

Challenge Paper Rethinking Work

Elements of this paper are adapted from previous writing by Ilona Dougherty & Dr. Amelia Clarke - Youth & Innovation Project, University of Waterloo

November 4th 2018

Purpose of this Document

The purpose of this document is to support the rethinking work table participants in being efficiently and effectively involved in the November 14th dialogue. The scope of this document is rethinking work in a North American context with a particular emphasis on the impact changing trends in work are having on young people; those in the early stages of their careers. This document is by no means an exhaustive summary of challenges and potential solutions in the realm of work, it is meant to outline some significant trends and to act as a starting place for discussion.

Key Challenge(s)

The following are key challenges that should be considered when understanding the current context of work in North America:

- **Rapid change:** The world of work is rapidly changing due to technology and automation.
- **Aging population:** With an aging population the number of those who are of working age and economically productive is likely to decrease.
- **Increasing instability:** Precarious work is rising and the work lives of many and in particular young people are becoming increasingly unstable.
- **Increased credentialing:** There has been increased demand for credentialing by employers; young people are spending more time in school than ever before and entering the workforce with higher levels of debt adding to an already unstable dynamic.
- **Lack of gender equity & diversity:** Challenges around gender equity and a lack of diversity continue.
- **Wellbeing:** Rates of depression and anxiety are increasing amongst young people as is a desire by young people to prioritize wellbeing in the context of their work lives.

The Sponsor of this Paper

This paper was written by Ilona Dougherty the Co-creator and Managing Director of the Youth & Innovation Project at the University of Waterloo. Ilona is an Ashoka Fellow and a regular commentator in the Canadian media who supports business, civil society and government understand how to tap into the unique abilities of young people. Her diverse experiences include having been an official Canadian delegate to a United Nations conference at 17 years old, working with young people in communities above the Arctic Circle and at the age of 23 co-founding Apathy is Boring, a Canadian non-partisan social enterprise that educates youth about democracy and encourages them to vote. She has extensive leadership and governance experience having co-founded several

organizations as well as having been appointed to numerous boards of directors and advisory councils. She was raised by socially engaged parents in Prince Albert, Saskatchewan and Whitehorse, Yukon and currently live in Waterloo, Ontario.

Assumptions

- That the current realities faced by young people in Canada and the US should be of particular concern in the context of rethinking work.
- That we are living in an era where rapid change and increasing instability are the norm.
- That an aging population will lead to a decrease in the number of people actively engaged in the workforce.
- That precarious work is mostly negative for employees and leads to instability even when precarious work is a choice.

Background

This is not an exhaustive summary of the issues related to rethinking work, but instead it is intended to highlight key trends that are likely to continue having a major impact on work in the coming years. Most importantly this is intended to be a starting place for a rich discussion:

- 1. Rapid Change:** The last 250 years of human history has been a period of unprecedented progress (Gordon, 2012). Experts suggest that we are no longer in an era where change is linear (Kurzweil, 2001). Instead, they argue, we are in an age where “change begets and accelerates change” (Drayton, n.d., p. 2). Some that the current pace of change has no historical precedent (Schwab, 2016), one expert suggests that technological change in particular may be taking place at “10 million times the speed of natural evolution” (Homer-Dixon, 2001, p. 251). A report by the management consulting firm Accenture suggests that based on current trends, 75% of today’s industry leaders will be out of business by 2027 because they have not kept up with the pace of change (Nunes, Bellin, & Lee, 2016). In the same report 93% of industry leaders interviewed believe that their industry will be significantly disrupted within the next five years (Nunes et al., 2016). Canada’s Mowat Center argues that a failure to modernize has already “eroded the civil service’s ability to meet the needs of Canadians” (Jarvis, Mark, & Jarvis, 2016, p. 1). The organization Partnership for Public Service in the US argues that many systems in government are in fact designed to maintain the status quo (Fox et al., 2011) putting government at a disadvantage when it comes to adapting to change. Civil society also faces similar challenges when it comes to ensuring organizations adapt to change and have the flexibility and agility to respond to increasingly complex social and environmental problems.
- 2. Automation:** Technology, and in particular automation, will most certainly be a major driver of change in years to come. In Canada, a 2016 Brookfield Institute report found that almost 42% of tasks performed by Canadian workers today could be automated using existing technology (Lamb, 2016). In this same report goes on to suggest that wide spread automation is likely to take effect in the next 10 to 20 years (Lamb, 2016). A global study by McKinsey suggests that half of current work activities are likely to be automated between 2035 and 2075 at the

