



A Consultation on Future Labour Demand in the Private Sector in Newfoundland and Labrador

**A Framework for Labour Market Development:
Background Report #2**

Department of Human Resources, Labour and Employment

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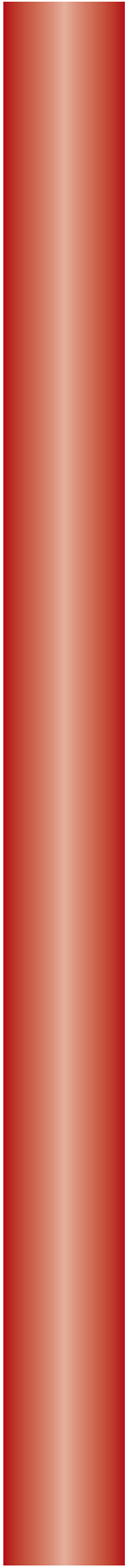
Communications Director
Department of Human Resources, Labour and Employment
P. O. Box 8700
West Block, Confederation Building
St. John's, NL
A1B 4J6

Telephone: (709) 729-4062
Fax: (709) 729-6996

The Department of Human Resources and Employment was formally renamed the Department of Human Resources, Labour and Employment in February 2004. This document may contain references to the Department of Human Resources and Employment due to timing of the research. In all instances these references now reflect the new Department of Human Resources, Labour and Employment.

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Executive Summary

Through the collection of data, in a series of interviews and focus group discussions, the perceptions of private business owners and managers were gathered related to the demand for labour, present and anticipated, associated with employment in the private sector in Newfoundland and Labrador. Key informants from the Province's business and labour sectors identified the major factors in the operating environment of local businesses that will influence the demand for labour, and the future trends they anticipate as a consequence.

Representatives of small to medium-sized businesses throughout the Province were asked to participate in focus group sessions held in St. John's (2), Marystown, Clarenville, Corner Brook, Happy Valley-Goose Bay, and Grand Falls-Windsor, while larger businesses and other key informants were asked to participate in depth interviews. In addition, representatives of unions, industry associations, and other stakeholders were invited to participate in interviews to gain a perspective from within their respective industries.

Secondary sources were reviewed to compile information related to expected private sector labour demand trends, including industry/sector labour market profiles, Regional Economic Zone workplans, LMDA regional/provincial business plans, and Strategic Social Plan regional human resource strategies. The summaries assisted in categorizing the labour market demands/projections across the Province and in bringing consistency to reviews of industry profiles and the industry sectors included in the focus group discussions and interviews.

There are a number of themes that emerged from both the focus group discussions and the depth interviews. Some of these are more prevalent in various industries, however, they seem to encompass a number of sectors.

Economic Outlook

- Overall, the companies and business owners who participated in this project agreed that the Province has a positive overall economic outlook. They did express a desire to see reinvestment of revenue from non-renewable resources into new industry development. However, there was an overall air of optimism from the participants, for their own business and for their communities.
- Major projects like Voisey's Bay and White Rose are seen as having little economic impact on most of rural Newfoundland and Labrador. In fact, those projects are seen as having the potential for a negative impact on the labour force since workers will be drawn to the urban areas.

Barriers to Business Growth

- While the economic picture is promising, business owners identified several impediments to business growth, such as the pending changes to provincial labour legislation relating to overtime, payroll tax, cost of air transportation and the lack of air access through the Province, changes to the Workplace Health, Safety and Compensation Commission, the structure of the Employment Insurance and welfare systems, and the difficulty incorporating recruitment of disadvantaged groups into contract proposals when the contract is awarded on lowest bid.

General Regional Perceptions

- Keeping rural communities alive is a big concern for most of the participants.

Perceptions from Labrador

- The high cost of transportation in Labrador is a concern. The unpaved highway between Labrador City and Goose Bay is a deterrent to ground transportation of goods. Because of the poor condition of the road, goods must be trucked through Quebec to the western region of Labrador (rather than directly to and from Goose Bay), while goods to eastern Labrador come through Newfoundland.

Perceptions about Government

- There was a general feeling that policy makers need to approach the needs of business from the perspective of the business owner. The general belief is that governments take too long to implement strategies.

Perceptions about Education

- It is perceived that the education trades programs are inconsistent with the needs of industry. Companies expressed a need for industry liaison to ensure that college graduates have the necessary skills when they reach the workforce.

Growth of Information Technology

- The Information Technology sector is not only an industry in its own right, but also an integral part of virtually all companies as all will need computer and IT skills for business growth and development. Across industries, businesses identified the need for technology-literate workers, not necessarily for the industry-specific technologies. The companies will provide the necessary on-

the-job training on the specific equipment, however, prospective employees must be computer-literate.

Profile of the Workforce

- Several companies believe that there are many expatriates ready and available for new positions. These people want to move back and have gained a lot of experience from being away.
- Many of the more traditional industries within the Province (forestry, mining, fishery) are facing an aging workforce. The layoffs of the 1980s and 1990s have resulted in a reduced and more senior workforce, but one in which there has been little succession planning.
- There were widespread comments that too few people are available for the technical trades. This applies to machinists, millwrights, electricians, plumbers, and refrigeration technicians, to name a few.
- Several companies have used creative approaches to recruiting entry-level people. Organizations such as the Single Parent Association of Newfoundland and Labrador, Perlin Agencies, the Association for New Canadians, and the John Howard Society have proven to be a source of labour for the service and manufacturing sectors.

