

Retirements force companies to rethink as workforce shrinks

LABOUR | Many workers are also taking advantage of the thriving economy



babble of applicants who seemed to be lined up at their doors in the rare cases when businesses were filling jobs instead of slashing their staff numbers.

But now, it's not employers choosing to reduce their staffing levels — it is the employees leaving of their own volition — either retiring or opting to take advantage of a thriving economy to try their hand in other, more lucrative sectors.

It's not that flipping burgers or doing other unskilled labouring jobs have suddenly taken on a new cachet making them worthy of more money. But depending on the area of the province, or the country, if you want to hire someone to flip burgers, you might find the construction business down the street is willing to pay twice your hourly rates and more to have the same person fill a labouring job on a construction site.

"Overall I see the labour market as being very strong and I see unemployment continuing to remain low," said Kunin. "You see pressures at many levels, even at entry level service jobs because we don't have the number of young people and the young people who used to take these jobs now can usually get higher paying jobs in construction."

See **BABY BOOMERS** D2



BY GILLIAN SHAW
VANCOUVER SUN

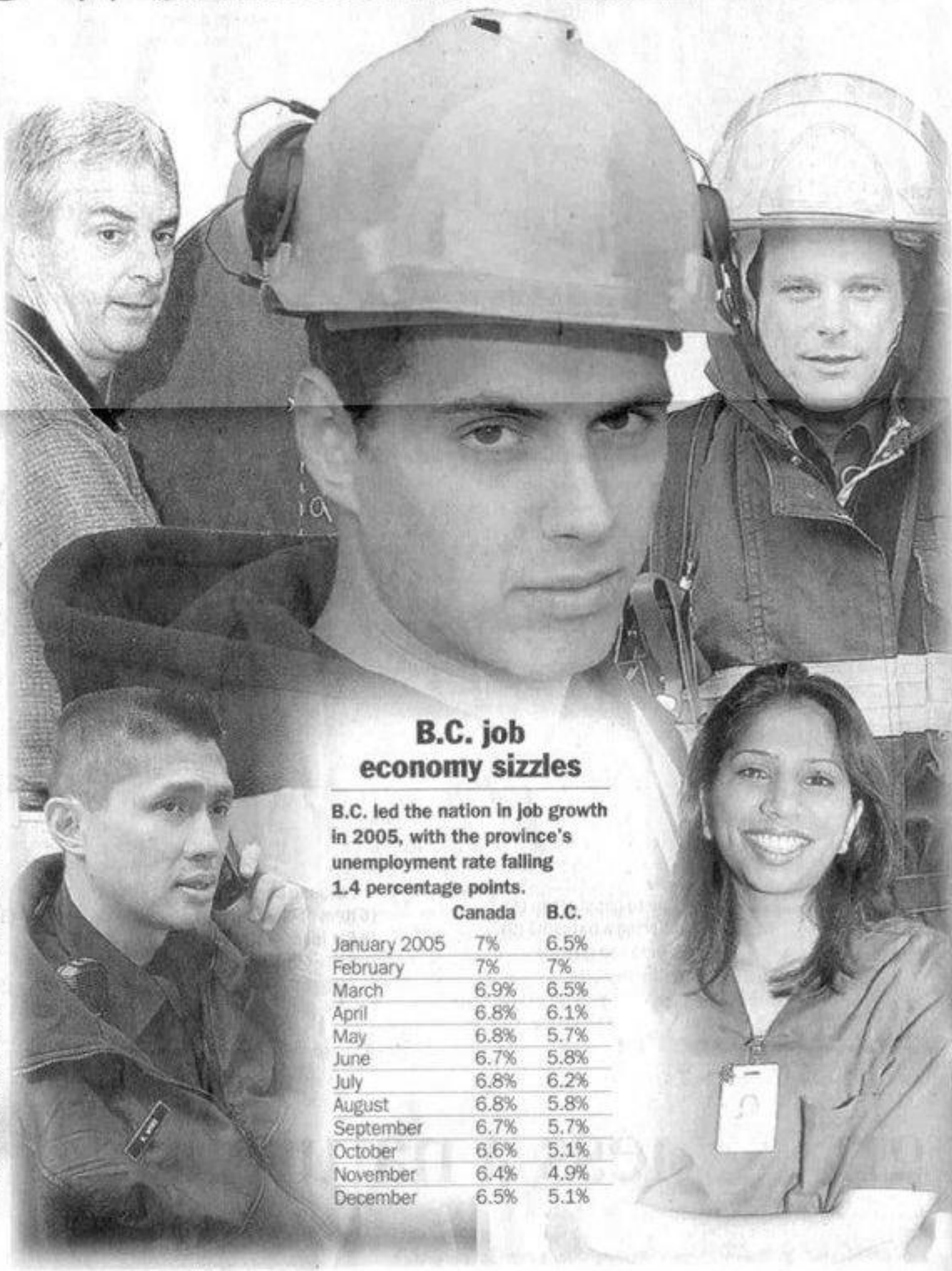
When companies bemoan the state of their shrinking workforces to Roslyn Kunin, the labour economist isn't surprised to hear that between 10 per cent and 20 per cent of employees are coming up for retirement.