latest, depending on a variety of factors including technical feasibility and economic circumstances (Manyika et al., 2017). Activities once considered unlikely to be automated including those that require detecting emotion and cognitive capabilities are now readily expected to be impacted by automation (Manyika et al., 2017). Experts agree that this shift is unlikely to lead to mass unemployment, only 5% of occupations are predicted to be at risk of being fully automated (Manyika et al., 2017), but it will mean significant changes in how we do our jobs and what companies and industries look like (Lamb, 2016; Manyika et al., 2017). A stark example of this is that a US Department of Labor report outlines that 65% of today's school children, when they graduate, will go on to be employed in occupation that don't currently exist (Wolfe, 2013).

- 3. Aging Population:** For the first time in history Canada now has more seniors over 65 than young people under 15 (Department of Finance Canada, 2016), the reality is similar for countries throughout the western world. An aging population is expected to have several impacts. First, as the proportion of the population who are aging out of the workforce rises, economists argue that we will have trouble maintaining a healthy economy and our current standard of living (Parkinson, Mcfarland, & Mckenna, 2017). The number of working aged Canadians for every senior is predicted to decrease and will be one of the largest decreases among Organisation for Economic Co-operation and Development countries (Department of Finance Canada, 2016). Since a significant part of economic growth is due to how many workers there are, how many hours they work and how effectively they contribute, a decrease in the number those of working aged is expected to have a negative impact on economic growth for decades to come (Department of Finance Canada, 2016), some predict economic growth will be nearly halved (Manyika et al., 2017). Experts agree that finding ways to encourage more people to enter the workforce and remain in it for longer is one way of addressing the coming labour shortage. One positive reality of our aging population is that as we continue to live longer, we are also staying healthier for longer (Bloom, Canning, & Fink, 2011). Some believe that this will take some of the strain off social welfare systems and also allow seniors to contribute to the economy longer, a trend we are already starting to see. Older workers delaying retirement, out of necessity or a desire to keep working, is becoming more and more common. From 2006 to 2016, 93% of the growth in the US labour force was from workers ages 55 and older (Taylor & Pew Research Center, 2014). Adding new workers to the workforce by shifting our views around retirement will be important, however that alone will not be enough to address the coming labour shortage, especially after 2021 when for many Baby Boomers retirement will become inevitable (Department of Finance Canada, 2016). Besides encouraging delays in retirement, increased immigration and automation are also potential solutions, but it is likely that none of these will be enough to make up for the decline in productivity resulting from an aging population (Manyika et al., 2017).
- 4. Precarious work:** Young people today are more likely than any other age group to be holding down multiple jobs, involuntary part-time or contractual work, jobs without benefits or jobs with no security or future (Expert Panel on Youth

Employment, 2017). This has been termed 'precarious work' (Lewchuk et al., 2013). Precarious work has been on the rise since the 1980s (Expert Panel on Youth Employment, 2017; Lewchuk et al., 2013) and began being discussed as experts tried to understand what work would be like for Generation X (Barnard, Cosgrave, & Welsh, 1998), who were born from 1965 to 1980 (Pew Research Center, 2018). The intensity of the situation has only increased since then and it is showing no signs of letting up. In Canada, a higher percentage of Millennials, those born in 1981 until the 1996, (Pew Research Center, 2018) and Generation Z, who were born starting in 1997 until present day, (Pew Research Center, 2018) who are not full-time students work in part-time temporary positions now than did so in 2008 (The Expert Panel on Youth Employment, 2016). For many part-time work is not their first choice. Of those who were working part-time in Canada in 2015, almost half would have preferred to have a full-time job (The Expert Panel on Youth Employment, 2016).