To validate the research findings, key informants were invited to attend a forum where the results of the research were presented and an opportunity provided to indicate their level of agreement with the findings. Those unable to attend in person were given the opportunity to attend a web-linked presentation available in Marystown-Burin, Corner Brook, Goose Bay, Clarenville, and Grand Falls-Windsor. The web link was in place for seven days to provide further opportunities for participants to access the presentation from their own facilities.

1.0 Introduction and Background to the Project

The Department of Human Resources and Employment is leading the development of a provincial Labour Market Strategy which is intended to be an action plan to:

- assist governments, regional social and economic development boards, community-based agencies, labour organizations, industry, school boards, and post-secondary institutions to improve their understanding of, and response to, human resource requirements in this province; and
- enable key stakeholders to focus and coordinate their efforts and investments.

The purpose of this research project was to gather information on the demand for labour, present and anticipated, associated with employment in the private sector in Newfoundland and Labrador. The main objective was to assess how the private sector anticipates the demand for labour to change in the future. Through collection of data in a series of interviews and focus group discussions, the perceptions of private business owners and managers has been gathered to inform the development of the provincial Labour Market Strategy.

Recognizing that the provincial labour market does not exist in isolation, but in the context of the global marketplace where goods and services are sold, the Department initiated this project to enhance understanding of the internal (such as demographic shifts and economic forecasting) and external (such as the global marketplace and enhancements in technology) forces shaping the provincial labour market in the future. In consulting with key informants from the Province's business and labour sectors, information was gathered to identify the major factors in the operating environment of local businesses that will influence the demand for labour, and the future trends they anticipate as a consequence.

Representatives of small to medium-sized businesses throughout the Province were asked to participate in focus group sessions, while larger businesses and other key informants were asked to participate in depth interviews. In addition, representatives of unions, industry associations, and other stakeholders were invited to participate in interviews to gain a perspective from within their respective industries.

To validate the research findings, key informants were invited to attend a forum in St. John's where the results of the research were presented and an opportunity provided for them to indicate their level of agreement with the findings. For those unable to attend in person, a link was coordinated through which participants were given the opportunity to attend a web-linked presentation available through the College of the North Atlantic in Marystown-Burin, Goose

Bay, and Clarenville; the EXCITE Center in Grand Falls-Windsor and Sir Wilfred Grenfell College in Corner Brook. The web link was in place for seven days to provide further opportunities for participants to access the presentation from their own facilities.

2.0 Structure of the Project

2.1 Primary Data Collection

Prospective participants in this research project were approached with representation from all major employers and industries in the Province, a selection of smaller employers by region, provincial industry and professional associations, the Newfoundland & Labrador Employers' Council, the Newfoundland & Labrador Federation of Labour, provincial Chambers of Commerce, and selected federal and provincial government representatives.

Small and medium-sized business owners were asked to participate in focus group discussions. These sessions were facilitated in St. John's (2), Marystown, Clarenville, Corner Brook, Happy Valley-Goose Bay, and Grand Falls-Windsor. Participants representing major employers and industry and professional associations were interviewed individually in a depth interview format.

2.2 Secondary Sources

Several reports were reviewed to compile information related to expected private sector labour demand trends. The review included industry/sector labour market profiles, Regional Economic Zone workplans¹, LMDA regional/provincial business plans, and Strategic Social Plan regional human resource strategies. These documents provided the context for the regional discussions by highlighting the labour market demands/projections across the Province. They also provided a source of comparison with the industry sectors included in the focus group discussions and interviews.

As well, industry profiles, as found on the HRDC website, were reviewed as they relate to objectives within various industries.²

2.3 Validation of Findings

Following the consultation process and preparation of a draft final report, all participants were invited to a presentation of the findings of the project. Participants in this session were provided the opportunity to discuss the findings and indicate their level of agreement with our assessment of future labour market demand.

¹ Zonal board workplans for 19 zones were reviewed as they relate to objectives within various industries. No report had been submitted from the Inuksuk Zone 1, Labrador.

² Sources that were used to compile this information may be found in Appendix B.

2.4 Limitations in Data Collection

Small retailers participated in the focus group sessions and a number of manufacturers participated in the depth interviews. Attempts were made to elicit participation from a wider representation of the retail and goods manufacturing sectors, however, the timing of the data collection proved difficult on the retail side given the heavy consumer flow during the pre-holiday season. As well, manufacturers (particularly small business manufacturers) were busy ensuring goods were ready for distribution by mid-December. Several of these people said they would have been able to participate later in the winter.

For each of the industries profiled, union participation was sought to provide their perspective on labour market issues. Despite repeated attempts for participation, not all representatives were available and/or chose to participate.

2.5 Scope of the Study

The information presented in this report represents the perspectives of small to large businesses as they relate to labour market demand issues. These people presented their views on the applicability of curricula at colleges and universities, the role of government, and changes they anticipate within their respective industries. *It was beyond the scope of this project to validate and/or critique their perceptions with information from educational institutions, government agencies, and professional/business associations.*

3.0 Industry Themes

This section provides an overview of the perceptions of participants as they relate to the major factors that are influencing the demand for labour within their industries and the future labour trends they anticipate as a consequence. The information gathered is compared with data found in the REDB workplans and industry profiles.

Feedback from the participants, both from focus group discussions and depth interviews, has been compiled and sorted by industry³.

3.1 Fishery/Aquaculture

Participant Company Profiles

The workforce within the fishery has been relatively stagnant for at least 10 years, since the cod moratorium was announced in 1992. This has resulted in an aging workforce within the fish plants, with an average age of 48 years, and an industry in which a significant number of retirements are anticipated within another 10 years.