What astonishes her is that the companies seemed surprised by the exodus.

"The retirements I have been talking about since the 1980s are beginning to hit," she said. "People are coming to me and saying, '10 per cent of the people in my construction company are coming up to retirement.' One mining company said 20 per cent of its employees are eligible to retire this year, and another 20 per cent will be eligible next year.

"They act surprised, they come up to me and say, 'Why didn't you tell me?', and I say, 'Why didn't you listen?'"

It's not like Kunin, as well as fellow economists and demographers haven't been saying this for a long time. But perhaps the employers couldn't hear over the



B.C. job economy sizzles

B.C. led the nation in job growth in 2005, with the province's unemployment rate falling 1.4 percentage points.

	Canada	B.C.
January 2005	7%	6.5%
February	7%	7%
March	6.9%	6.5%
April	6.8%	6.1%
May	6.8%	5.7%
June	6.7%	5.8%
July	6.8%	6.2%
August	6.8%	5.8%
September	6.7%	5.7%
October	6.6%	5.1%
November	6.4%	4.9%
December	6.5%	5.1%

Baby boomers leave vacancies, demand services

From D1

Managers are in high demand, in construction as well as other sectors. Those jobs can be a difficult sell, since in a sector like construction where workers may see little increase in income with a big increase in responsibility in the early days after a shift from a trades job.

"The biggest pinch is going to be at the first line, the foremen, the managers and maybe one level up," Kunin said. "You have to look at it as an investment because in the short run your income could go down and you take on greater responsibilities."

"In the short run, it's a lot of extra cost for little extra money."

Demand for people to fill jobs crosses all sectors, from medicine and health care where the aging baby boomers who are leaving the job vacancies are also creating demand for services, to the resource industries, finance, education, and such basics as policing and firefighting.