5. **Overqualified:** Young people today are also more likely than in past decades to be overqualified for the work they do (Parliamentary Budget Officer, 2015). In 2014, 48% of Canadian university graduates aged 34 or younger were overqualified (Parliamentary Budget Officer, 2015) with 31.9% not being employed in their field of education at all (Carrick, 2017). For example, 20.4% of bartenders 25 years of age and older have at least a bachelor's degree, if not additional degrees (Glinski, 2015). Some experts suggest that at least one in five young people with a degree in Canada are in jobs that can be considered precarious (Expert Panel on Youth Employment, 2017). Being employed in entry level jobs also has the added risk that these jobs are most likely to be impacted by automation. A recent report suggested that automation is likely to disproportionately impact 15 to 24 year olds (Lamb, 2016), making the road to secure employment even more difficult for young people in the coming decades. Facing this kind of labour market so early in your career has lasting effects, experts call this 'scarring' and it can result in difficulty finding a job in one's field, inability to recover lost wages over the subsequent 10 to 15 years and an erosion of lifetime earnings (Fong, 2012; Glinski, 2015; The Expert Panel on Youth Employment, 2016).
6. **Diversity & inclusion:** Despite a growing commitment to gender equity, a 2018 report by McKinsey outlines that progress on gender diversity at work has stalled (Thomas et al., 2018). "Women are underrepresented at every level, and women of color are the most underrepresented group of all, lagging behind white men, men of color, and white women" (Thomas et al., 2018, p. 2). Factors that contribute to a lack of diversity in the workplace include a lack of managerial support, a lack of access to senior leaders, as well as everyday discrimination – sexism and racism and sexual harassment and the experience of being a token or an 'only' (Thomas et al., 2018). When it comes to young people starting off in the world of work, experts suggest that in the US that "even poor kids who do everything right don't do much better than rich kids who do everything wrong (Unicef Canada, 2016, p. 15). In the Canadian context, young unemployment rates are 20.5% higher for visible minority youth and 28.9% higher for indigenous youth, while they hover around 12 or 13% for young people as a whole

suggesting that the road is a much tougher one for some segments of the young population (The Broadbent Institute, 2014).

- 7. Wellbeing:** Another headwind that young people face, which may be as a result of living in this context of instability is the increasing rates of depression, stress and anxiety (Schrobsdorff, 2016; The Human Environments Analysis Laboratory, 2016), with close to one in five Canadian young people reporting having a mental health issue (Vuchnich & Chai, 2013) and Canadian young people reporting low life satisfaction despite being a country with high average life satisfaction ratings reported by adults (Unicef Canada, 2016). Similarly in the US there has been a decline in the self-rated emotional health of first and second year university students (Eagan et al., 2016). This trend may be closely related to the increasing desire by young people for work / life balance and prioritizing meaningful work over salary (Hillhouse, 2012).

Critical Questions

These key challenges lead to the following questions:

- How might employees adapt to rapid change? How do we support employee's wellbeing in the context of rapid change?
- What do organizations, companies and governments need to do become flexible and agile in a context of rapid change?
- How might we need to rethink how we value and leverage the capacities of both young workers and older workers in the context of an aging population? How might we need to rethink retirement? How might we need to reimagine the beginning of young people's careers?
- What does precarious work and increasing instability mean for employers and employees? How might we need to rethink workforce development, labour policy, unions as a result?
- How might we meaningfully move the needle to ensure that diversity becomes a reality rather than just an ideal?
- How might work / life balance look in years to come? How can we reduce levels of stress and resulting mental health issues?

One Possible Way Forward

Below is a short summary of the Youth & Innovation Project's work. Every solution presented at the November 14th dialogue – rethinking work table will need a champion to carry it forward. This is a solution Ilona proposes to carry forward:

In an era where problems are more difficult to solve, experts agree that in order to adapt and thrive, we can no longer rely on a few leaders to find and implement solutions; we all need to become resilient problem solvers (Drayton, n.d.; Homer-Dixon, 2001; Ontario Public Service, 2016; Stauch & Cornelisse, 2016). An aging population necessitates that we pay particular attention to tapping into and valuing the unique abilities of young people. We can no longer afford to let misunderstandings between generations get in our way. But at a time when society needs their talents now more than ever before, young people, 15 to 25 years old, are often left on the sidelines, unfounded stereotypes leaving their abilities undervalued and their voices unheard. The Youth & Innovation

Project, a research project housed at the University of Waterloo was founded on the premise that meaningfully engaging young people in society and the economy is no longer 'just a nice thing to do' or of benefit only to young people; rather it is a social and economic imperative. The Youth & Innovation Project works to ensure young people, 15 to 25 years old, are meaningfully engaged in finding and implementing solutions to social, environmental and economic problems, and are valued for the contributions they make. They provide businesses, civil society and government with the strategic and policy insight they need to support intergenerational collaboration. The Youth & Innovation Project's research suggests that "when young people with bold ideas are given access to decision-makers and work collaboratively in an intergenerational context it can be a means of effectively addressing complex social and environmental problems" (Dougherty & Clarke, 2017), meaningfully engaging young employees may make organizations more innovative and more able to thrive in an era of rapid change (Dougherty & Clarke, 2017).

