

# THE BUSINESS STAKE IN K–12 EDUCATION

## An Open Letter to Alberta Business Leaders

Michael Van Pelt

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As I travel across Alberta, business leaders frequently tell me about the challenges they experience in finding qualified workers. I believe that the root of this crisis is an educational one, and that business leaders therefore have a crucial stake in K–12 education. Business leaders need to be much more informed about the well-being of K–12 schooling in the province and advocate more strongly for educational choice, so that all school sectors produce the graduates with the basic skills and attributes of character that all businesses rely on—and that thriving economies require.

## Employers Can't Find the Workers They Need

The labour shortage and skills shortage appear to be widespread across the province. A recent survey conducted by the Business Council of Alberta in partnership with the Government of Alberta and the Alberta Chambers of Commerce, for example, found that 75 percent of businesses that employ workers in the skilled trades are experiencing difficulty filling these positions.<sup>1</sup>

But it is not only technical qualifications that are in short supply. Businesses are struggling to find workers who have the necessary non-technical skills, in such areas as communication, basic numeracy, interpersonal skills, management and leadership ability, and character attributes such as integrity and work ethic.<sup>2</sup>

1 Business Council of Alberta, “Hiring Optimism, Meet Hiring Hardships,” August 13, 2021, <https://businesscouncilab.com/insights-category/analysis/hiring-optimism-meet-hiring-hardships/>.

2 H. Kost, “Some Alberta Businesses Struggle to Find Workers, Cite Lack of Applicants in Survey,” *CBC News*, August 13, 2021, <https://www.cbc.ca/news/canada/calgary/labour-shortage-alberta-survey-1.6140527>; G. Morgan, “Rigs Sit Idle and Jobs Go Unfilled in Canadian Oilfields as Workers Walk Away from Volatile Job Market,” *Financial Post*, Aug 4, 2021, <https://financialpost.com/commodities/energy/oil-gas/rigs-sit-idle-and-jobs-go-unfilled-in-canadian-oilfields-as-worker-walk-away-from-volatile-job-market>; Business Council of Alberta, Alberta Chambers of Commerce and The Strategic Council, “Hiring Intentions: Labour Shortage Survey,” July 2021, <https://www.businesscouncilab.com/wp-content/uploads/2021/08/ACC-BCA-Labour-Intentions-Survey-Report-DISTRIBUTION.pdf>.

The situation is not unique to Alberta. A 2021 survey by Statistics Canada indicated that 46 percent of employers in Canada cannot find enough workers with adequate problem-solving skills.<sup>3</sup> According to a recent survey from Harris Poll, Canadian employers report that employees lack “dependability, flexibility and a willingness to learn.”<sup>4</sup> The soft skills that are most in demand are “very human-centred skills . . . active listening, critical thinking, social and emotional skills—all the things that are really around how humans connect with each other.”<sup>5</sup>

Within the province of Alberta, the Business Council of Alberta found that 48 percent of surveyed businesses cannot recruit workers who have the required “people skills.”<sup>6</sup> When polled on their opinions of Alberta’s education sector, just 66 percent of employers in 2016 said they were “satisfied” or “very satisfied” that “high school graduates are entering the workforce with an appropriate combination of skills and knowledge.”<sup>7</sup>

These data reveal that without proper development of technical and non-technical skills in Albertans, the future of a qualified workforce is at stake.

## **K–12 Education Is Key to Equipping Young Albertans**

While specialized technical and professional skills are typically gained via post-secondary education, basic skills and personal qualities are developed much earlier in life. They are developed in the home and in school during childhood and adolescence. Young Albertans are being formed cognitively, socially, and ethically during these years—in ways that will apply to any future job. When young people are formed well in these key areas, they become the capable adults who can effectively contribute to Alberta’s economy and society. They become the type of people whom business leaders are eager to hire, promote, and even hand over their businesses to someday.

3 E. Fissuh, K.-K. Gbenyo, and A. Ogilvie, “Determinants of Skill Gaps in the Workplace and Recruitment Difficulties in Canada,” Statistics Canada, November 4, 2022, <https://www150.statcan.gc.ca/n1/pub/18-001-x/18-001-x2022002-eng.htm>.