This creates several human resource issues:

- There is no younger cohort group moving through the employment ranks and a significant percentage of the existing workforce will be eligible to retire at the same time. This creates challenges in succession planning to provide for the transition necessary as retirements occur over the next 10 years.
- The older plant workers are more reluctant to access training programs to upgrade their skills and learn the new technologies associated with advances in the fishery.
- Those who do enter the workforce are perceived as unmotivated and/or to have failed elsewhere. There is in some quarters a view that this is a last resort form of employment. With few qualified people entering the industry, there are very few skilled people to promote into senior positions.
- Few young people are interested in the fish processing sector because of salary levels and image of the industry.
- Plant owners find it increasingly difficult to get plant managers, accountants, food technologists, and QC/QA professionals to move to rural plant locations.

³ A list of the participants by sector may be found in Appendix A.

- Much of the work is seasonal, and it is difficult to get people motivated to work in the plants for short-term employment.
- In a unionized environment, workers are called to work from a seniority list, even though they may not want to come to work at that time.

Technology/Training

There is a perception that there is a need for considerable upgrading of technology within the plants and that workers must become more technologically literate.

“We are light years behind Iceland, Holland, and China. China can take western fish, process it, and send it back a lot more cheaply. Unless we can find ways to compete with the Chinese and Europeans, it will be difficult to sustain the business.”

Training programs are in place that are mandated by the government and supported by the union. However, there is difficulty finding people who are motivated and/or trainable to put through these programs.

There is recognition that there is a need for training, however, there is a belief that there is limited or no funding available from government sources for training in the off-season. The off-season in the fishery is classified such that fishery workers can access training funding only when all other requests from unemployed workers are satisfied. Therefore, to ensure it has a well-trained, skilled workforce, the company must incur the cost of introducing the technology and the full cost of employee training.

The aquaculture component of the industry is relatively young and quite technologically advanced.

Concerns Within the Industry

The structure of Employment Insurance is a major problem where there is low motivation among the workforce to work during the “off-season”. A culture exists where workers come back to work reluctantly.

The goal of the plant owners is to operate 9-12 months a year, however, from their perspective there is insufficient quota and too many plants to support this. There was a general feeling from the company owners that the government has approved too many plant licenses in order to spread the work around, resulting in a fishery where plants are not viable. They do not foresee a strategy that will enable them to cope.

Anticipated Changes Within the Industry

Productivity within the industry is often measured by output per person. One company in the fishery is very focused on productivity and has introduced automation within crab and shrimp processing and will focus even more on yield in the future. This process measures labour and other costs per finished pound of output, resulting in 33% improved productivity over the past few years, and represents a tremendous incentive to automate further in order to be internationally competitive. This is also true for the aquaculture industry.

The fishery is evolving into a highly technical operation and there is a belief that the wrong technology is in the plants for the species currently being harvested. The resource hasn't been able to sustain the capital needed for plant changes. As well, there must be a realization by workers that they are working in a "food" industry, in addition to the fishing industry. This has implications for training and upgrading of skills in food technology.

There is tremendous growth potential for aquaculture. However, this area is dependent on having a source of supply of young fish if there is not growth from eggs. The possible closure of the cod fishery would potentially have a negative impact on those cod farmers not growing cod from eggs.

There is concern about a potential downturn in crab and the possible extinction of the species now being harvested.

Labour Market Demand and Supply

While there has been reduced hiring in the fishery over the past few years, staffing continues to be an issue. There is the general aging of the workforce, a lack of supply of entry-level workers because of the depopulation of rural Newfoundland and Labrador, an attitude that sees plant work as a job of last resort, the perverse effect on plant employment of the success of offshore fish harvesting where captains and crew of longliners are doing so well financially that their partners/spouses/wives are no longer attracted to plant work as a second source of family income, and the seasonal nature of the industry have all contributed to these concerns. There is a view from plant owners that there is too much capacity in the industry which then leads to labour turnover because of short periods of operation at the plants.

There will be a need for more technical generalists such as computer specialists and technicians, not necessarily from within the industry. It will not be as necessary to understand the fishery as an entry point as it will be to operate the technologically advanced fish processing equipment. More technically competent, computer literate workers will be needed.

Recruitment and Retention

Fish processing is not a career choice for young people. According to those interviewed, young people face pressure from family and friends to not enter the fishery. There is a poor perception of fish processing as a career, and the industry is seen as too turbulent for long-term employment.

Given the reluctance of the current workforce to enter the fishery, those interviewed fully expect to import migrant fish plant workers within the next five years. In order to attract local workers into the fishery, the union representative interviewed stated that there is a need to professionalize the work, that jobs created through a background in technology may actually attract a new kind of workforce.

One company expects to be able to grow their business, but is feeling constrained by the unavailability of dependable labour supply. The workers who kept their jobs in recent years are now much older; without summer students and older women they would be hard-pressed to staff plants. Therefore, they need younger employees in the plants.

Another company took eight union workers and two management employees on site visits to Europe and Asia to give them an understanding of the technology being used elsewhere.

There were no company policies revealed during the interviews that explicitly promote flexible working arrangements to attract women into the workforce, such as childcare, as the gender split within the industry is currently 50% male, 50% female.

Regional Economic Development Board (REDB) Workplans⁴

In the REDB Workplans, 12 zones included fishery/aquaculture opportunities in their workplans. Of the Labrador REDBs, Zone 5 (Labrador Straits) identified cod farming and secondary processing as possible opportunities. Zones 7, 10, 12, and 13 (northern and central Newfoundland) identified infrastructure development as necessary within their regions, while eight zones from across the Province (6, 10, 12, 13, 14, 15, 16, and 20) identified cod farming and secondary processing as major initiatives. Zones 8 (Humber) and 19 (Capital Coast) identified opportunities for research through Memorial University.