References

- Barnard, R., Cosgrave, D., & Welsh, J. (1998). *Chips and pop: Decoding the nexus generation*. (J. Weaver, Ed.). Toronto, Canada: Malcolm Lester Books.
- Bloom, D. E., Canning, D., & Fink, G. (2011). *Implications of population aging for economic growth* (NBER Working Paper Series No. 16705). Cambridge, USA. Retrieved from <http://www.nber.org/papers/w16705>
- Carrick, R. (2017, May 4). "I can't even get a job waitressing": Gen Y on its work woes. *The Globe and Mail*, p. 9. Toronto, Canada. Retrieved from <https://beta.theglobeandmail.com/globe-investor/personal-finance/genymoney/geny-millennial-employment-jobs-canada/article34867183/?ref=http://www.theglobeandmail.com&cmpid=rss1&click=dlvr.it>
- Department of Finance Canada. (2016). *Update of long-term economic and fiscal projections*. Ottawa, Canada. Retrieved from <http://fin.gc.ca/pub/ltefp-peblt/pdf/ltefp-peblt-eng.pdf>
- Dougherty, I., & Clarke, A. (2017). Wired for innovation: Valuing the unique innovation abilities of emerging adults. *Emerging Adulthood*. <http://doi.org/10.1177/2167696817739393>
- Drayton, B. (n.d.). *Growing Up: The new paradigm and the Jujitsu of introducing a new mindset*. Retrieved from [https://www.ashoka.org/files/Growing Up Article FINAL%5B4%5D.pdf](https://www.ashoka.org/files/Growing%20Up%20Article%20FINAL%5B4%5D.pdf)
- Eagan, K., Stolzenberg, E. B., Ramirez, J. J., Aragon, M. C., Suchard, M. R., & Rios-Aguilar, C. (2016). *The American freshman: Fifty-year trends 1966–2015*. Los Angeles, USA. Retrieved from <https://www.heri.ucla.edu/monographs/50YearTrendsMonograph2016.pdf>
- Expert Panel on Youth Employment. (2017). *13 ways to modernize youth employment in Canada: Strategies for a new world of work*. Ottawa, Canada. Retrieved from <https://www.canada.ca/en/employment-social-development/corporate/youth-expert-panel/report-modern-strategies-youth-employment.html>
- Fong, F. (2012). *The plight of young workers*. Retrieved from http://ywccanada.ca/data/research_docs/00000251.pdf
- Fox, T., Germana, A., Howes, L., Johnston, B., Pauls, E., Shane, L., ... Hoeber, H. (2011). *Innovation in Government*. New York, New York. Retrieved from <https://ourpublicservice.org/publications/viewcontentdetails.php?id=98>
- Gliniski, N. (2015, February 23). Four ways millennials are still scarred from the recession. *Financial Post*. Toronto, ON. Retrieved from <http://business.financialpost.com/2015/02/23/four-ways-millennials-are-still-scarred-from-the-recession/>
- Gordon, R. J. (2012). *Is U.S. economic growth over? Faltering innovation confronts the six headwinds* (NBER working paper series No. 18315). *NBER working paper series*. Cambridge, USA. Retrieved from <http://www.nber.org/papers/w18315.pdf>
- Hillhouse, A. (2012). Consumer insights: MTV's 'no collar workers.' Retrieved March 5, 2015, from <http://blog.viacom.com/2012/10/consumer-insights-mtvs-no-collar-workers/>
- Homer-Dixon, T. (2001). *The Ingenuity gap*. Toronto, Canada: Vintage Canada.
- Jarvis, B. M., Mark, D., & Jarvis, M. D. (2016). *Creating a Canadian civil service against a backdrop of disruptive change*. Toronto, Canada. Retrieved from https://mowatcentre.ca/wp-content/uploads/publications/122_creating_a_high-performing_canadian_civil_service.pdf
- Kurzweil, R. (2001). The Law of Accelerating Returns. Retrieved September 16, 2018, from <http://www.kurzweilai.net/the-law-of-accelerating-returns>
- Lamb, C. (2016). *The talented Mr. robot: The impact of automation on Canada's workforce*. Toronto, Canada. Retrieved from <http://brookfieldinstitute.ca/wp-content/uploads/2016/06/TalentedMrRobot.pdf>
- Lewchuk, W., Lafleche, M., Dyson, D., Goldring, L., Meisner, A., Procyk, S., ... Vrankulj, S. (2013). *It's more than poverty: Employment precarity and household well-being*. Retrieved from