4 V. Wells, “Posthaste: Canadian Businesses Say They Can’t Find Employees Because Applicants Are Lacking These Crucial Skills,” *Financial Post*, July 30, 2021, <https://financialpost.com/executive/executive-summary/posthaste-canadian-businesses-say-they-cant-find-employees-because-applicants-are-lacking-these-crucial-skills>.

5 N. Al Mallees, “The Labour Shortage Isn’t Over—And Employers Are Having to Lower Their Hiring Expectations,” *CBC News*, April 6, 2022, <https://www.cbc.ca/news/business/job-skills-shortage-1.6409237>.

6 Business Council of Alberta, “Hiring Optimism.”

7 Alberta Education, “2015–16 Stakeholder Satisfaction Survey: Business and Industry Report,” Government of Alberta, 23, table 6-10, <https://open.alberta.ca/dataset/40535b73-61c4-4a7f-b7bb-9f9236072fff/resource/58d53317-38a4-411a-83ee-02367b5c6932/download/alberta-education-business-and-industry-report-2016.pdf>.

## Educational Choice Improves All Schools

The most effective, perhaps the only, way to create the outcomes that we need in K–12 education in Alberta lies in significant growth in educational choice. Educational choice means that government regulates and funds education but is not the sole provider of it. Having a critical mass of students who are being educated outside of the government-run system is the only way in which to see improvement in government schools as well as in independent schools. We need to leverage educational choice to this end.

There are a variety of types of schools within the government system in Alberta (public, Catholic, francophone, and alternative schools), but I refer to all of these as “the government system” because these schools are represented by one teachers’ union, draw teachers from the same teacher-education programs, have similar school board governance models, and generally have the same basic curriculum. In such a situation, it is natural that these schools also have fundamentally one educational philosophy, one direction, and one set of interests.

Just 10.3 percent of young Albertans are currently being educated in learning environments that are not part of the government system.<sup>8</sup> This low percentage does not create the momentum needed for the benefits of educational choice to be realized. I suggest that we need 20–25 percent enrolment outside the government system before we can see improvement across *all* schools—government and non-government. Essentially, with 20–25 percent enrolment outside of the government-run system, we would have, in effect, true choice and real accountability. Multiple school options produce more innovation, creativity, and accountability within each system.

Educational choice is the most effective way for large education systems to be accountable and responsive. By their very nature, large, government-run systems have difficulty delivering educational innovation and accountability. K–12 education innovation is critical to spurring on Alberta’s entrepreneurial business culture.

## How Educational Choice Improves Outcomes

An increasingly robust reality of educational choice in Alberta will directly contribute to producing high school graduates with the knowledge and skills that Alberta needs. This is because choice creates healthy competition among schools and sectors, leading to better

<sup>8</sup> This percentage is a broad estimate of the 2022–23 student population counts in Charter, ECS Private Operator, Private School, Shared Responsibility Program and Home Education school systems, using Alberta Education, “Student Population Statistics,” Government of Alberta, table 2, <https://www.alberta.ca/student-population-statistics.aspx>.

outcomes overall—and at a lower cost.<sup>9</sup> Choice enables different schools to offer different program emphases, matched to particular student aptitudes, interests, and needs. Having different types of schools also means students can attend the school that is best suited for them to thrive. Moreover, it promotes entrepreneurialism and innovation as well.

Not only do we see that educational choice has a positive effect on students' academic performance in international comparisons and dozens of North American studies, but student performance is also a key explanatory variable in economic growth and graduates' earning potential. And based on work by Cardus senior fellow Catherine Pakaluk, we now know that the fit between student and school—in and of itself—has a marked effect on literacy and numeracy. In the Cardus paper titled “A Good Fit,” Pakaluk demonstrates that when children attend a school that shares the same religious identity as their home environment, these students have higher results in standardized tests in reading and math.<sup>10</sup>

Educational choice also supports the development of “soft” skills. Cardus senior fellow Ashley Rogers Berner persuasively argues in “Good Schools, Good Citizens” that a robust system of educational choice will produce graduates with civic virtues. “Independent schools, in particular,” she writes, “play a positive role in inculcating the knowledge, skills, and habits that animate lifelong democratic participation.”<sup>11</sup> Most of the skills for effective democratic participation apply equally to effective performance in the workplace. Ten years of Cardus Education Surveys have likewise demonstrated that independent schools produce graduates with the interpersonal and character skills that translate to success in the workplace.<sup>12</sup>