There was little indication in the reports of any level of coordination of these initiatives between zonal boards. The questions that arise include: Can the industry absorb the creation of fishery initiatives over 12 zones and remain viable and competitive? Were any studies conducted of the availability of workforce in these areas to sustain a fishery?

⁴ A listing of the 20 REDB zones is found in Appendix C.

Industry Profiles

The federal and provincial industry profiles for the fishery are consistent with the information gathered from participants in that industry. There is a recognition that:

- There is an aging workforce.
- The need exists for improved professional training but that this is a challenge because of low levels of basic education among existing workers.
- Assuming the necessary changes can be made to fish processing, the trend is toward a smaller, more specialized industry with a downsizing of the workforce. New hires are likely to be scarce except in research, product development, and aquaculture.

3.2 Manufacturing

Participant Company Profiles

The companies interviewed expect continued growth and project adding staff in more shift schedules to accommodate the workload. One company expects to more than double its production in the next three years with the addition of a full development division with a rapid growth in operations' positions; marketing and sales will double.

For two of the companies, more than 90% of their sales are outside the Province. Overall, these companies have surprisingly a predictable, though low rate of turnover. People come and stay; they just need a steady supply of people with the necessary skills and good work ethic.

Technology/Training

Employers work closely with the College of the North Atlantic, the Fisheries & Marine Institute, and Memorial University to adapt curricula to the changing technologies.

The source of labour demand for these companies will be in the high-end technologies, primarily in design, research, and development.

Concerns Within the Industry

There was a feeling that the St. John's market will continue to grow, but that rural Newfoundland and Labrador is in decline. Because they are based in St. John's, the companies who participated in the depth interviews expect little problem in hiring employees into any of their jobs. They are in St. Johns, they pay well, and

they predict the ready supply of potential employees will continue to grow given the shift in provincial demographics to the urban areas.

Anticipated Changes Within the Industry

One company mentioned out-sourcing a lot of its skilled machining work. They have several contractors who supply electrical, repair, IT, and machining work. These contractors may well have problems attracting employees from the high-level trades: electrical, IT support, and refrigeration mechanics; although metal fabricators are available now as result of the growth in the oil and gas industry. Some of the work needed (e.g. monitoring of equipment) can be done via computer from anywhere. As a result, businesses are seeing certain skills being provided to companies from suppliers who may not even have personnel located in Newfoundland and Labrador.

Labour Market Demand and Supply

There were widespread comments, from both the interviews and the focus group sessions, that too few people are entering technical programs. While this is a concern especially for the construction industry, manufacturers also are having difficulty attracting machinists, millwrights, and refrigeration technicians. Though employers felt there would be a ready supply of technical/technological skills, they voiced difficulty finding qualified traditional trades people. One company estimated that 2,000 new workforce entrants a year are needed in the Province to satisfy current and future demand for workers with industrial skills.

Recruitment and Retention

There is a poor image of the trades and this is negatively affecting recruitment. Some employers are using creative recruitment to seek out opportunities for people who have traditionally been disadvantaged in finding employment, especially as it relates to hiring women and persons with disabilities. For example, flexible scheduling is being used for single mothers to allow them to work during school hours. As well, agencies such as Mill Lane and the John Howard Society have become a source of labour.

“We find that these people have more loyalty to the company since we gave them another opportunity when no one else did.”

One company has taken people referred by the Workplace Health, Safety and Compensation Commission who have been injured in previous lines of work. This has proven advantageous for all concerned.

The companies are not anticipating any difficulty filling the new technical and operational positions that will be generated by an expansion in business operations, particularly on the technological side. The companies recruit anywhere, though there is a feeling that prospective employees must want to work in this province. As such, there is a dedicated strategy to recruit expatriates, particularly out of Ontario, who have gained experience and new ideas about manufacturing.

Several of these companies have profit sharing and employee shareholding practices in place. This fosters a feeling of “ownership” in the welfare of the company and its profitability, thus reducing turnover and enhancing morale.

Regional Economic Development Workplans

Only Zone 12 (Exploits) and Zone 14 (Kittiwake) identified small-scale manufacturing as opportunities within their respective zones.

Industry Profiles

The federal and provincial industry profiles for manufacturing are consistent with the information gathered from participants in that sector. There is a recognition that:

- New production technology requires a more educated, more technologically trained workforce.
- Training is needed related to core competencies, export marketing, best practices, technical skills, and quality control.
- There are widespread recruitment difficulties predicted and, as such, a need for promotion/career counseling in schools to overcome image problems and increase awareness of opportunities.

3.3 Construction

Participant Company Profiles

Similar to the manufacturing sector, there is widespread concern that too few people are entering the technical trades. The construction workforce is aging and “the best people are at least 50 years of age”. Given their changing lifestyle, employees are increasingly unwilling to work long periods away from home, and yet the work can be anywhere. This creates more challenging and expensive scheduling problems. In the mid-90s, workers spent 8 weeks at the job site followed by 1 week at home. Now the schedule is more likely to be 4 weeks at the site with 10 days at home or 6 weeks at the site with 2 weeks out.

Technology/Training

There was widespread belief, from both depth interview and focus group participants that the post-secondary education system is not providing enough graduates in the trades. Providing a background in improving productivity and maintaining good quality are equally important to the employers as is teaching the latest equipment and trades training.