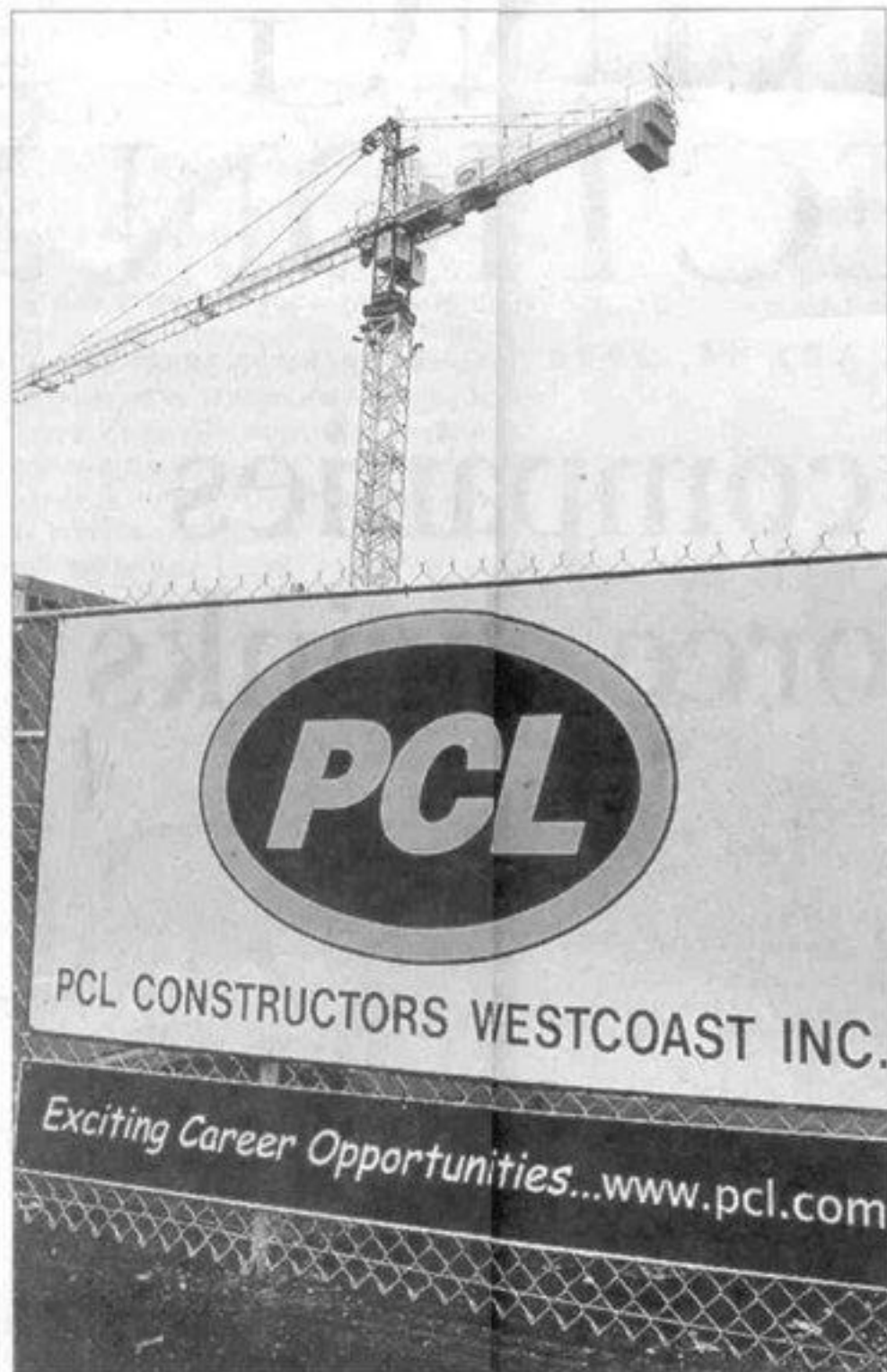
"The worst is yet to come," said Dave Parker, chief economist at the Vancouver Board of Trade. "We are going to see the shortage of workers as the constraint on economic growth in this province. I think the litany of problems we will have now will all be related to skills."

Parker said one of the problems is that while the school system turns out great all-around citizens, it hasn't yet caught up to the demand for a range of skills that aren't necessarily the product of a university education.

The challenge he said is for high-school students to gain enough experience in a field that interests them, whether it is technical, trades skills or others to get a jump-start in the workforce. Instead of graduating with little or no idea of where their talents and interests might lay, students who take advantage of programs like the high-school trades introduction could speed their entry into the working world.

While students are entering such programs, there still remains a disconnect that has the majority of parents and students counting on a university education as the key to their future while in fact, their education needs might be better served by technical education or other options.

While the burgeoning economy



IAN LINDSAY/VANCOUVER SUN

PCL Construction makes a pitch for workers, listing its recruiting website below a work-site sign at Cambie and 7th Avenue.

is accounting for job growth, demand for talent is also being driven by the simple and inexorable passage of time that has the first of the baby boomers celebrating their 59th birthdays this year.

"That person is 59 and if you take a look at the retirement profile of nurses, school teachers, police and firefighters — they are all reaching that magic combination of years of service and age and they are retiring," said Baxter, economist and executive director of Vancouver's Urban Futures Institute.

"The coming year is the beginning of dealing with it, although clearly some industries have been dealing with it for a long time."

Baxter points out that the last time B.C. enjoyed a strong economy, it was able to attract inter-provincial immigrants from Ontario and Alberta and outside the country, from places like Hong Kong and Taiwan.

"Now we have a strong economy and none of these things are happening," he said.

Construction will be the hot button when it comes to demand in the west, according to Baxter, and eastern Canada he expects will be hard pressed to find enough doctors, nurses, bus drivers, police officers, and the like.