Independent schools are also seedbeds of innovation and the entrepreneurial spirit in education. An outstanding example of this occurred in the early months of the first COVID-19 lockdown. When schools were ordered to close in March 2020, the Christian independent schools belonging to the Edvance school association in Ontario pivoted so nimbly to remote learning that nearly half of these schools did not miss one single day of instruction, and 84 percent missed less than four days of instruction. By contrast, government schools in Ontario provided students

9 See for example C.M. Hoxby, “Introduction,” in *The Economics of School Choice*, ed. C.M. Hoxby (Chicago: University of Chicago Press, 2003), 1–22, <https://www.nber.org/system/files/chapters/c10083/c10083.pdf>; C.M. Hoxby, “School Choice and School Productivity: Could School Choice Be a Tide That Lifts All Boats?,” in *The Economics of School Choice*, ed. C.M. Hoxby (Chicago: University of Chicago Press, 2003), 287–341, <https://www.nber.org/system/files/chapters/c10091/c10091.pdf>.

10 C.R. Pakaluk and N. Swanson, “A Good Fit: How Matching Students and Schools by Religion Improves Academic Outcomes,” Cardus, 2021, <https://www.cardus.ca/research/education/reports/a-good-fit/>.

11 A. Berner, “Good Schools, Good Citizens: Do Independent Schools Contribute to Civic Formation?,” Cardus, 2021, <https://www.cardus.ca/research/education/reports/good-schools-good-citizens/>.

12 For example, see Cardus, “Cardus Education Survey 2018: Involved and Engaged,” 2019, <https://www.cardus.ca/research/education/reports/cardus-education-survey-2018-involved-and-engaged/>.

with little or no education from March to September 2020. The contrast in innovative ability was stark.<sup>13</sup>

For all these reasons and more, we need to see educational choice flourish in Alberta. Businesses and the economy will benefit, since it will be easier to find new workers with the cognitive, social, and ethical characteristics that all businesses need. And civil society will benefit, since these same young Albertans will exercise these characteristics in other spheres of life as well: as citizens, parents, in voluntary associations, government, healthcare, and in many other ways.

Through the advocacy and support of educational choice in Alberta by business leaders, young Albertans will have the opportunity to develop the skills required for a flourishing economy and society in Alberta, and businesses will reap the benefits of investing in the future workforce for many years to come. The stakes are high—Alberta business leaders must recognize their role in shaping the people they want to employ, promote, and entrust their businesses to in the future before it is too late.

## **What Business Leaders Can Do to Support Educational Choice in Alberta**

- Talk about K–12 education when you meet with government officials, politicians, industry associations, and education leaders.
- Invite education leaders from all types of schools to visit your business, speak at industry gatherings, and learn about your needs. In turn, ask them how you can assist them.
- Clearly articulate to leaders of K–12 schools of all types what you look for in a high school graduate, and what you are expecting these schools to deliver.
- Promote and invest in the schools that are committed to producing the types of graduates that your business needs in a holistic sense: graduates with the knowledge, problem-solving skills, communication ability, respectful interactions with others, and trustworthiness.
- Take action to support the development of character in Alberta’s young people, by, for example, funding character-based programs in schools and other innovative character-building activities in the K–12 setting.
- Advocate for the reduction of government-imposed formal and informal barriers to the creation or expansion of independent schools.

13 P. Marcus, D. Van Pelt, and T. Boven, “Pandemic Pivot: Christian Independent Schooling During the Initial 2020 Lockdown,” Cardus, 2021, <https://www.cardus.ca/research/education/reports/pandemic-pivot/>.

## About Cardus

Cardus is a non-partisan think tank dedicated to clarifying and strengthening, through research and dialogue, the ways in which society's institutions can work together for the common good.

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## CONTACT

**MICHAEL VAN PELT**, President & CEO

tel: 905 528 8866 x 121, [mvanpelt@cardus.ca](mailto:mvanpelt@cardus.ca)

**DANIEL PROUSSALIDIS**, Director of Communications

tel: 613 241 4500 x 508, [dproussalidis@cardus.ca](mailto:dproussalidis@cardus.ca)