

## **The Labour Shortage: the Facts, the Fiction, and the Future**

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“For the first time in human history there are more people in Canada approaching the end of life than there are people at the beginning,” said Dr. Dr. Roslyn Kunin, featured speaker at Einblau & Associates’ Executive Economic Forum on Tuesday, March 27, 2007 at the Hyatt Regency Hotel, Vancouver.



Dr. Kunin’s presentation focused squarely on the topics named in the title of her address – *The Labour Shortage: the Facts, the Fiction and the Future* – and lived up to her reputation by delivering powerful, plain language and vivid images as she discredited several current myths about today’s work force.

“Picture a pyramid,” she said. This is the traditional way of viewing a population, with lots of people along the base, narrowing to a peak comprising a small group of oldsters. In Canada (and Europe, China and Japan.), this portrait has morphed into an elongated figure, with a more even distribution of people at all stages of life.

The portrait is starting to change again, said Dr. Kunin, into a “lollipop” with the big bulge at the top representing older people, resting on a thin stick of young workers. The challenge to employers will be not only to attract, but to retain those people – particularly the most talented and trained workers who are able to pick and choose among offers.

### **More Facts**

In the U.S., said Dr. Kunin, the picture is slightly different. Their birth rate has increased somewhat during the past 10 to 15 years and Americans are now at almost replacement rate. Canada’s birth rate is well below that required to maintain the current level of population which makes us far more dependent on immigration to sustain our work force complement.

Western Canada is now at a 40 year unemployment low. During the past year, in both B.C. and Alberta, every occupation has registered a labour shortage, including unskilled jobs where this situation is not typical. According to Dr. Kunin, the bottom line is that demand is high and there is *no* supply.

### **The Fiction**

**Fiction #1:** When the 2010 Olympic Games are over, our usual labour surplus will return. “Not true,” says Dr. Kunin.

Since planning for the Olympics began, the list of major projects on the books has grown dramatically – to \$80B worth, not including the Olympics undertakings. In fact, many projects have been held back deliberately until after the Games because there is no chance of obtaining the people required for them before then.



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Some employers claim they are not experiencing difficulty from a lack of labour. The story behind this, Dr. Kunin says is that these firms have consciously scaled back their level of work and maintain it there, to match the supply of workers available to them. “They are hanging onto employees by providing high wages and benefits while picking projects carefully,” Dr. Kunin says in citing a particular contractor in Kelowna.

**Fiction #2:** “That it is still 1946!” says Dr. Kunin. Wrong.

The notion that potential immigrants are grateful to be allowed to enter Canada and we have only to open the door to them is based on previous generations’ experiences in WWII war-ravaged Europe and no longer pertains. Today, both the developed and developing worlds are competing for the same talent pool, meaning that many would-be immigrants are choosing to stay home and exercise the opportunities there.

“We must now compete for educated, tech-savvy, motivated workers, both from abroad and at home,” says Dr. Kunin.

**Fiction #3:** There are lots of aboriginal people to fill the gap. And, women, too.

Although the aboriginal community does have lots of young people – about half the population is under the age of 25 – most do not live in major centres and don’t want to. Few young aboriginal people have the education or training business and industry need to hire, and they comprise only five per cent of the population in BC; in Alberta it’s about 10 per cent.

Meanwhile, the female population of this country already is almost full absorbed into the paid workforce. In short: there is no untapped pool of potential workers just waiting to be noticed.

**Fiction #4:** We’ll hire workers directly out of high school.

Think again, Dr. Kunin says. This group is part of the lollipop stick; the pool is very small and there is a great deal of competition for them.

What about relocating people from elsewhere in the country, where the economy is not as strong as ours? Dr. Kunin says we can’t count on that, either. Look at who is in the surplus labour group, she says: laid off auto workers and others of middle age with settled lives, families, homes and other properties. This is not a group likely to pick up and move west.



## The Future

What's an employer to do?

1. First, "Retain those employees you already have," Dr. Kunin says.

Turn to older and recently retired workers; offer them flexible hours and schedules. Keep them on contract to cover your busiest times of the day, week or year; do whatever it takes to keep their brains in your company. She cited the Workers Compensation Board as an example of creating a new worker category – the R-type, for retired worker, employed in just such ways.

2. Treat your current workers well, says Dr. Kunin. That makes first line supervisors critical to your success. These are the people who know how to do the jobs of the people they supervise and understand how to supervise the work. However, most often they have not been trained in how to manage people in ways that help them work together productively and feel valued as they do so. In the case of road contractors, with whom Dr. Kunin has recently worked, she says her advice boils down to "... don't yell at employees!" There are better ways to manage people. *To this end, Dr. Kunin offered her audience some advice in the form of a quiz.\* (coincidentally this "quiz" has been part of our Cool Stuff page for some time. See it at [www.einblau.com/whosengaged.pdf](http://www.einblau.com/whosengaged.pdf) )*
3. Increase productivity, and that "does not mean sweating people harder", says Dr. Kunin. It does mean using the best technology in the most appropriate ways possible, improving your systems – i.e. how the work gets done in your company – and making judicious decisions about factors such as your hours of operation and outsourcing.

Statistics Canada says that the standard of living in Canada and the US have moved closer, but for the wrong reason, in Dr. Kunin's opinion. We are working longer hours to achieve a higher level while the productivity gap between the two countries is growing. "We need more productivity per hour worked," she says . Now and in the future, be prepared to train employees. "You won't be able to hire enough already trained people. Be prepared to train them up," says Dr. Kunin.

Despite her self-deprecating humour and humorous analogies, Dr. Kunin's concluding comments left no question as to the seriousness of her message. "When you set out on a journey to a strange place, the first thing you have to do is say good-bye to the old one," Dr. Kunin says. ***Bid farewell to a world of plentiful labour; and use productivity and flexibility to make the difference in your company's results.***

*Dr. Roslyn Kunin C.M. is a Senior Fellow and Director, BC Office, Canada West Foundation ([www.cwf.ca](http://www.cwf.ca)) and a consulting economist. She holds degrees from universities in Quebec, Ontario and BC, and an honorary Doctor of Laws, University of Victoria. Several times recipient of the Association of Professional Economists of BC's Crystal Ball Award for forecasting the Canadian economy, Dr. Kunin is a member of the Order of Canada; a recipient of the YWCA Woman of Distinction Award, and a recipient, Canada 125 Medal for service to Canada, Canadians and the community. For some 20 years, she held the post of federal government Regional Economist in BC and the Yukon; has chaired the Vancouver Stock Exchange, been a professor at UBC and SFU; was a Director, Business Development Bank of Canada, Governor, University of British Columbia, Chair of the Vancouver Crisis Centre and Vice-President of the YWCA. She is currently a member of the National Statistics Council and a Vice-Chair of WorkSafe B.C.*