Technological change is increasing the skill requirements of workers, resulting in a challenge to continuously upgrade skill levels. Machinery is becoming much more technologically advanced requiring operators and mechanics, in particular to be better educated. Much of the workplace training is stipulated by the Construction Safety Association which provides occupational health and safety programs and access to a wide variety of training programs.

The technological advances in the construction industry are benefiting women by eliminating the barrier that “only men can do it” since less “brute” strength is needed to do the work.

A comment was offered that linking training to EI is not working especially for women. If someone is not EI eligible, they have to find some job often totally unrelated to their area of interest, such as retail clerk, work long enough to become EI eligible, and then try to obtain sponsorship from HRDC for training.

Concerns Within the Industry

There were widespread comments, from both the interviews and the focus group sessions, that too few people are entering the technical trades. This applies to machinists, millwrights, electricians, plumbers, and refrigeration technicians, to name a few. Whether from a consumer perspective or from that of an employer, finding trades people has become difficult.

There is a concern of a possible downturn in the industry if deals like the Lower Churchill are not concluded. Several public programs, such as Roads to Rails and water and sewer, are finished, so there is concern about where the next big contracts will come from.

The Province is dependent on world economies for oil prices, mineral prices, and demand for product. Therefore, at any time, there can be wide swings in the industry.

Anticipated Changes Within the Industry

An interesting observation was that, though the population census is down, housing starts are up as it becomes cheaper to finance a home. This has created business growth in regions of the Provinces and supported local economies in

areas where there have been concerns about the future of the traditional industries such as the forestry, fishery, and mining.

Labour Market Demand and Supply

There will be a need for both trades and administrative workers within the construction industry. There will be a lack of skilled labour in various areas, especially the construction trades as heavy equipment operators such as dozer and grader operators and heavy-duty repair mechanics comprise an aging group. Those in the industry anticipate difficulty finding skilled workers within the next 5 to 10 years.

Recruitment and Retention

Much of the construction work is contract-based, therefore, there is difficulty attracting young people into the industry. There needs to be continuity of work to attract and keep the best people. There is also a movement in this industry to developing people to have more than one skill set.

In some cases, companies are capitalizing on shared expertise by partnering with other companies, such as engineering companies, companies in other provinces and aboriginal groups to obtain contracts to provide continuity of work to retain their good workers.

Regional Economic Development Workplans

There were no references to the construction industry in either of the REDB workplans.

Industry Profiles

The federal and provincial industry profiles identified a number of issues:

- There is an expanding market for skilled mechanics and service technicians.
- Significant challenges exist for apprenticeship training and, therefore, a cooperative training system needs to be established.
- There is a decreasing pool of skilled workers as a result of out-migration and a large number of retirees. It is difficult to attract new, young recruits and it is predicted that there will be widespread labour shortages.
- Unemployment is higher than in other sectors since workers spend a lot of time between jobs and there is a high seasonal component

3.4 Transportation

Participant Company Profiles

In transportation, the companies interviewed represent the operation of an airline servicing Newfoundland, Labrador, and the southeastern coast of Quebec, a courier express company, a trucking company, and a ferry operator.

Technology/Training

One company has a program in place to hire and provide training for employees. The training costs are amortized over several years so that if an employee leaves, he/she has to pay back a portion of the training costs to the company.

In the marine sector, legally required training such as emergency and safety are the employees' responsibility with specialty training provided by employers. The skill sets for initial educational programs are available from the Marine Institute, especially in the pre-sea programs. Technology has already had its impact in the marine sector.

Technology has also changed the nature of trucking and shipping. This has resulted in better planning and customer service. Customers can order and track their goods online and digital imaging has transformed the process of claims for damaged goods.

Concerns Within the Industry

The participants in the focus groups expressed great concern over the reduction/elimination of air service by Air Canada Jazz. Many of the smaller airports in the Province have limited service currently, so any reduction will negatively affect business development, consumer/client travel, transportation of goods, and access to public service such as health care. Small business owners believed that regions outside of the Northeast Avalon would find it increasingly difficult to attract new businesses.

Given the demographic profile of the marine industry, it is anticipated that there will be a need to import workers.

"The Russians are now capitalizing on the employment opportunities."

There was a concern expressed from the ground transportation sector that business is very good for the larger companies, but the smaller companies are suffering. The companies that are providing the most extensive services are doing quite well and creating a very competitive environment for small carriers.

Increasing fuel prices and delays at border crossings are a concern for the transportation industry.

Anticipated Changes Within the Industry

Despite the reduction of service through Air Canada Jazz, other provincial airlines anticipate growth in the next three years as they fill the gap that will be left by the departure of Air Canada Jazz from intra-provincial air travel.

Within the marine sector, there is a shortage of workers that is expected to become critical to the point of having to import workers. Immigration is slowed now because Transport Canada does not readily accept certification from other nations.

Labour Market Demand and Supply

Employment is growing within the trucking industry and replacing drivers in the face of retirement is a critical challenge. Employers within the courier sector expect difficulty replacing drivers as well. Since margins are low, the minimum wage is paid for many courier jobs thus making it difficult to keep people.

Generally, within the airline industry there is an aging workforce with more than 40% of the workforce already 45 or older, with 13% over 55. However, recent changes in the airline business means lots of pilots are available. As growth in the industry takes place, they may have some difficulty filling positions for airline and heavy equipment mechanics. However, they will hire mechanics for their basic skills and provide the industry-specific training.

Similar to the fishery, there are severe shortages of labour anticipated in the marine sector. There is currently a shortage of engineering officers. As an example, the average age of Marine Atlantic's 1,200 workers is 47-48 years with 70% eligible to retire within the next 4 years. As well, fewer young people are entering marine studies.