"All of those are good, well-paying jobs where if you started 25 to 30 years ago and you are now 55, you are getting close to that mag-

Coping with the crunch

David Baxter, executive director of the Urban Futures Institute, predicts how the labour force will shift and adapt to meet a demand for more workers:

■ More participation in the workforce. People will work longer, opting to either postpone retirement or re-emerge from retirement to take on part-time or contract work. And the emphasis will be on productivity as employers look to technology and other ways to increase the output per worker.

■ The trend that saw would-be workers parked in school, going from one university degree to

the next as the credential bars were raised because there weren't enough jobs to go around, is reversing. While we may not return to the days when teachers went to normal school for a relatively short stint before landing in the classroom and further training came on the job, credentials won't be paraded out as a barrier to participation. One example — in construction, various skills are being compartmentalized so a worker can qualify in one area, such as forming, before moving on to the next.

■ Canada will look to immigration to fill some of the demand for people to fill jobs.

ic date. When we get rhapsodic about our work, it's not usually about jobs like police officers or nurses — they are burnt out and ready to retire."

Baxter said employers will increasingly hire back retired workers on a casual basis, but that doesn't make for a solid workforce base. "You can't build a construction company around guys who are debating whether they are going to go duck hunting or not," he said.

The increase in demand coming up squarely against the shortage in supply of qualified workers is convincing some employers to up the ante. And it's not just a case of higher pay.

"In Alberta you can get a free pickup truck if you hang around for a year," Baxter said of one construction incentive program. In another company, employees' names go into a draw for a trip to Hawaii after they have stayed on the payroll for at least six months.

In another case, Baxter said in the petroleum industry street youth are being hired for unskilled labour jobs out in the bush for a few weeks or months, earning enough to spend the rest of the year on the street.

"There is a recruiting company looking for construction workers for the tar sands and they are going into the Maritimes, going up to guys with a plane ticket in hand and saying, 'you can start tomorrow,'" said Baxter.

Kerry Jochen, a labour analyst

and chief executive officer of Human Capital Strategies, pointed to public policy initiatives that will have an impact on long-term employment trends.

"Regardless of the outcome of the federal election we will see more money pumped into training and jobs initiatives," he said. "This will be particularly in non-university careers — not just trades but in technical as well, and it will affect where some of the activity is."

Also expect to see training and jobs geared to attract non-traditional labour sources such as immigrants, aboriginal people and older workers.

Jochen said more and more people are jumping on the trades bandwagon, but he said that leaves a concern about whether such areas as health care and tourism will get short-shrift.

"The good news is there is more acceptance of trades as a good alternative, but we can't focus on that to the extent of ignoring other areas," he said.

Employers also have to be more introspective, examining their policies, practices and culture to see what might make them more desirable to work for than the company down the street.

"More employers are recognizing the concept of employer-of-choice and they are trying to do something about that," he said. "I think you will see more activity around succession planning and there will be more activity around

trying to keep older workers."

While many jobs are concentrated in the Lower Mainland and in southern areas of the province, Jochen said there are niche areas where tourism is hot, or areas like the northeast where the thriving oil and gas sector are ensuring a virtual non-existent unemployment rate. Mining is a small industry but one enjoying a lot of activity in parts of B.C.

Concern around the environment is also generating its own demand, with more jobs related to the environment and to sustainability. Manufacturing isn't exactly sizzling, particularly in the wake of Ontario's auto-manufacturing woes, but B.C. has successful pockets of manufacturing, such as its aerospace sector.

While Olympics-related construction is already underway, the jobs in retail and tourism expected to come with that event aren't expected to spring up until a year or two before 2010, but then will spin off for years after.

Technology, while making it possible to increase productivity without increasing job numbers, also brings its own job demands. Jochen points to companies like Telus that are having to hire to deliver the expanded array of services needed to compete in the demanding world of the digitally driven home and business.

"Information technology is not just in the high-tech industry but you need IT workers in every industry," said Jochen.

Entire sectors are also banding together in an effort to bolster their image on the employment scene.

The auto industry is sending emissaries out to schools and job fairs to sell people on the merits of a job in anything from mechanical work to sales. The same for the construction sector; biotech has its own special program to encourage and hire students, and the list goes on for just about industry across the board. And the upcoming year is only the beginning, say the labour experts.

"We are going to notice it everywhere," said Baxter. "Watch for the police recruiting ads in the paper — historically they would be saying 'young man or woman, come and join us,' now they say, 'by the way, if you're a police officer working in Saskatchewan, we can cut a deal.'"

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