- <http://www.unitedwaytyr.com/document.doc?id=91>
- Manyika, J., Chui, M., Miremadi, M., Bughin, J., George, K., Willmott, P., & Dewhurst, M. (2017). *A future that works: Automation, employment, and productivity*. McKinsey global institute. Retrieved from <http://www.mckinsey.com/global-themes/digital-disruption/harnessing-automation-for-a-future-that-works>
- Nunes, B. P. F., Bellin, J., & Lee, I. (2016). *Thriving on disruption: How to become fearless in the face of devastating innovation*. Retrieved from https://www.accenture.com/t20160928T224908__w__/_us-en/_acnmedia/PDF-32/Accenture-Thriving-Disruption-POV.pdf
- Ontario Public Service. (2016). *21st century competencies*. Retrieved from http://www.edugains.ca/resources21CL/About21stCentury/21CL_21stCenturyCompetencies.pdf
- Parkinson, D., Mcfarland, J., & McKenna, B. (2017, January 5). Boom, bust and economic headaches. *The Globe and Mail*. Toronto, ON. Retrieved from <http://www.theglobeandmail.com/globe-investor/retirement/the-boomer-shift-how-canadas-economy-is-headed-for-majorchange/article27159892/>
- Parliamentary Budget Officer. (2015). *Labour market assessment 2015*. Ottawa, Canada. Retrieved from http://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2015/Labour_2015/Labour_Market_Assessment_2015_EN.pdf
- Pew Research Center. (2018). The generations defined. Retrieved September 12, 2018, from http://www.pewresearch.org/fact-tank/2018/04/03/millennials-approach-baby-boomers-as-largest-generation-in-u-s-electorate/ft_18-03-19_generationsdefined2016_postmillennial_silentgreatest/
- Schrobsdorff, S. (2016, November). There's a startling increase in major depression among teens in the U.S. *Time Magazine*, 4. Retrieved from <http://time.com/4572593/increase-depression-teens-teenage-mental-health/>
- Schwab, K. (2016). The Fourth Industrial Revolution: What it means and how to respond. Retrieved February 15, 2016, from <https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>
- Stauch, J., & Cornelisse, D. (2016). *Canada next: Learning for youth leadership*. Calgary, Canada. Retrieved from http://nylis.ca/wp-content/uploads/2016/04/CanadaNext-FullReport_final.pdf
- Taylor, P., & Pew Research Center. (2014). *The next America: Boomers, millennials, and the looming generational showdown*. New York, USA: Public Affairs.
- The Broadbent Institute. (2014). *Time for a new deal for youth people*. Ottawa, Canada. Retrieved from http://www.broadbentinstitute.ca/new_deal_for_young_people
- The Expert Panel on Youth Employment. (2016). *Understanding the realities: Youth employment in Canada*. Ottawa, Canada. Retrieved from <https://www.canada.ca/en/employment-social-development/corporate/youth-expert-panel/interim-report.html>
- The Human Environments Analysis Laboratory. (2016). *Children & nature: A systematic review*. London, Canada.
- Thomas, R., Cooper, M., Konar, E., Rooney, M., Noble-Tolla, M., Bohrer, A., ... Robinson, N. (2018). *Women in the Workplace 2018*. Retrieved from http://womenintheworkplace.com/ui/pdfs/Women_in_the_Workplace_2015.pdf?v=5
- Unicef Canada. (2016). *Unicef report card 13 fairness for children Canada's challenge*. Toronto, Canada. Retrieved from http://www.unicef.ca/sites/default/files/imce_uploads/images/advocacy/rc/irc13_canadian_companion_en_sp_new_.pdf
- Vuchnich, A., & Chai, C. (2013, May). Young minds: Stress, anxiety plaguing Canadian youth. *Global News*, p. 4. Retrieved from <http://globalnews.ca/news/530141/young-minds-stress-anxiety-plaguing-canadian-youth/>
- Wolfe, I. (2013). 65 percent of today's students will be employed in jobs that don't exist yet. Retrieved November 17, 2016, from <https://www.successperformancesolutions.com/65-percent-of-todays-students-will-be-employed-in-jobs-that-dont-exist-yet/>