"The Western World is moving away from going to sea."

Shortages already exist or are anticipated for chief engineers, junior and intermediate engineers, officers, 1st and 2nd mates, captains, electrical engineering officers, seamen, and engine room assistants.

Recruitment and Retention

The nature of the airline industry is such that working conditions include long periods away from home, shifts, and remote work. This creates challenges in recruiting and retaining employees.

One airline has a solid program in Labrador to hire aboriginals. It has a good relationship established with the aboriginal community and is employing many aboriginals. This is expected to grow.

In the marine sector, there is a need for all types of professionals (engineers, officers, mates, captains, seamen, ERA's) within the industry. The marine sector is a federal government responsibility and there is a need for the government and industry to cooperate to deal with the shortage of qualified workers.

Within each of the companies interviewed, there are employment equity programs in place to attract women, persons with disabilities, and racial minorities. In addition, there is a high degree of support for family-friendly policies.

Regional Economic Development Workplans

There were no references to the transportation industry in either of the REDB workplans.

Industry Profiles

The federal and provincial industry profiles identified a number of issues:

- Many workers require training including stronger apprenticeship opportunities and college and on-the-job training.
- It is predicted that there will be a shortage of skilled workers, notably people with good language and good electronic skills, master chief officers, and aviation maintenance personnel.
- Technological change has resulted in the reduction of crew size thus increasing the average age of employees. This will result in a large percentage of the workforce retiring at the same time. There needs to be improved recruitment approaches to ensure there will be a ready supply of trained workers when these older workers retire, perhaps in conjunction with a phased-in retirement strategy.

3.5 Communication Sector

Participant Company Profiles

In the telecommunications and cable television areas, many changes occurred during the past few years. Consolidations and acquisitions have had a major impact along with major technological advances and more competition. With the advances in technology, more tasks can be completed utilizing this technology and often remotely resulting in fewer positions requiring different skill sets within companies.

While the Province has a positive GDP, its population base is shrinking which is not positive for those in the retail or service sectors. The shrinking customer base means that companies have to work harder at selling more advanced or other products and services from their product lines to customers to further grow their business.

With respect to the newspaper sector, there is little competition either for employees or business, as there is only one province-wide newspaper. The workforce is considered young, with an average age of 37 years and no one is closer than two years to retirement.

Technology/Training

This sector is very technologically advanced and the skills needed by workers are increasing. There is more of a computer-based technology focus. Also in the area of customer service, the move is away from order taking to the marketing of the companies' products and services.

The technology changes within the newspaper industry happened 10 years ago. Better management is driving the business rather than technological changes. The jobs lost in one area were picked up in another as customer expectations changed. There is less pre-press and electronic processing, but more need for graphics.

In all companies interviewed, there is constant training and upgrading of workers to keep pace with technological advances.

Concerns Within the Industry

There were concerns expressed about the increase in competition within the industry from other telecommunications and satellite service providers. Concerns exist about migration patterns and the costs of servicing communities where populations have shrunk so dramatically.

Anticipated Changes Within the Industry

Technological advances will continue to be introduced as consumers' expectations continue to rise. These advances will allow the delivery of service to be more cost-effective particularly in smaller communities. More testing and diagnosing of trouble will be conducted remotely. A single wire, for example, is able to handle both voice and Internet communication.

Labour Market Demand and Supply

Turnover is not a problem in this industry. During the next 5-6 years, there is expected to be an increase in the numbers of engineers and marketing personnel required. There will also likely be an increase in finance and accounting staff due to increased scrutiny by investors. Opportunities also exist to use technology to gain increases in productivity.

One company is expecting 25-30% of its linespeople to retire but the extent of replacements necessary is uncertain because future demand for their services is unknown.

There are no anticipated difficulties in filling positions that will arise in this industry.

Recruitment and Retention

Wages and benefits are at the top level for the Province and help to attract and retain workers. In this industry, it is critical for education to keep pace with skills needed; the pace of change has been accelerating.

Regional Economic Development Workplans

The REDB workplans did not directly address communications as an industry. However, thirteen REDBs outlined a strategy for development within the technology/knowledge-based industry. Of those that mentioned opportunities in this sector, most identified e-Commerce, delivery and access, distance learning and literacy-related initiatives as the major focus. These are consistent with trends in the communications and distance education sectors.

In Zone 12 (Exploits), the EXCITE (Exploits Centre for IT Excellence) has created 450 positions and attracted other Information Technology companies into the area.

Industry Profiles

Communications issues related to labour market demand and supply are addressed within specific industries in the federal industry profiles.

3.6 Small Business

Participant Company Profiles

The small business sector crosses all industry boundaries. There are small businesses in manufacturing, construction, tourism, communication, and many

of the resource development sectors. Given the percentage of small businesses as a representation of overall businesses in Newfoundland and Labrador, it is important to address labour market issues specific to the small business owner.

A variety of small businesses participated in both the focus group sessions and the depth interviews. As well, a union representing employees of drug stores, wholesalers, and retail outlets was interviewed.

Technology/Training

There have been opportunities for upgrading administrative processes within small businesses as the result of new technologies. In retail, hospitality, transportation, and the service sector, enhancements to business processes as the result of technology has substantially raised levels of customer service. However, business owners are finding that more and more young people believe that simply having a computer technology diploma will guarantee them employment in their chosen field when computer literacy is but one aspect of the skills needed within the workforce.

“As society pushes technology as their salvation, they show up with a diploma and expect a job.”

