demoralising effects of job flexibility. Fourth, unemployment and underemployment are likely to be the unintended consequences of labour market flexibility. Fifth, there is the possibility of workforce polarisation with a plutocracy of occupational talent set against a mass of disposable job itinerants.

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