Concerns Within the Industry

For the companies interviewed and which participated in the focus group sessions, employee turnover is a major issue. The view from the owners is that employees have nothing at risk in leaving a job since many are paid minimum wage. As the economy gets stronger, more are moving from job to job.

Another issue for small business owners is the inability to attract employees given the benefits offered through Employment Insurance and welfare programs. The small gap between wages earned in entry-level positions and the support offered through government programs can be a disincentive to full-time employment.

As one business owner stated,

“I had one good worker, until he got his first pay. It was \$20 more than his welfare cheque and, for that, he had given up his health benefits.”

Business owners are also finding a smaller pool of post-secondary students available for the traditional short-term, part-time employment critical to the operation of many small businesses. There is a belief that the combination of competitive tuition fees in our post-secondary institutions and the ability to defer re-payment until after graduation is resulting in fewer post-secondary students in the labour market while attending those institutions. In addition, post-secondary students would traditionally return to their communities between semesters

and through the summer break thus providing a pool for summer replacement. Many of these post-secondary students are either taking advantage of attending universities during the third semesters and/or continuing with their current jobs in the community in which they are attending university or college.

Anticipated Changes Within the Industry

In rural Newfoundland, the local economies are moving toward urban hubs. Marystown, Corner Brook, Grand Falls-Windsor, and Clarenville seem to be doing well, however, businesses in the surrounding communities are struggling. Many small community residents are reluctant to support local businesses and will go to another community to buy the same goods and services. The intent seems to be the goal of keeping everyone on the same level of income.

“Why should I make him a millionaire?”

Labour Market Demand and Supply

The goal of many small business owners is to provide full-time employment, however, that is not a realistic outcome. Almost 80% of all businesses in the Province employ fewer than 5 people. While larger businesses may be able to withstand short-term business downturns, many of these small businesses go through layoff cycles reflecting downturns in business conditions.

With such a small number of employees, small businesses need generalists who can fit in wherever needed. They need employees who are motivated, energetic, and willing to learn.

“I can train them for the job, but I can't change their attitudes.”

Recruitment and Retention

As within the manufacturing industry, given the high rate of employee turnover, some employers are using creative recruitment to seek out opportunities for people who have traditionally been disadvantaged in finding employment, especially as it relates to hiring women and immigrants.

Some businesses use flexible scheduling for single mothers to allow them to work during school hours and persons with transportation difficulties are accommodated. Sources of potential employees have been the Single Parents' Association, the Association for New Canadians, and Perlin Agencies. This has created some degree of stability from those given an opportunity at full-time work.

Regional Economic Development Workplans

There were no references to small business issues in either of the REDB workplans.

Industry Profiles

Within small businesses, part-time work has assumed an increasing role, as has self-employment. Unemployment rates are stable, but with growth in productivity, employment growth is slow. In 1997, the average hourly wage in Newfoundland and Labrador was \$12.22, 22% below the national average of \$15.60. The only sectors with lower wages were hospitality, agriculture, and personal services. The average wage rates for some parts of the sector, eg. women's retail clothing, have actually declined.

3.7 Petroleum/Energy

Participant Company Profiles

Companies interviewed included a utility company, a company involved in the oil and gas industry, and an organization representing petroleum producers.

Currently, there are approximately 1,600 direct and 4,000 indirect jobs within the oil and gas industry in the Province.

There was a belief from those interviewed that Newfoundland and Labrador is well positioned to grow in the energy sector. The isolation of many communities, the positive economic projections, and the steady growth of the industry all suggest these companies are well positioned in relation to their competitors.

The Province also has a very high Internet usage allowing companies to provide online services to customers.

Technology/Training

This energy sector is very technologically advanced and jobs at every level are more technologically focused. More technician diplomas are required as job requirements continue to change. Research is ongoing relating to new forms of energy, new innovations in natural gas production and transportation, new techniques for exploring in deep water, and more efficient production methods.

Training in this industry is ongoing with special emphasis placed on maintaining a very safe environment with remuneration often tied to performance in this area. Maintaining skill sets is also a focus both with respect to job skills and to the needs of employees in working in a changing environment.

Concerns Within the Industry

While there has been much recent success in terms of achieving production at Hibernia and Terra Nova and with the development of White Rose, there is concern in the industry that exploration has been neglected. Unless there is more exploration and new discoveries, the industry will not be able to sustain itself in the long run. Oil is being produced at much higher levels than were originally planned which is shortening the life of the project without significantly contributing more employment in the Province. The oil and gas industry is very male-dominated as is the public utility sector.

As the workforce in the Province matures and local workers become more experienced, we need to be encouraging youth towards programs related to the energy sector, particularly within the oil and gas industry.

Anticipated Changes Within the Industry

The petroleum industry anticipates steady, but not substantial, growth in jobs. Technological advances will allow exploration in deeper water to be less expensive. As well, some smaller fields may be more attractive for development and exploration activity should increase, particularly in the Laurentian Basin.

There is a continuing change in the customer base within the energy sector. Because of the out-migration of people from the Province, there is a decline in the customer numbers, creating a challenge in growing the business. In addition, the migration of people from smaller communities to the larger urban centers has resulted in further challenges in providing the level of service expected by the customer.

Changes within other industries are having a negative impact on the utility companies. For example, the utility companies sub-contract work to construction companies. Because the contractors are having difficulty finding trades people for project sites, there is often a long waiting period for the completion of contracted work.

Labour Market Demand and Supply

New exploration activity will result in an increase in employment. The petroleum companies will need highly trained, well-educated workers with the ability to multi-task. Workers will come from engineering and scientific backgrounds such as microbiology and earth sciences and will include petroleum technologists. There is a shortage of some specialized workers world-wide such as senior reservoir engineers but no major employment gaps are anticipated.

As we look to what is happening in the US, the industry anticipates shortages of new graduates with the skill sets related to oil and gas and is being proactive in its recruitment.

Recruitment and Retention

The petroleum companies have had some difficulty attracting employees to Newfoundland and Labrador where demand for that particular occupation is high. The personal income tax rate is one factor. However, as Newfoundlanders and Labradorians become more experienced in positions in this industry, there is less need to hire from outside the Province.

Immigration has always been a part of recruitment efforts in this industry globally due to the specialized nature of some of the positions. On the utility side, there has been an increase in movement of people between the properties within Canada and the Caribbean.

The working environment in this industry is positive and safe with high wages being paid and this is expected to continue.

Recruitment of women to the industry has been slow, mainly because there is not a ready supply of women for the engineering positions, including apprenticeship positions. While there has not been targeted recruitment, there is a focus on increasing the number of women in the more non-traditional jobs.

Recruitment efforts to fill positions within the utility company have been limited to Nova Scotia and Newfoundland and Labrador. Their experience has been that attracting employees to the Province, and then keeping them, is a concern. The cultural differences, dynamics of the market, weather, and travel all contribute to a high turnover rate.

Regional Economic Development Workplans

Only three Zones (9: Long Range, 10: Marine & Mountain, and 15: Discovery) identified opportunities within the oil and gas sector for development.

Industry Profiles

The provincial industry profile for the oil and gas industry identified these issues:

- A relatively small proportion of employees are facing imminent retirement as many companies used early retirement as a means of downsizing during the late 80s and early 90s. In 1992 the average age was 38, and the proportion of workers over 50 was only 10%.
- The PIHRC reported that, for the majority of employment opportunities in Newfoundland and Labrador, there is no gap between supply and demand. Where gaps occur, the most significant challenge is meeting industry requirements for “relevant work experience.” This gap, while never exceeding

ten positions for any one occupation, involves many of the highly technical and very experienced human resources, those in highest demand globally.

- Given the highly technical and skilled nature of the oil and gas industry, human resources are in high demand globally, the challenge in Newfoundland and Labrador arises from the difficulty of attracting these skill sets to the Province and retaining them when they come here.
- Compensation is relatively high and retention of skilled workers is not considered a major problem.
- The 1992 HRDC study identified inadequate employment diversity as a challenge for the industry. Given the relatively stagnant employment levels since then, it is unlikely that this has been improved.

3.8 Natural Resource Development

Participant Company Profiles

One mining company within the Province employs 1,300 workers in Labrador, 1,000 of whom are unionized. This is a reduction from a workforce of approximately 3,200 employees in the 1980s; 400 positions have been lost since 1999. There is an older existing workforce, 50% will retire within five years in both operations and administrative jobs. The average age of the workforce is 48, with an average of 25 years of service. During layoffs, those with least seniority (in most cases the younger workers) are laid off.

There has been a high number of layoffs in the past and the company believes it is reaching a point where any new layoffs will negatively affect productivity. During the previous layoff periods, little consideration was given to succession planning. As the company faces a wave of retirements in the next 3-5 years, there is a concern about the impact of the loss of experience and how that will further impact productivity.

The companies interviewed expect to hire a large number of people to replace retirees and, in the case of a newer company, to fill new positions. One company expects to have 400 people employed in the operation and logistics of the mine in Labrador. Similarly, 200 people will be required for the hydromet facility at Argentia and this will grow to 400 employees when full production is reached.

Impact Benefits Agreements (IBAs) are in place with the Inuit and Innu in Labrador that outline commitments for the Voisey's Bay project that ensure their participation.

Technology/Training

Mining is a very high-tech industry, since the need to be more productive drives technology. The introduction of new technology has resulted in fewer people needed for operations jobs and those people must be multi-skilled. One company noted that an experienced multi-tasker is more likely to be considered as a candidate for a supervisory position.

Another company is changing the makeup of its workforce through a program at the College of the North Atlantic, Employee of the Future. There are 60 to 90 students per class of general maintenance skills, with a 4-month work component. The intent is to hire people with generic maintenance skills and to train them for operational specific jobs. In that way, internal operations and process training can be tailored to the needs of the company. The program was designed because of a concern with existing trades programs. The company found that the graduates of the trades programs had limited skills outside of that particular trade.

The union believes that future employees will have to have completed basic programs in mining and mineral processing.

One company has been working closely with CONA in developing training programs for aboriginal people interested in working on the project. It will also utilize its own in-house resources to train workers.

Concerns Within the Industry

The biggest impact on the industry is its reliance on world prices and global competition for product. One company is running at full capacity and its output is completely sold for next year, yet the company may not turn a profit. It is increasingly difficult to make a profit when production and prices are at levels of 40 years ago but production costs have tripled.

There is a general feeling within the mineral exploration field that Newfoundland and Labrador needs another major discovery to lend credibility to the Province's future as a natural resource leader. Royalty tax is seen to be a deterrent to exploration in the Province.

Though there is planning for future human resource needs, the long-term nature of the planning is causing frustration for both current and potential workers. There will be limited new hiring by one company until 2006, yet people are being supported through training programs today. This has had a spin-off effect through other businesses – the housing market is down since young people are uncertain about when a job will be available; people are completing the training and taking jobs elsewhere as they come available; and spending is down in other sectors.

Anticipated Changes Within the Industry

Business is holding stable in the local economy in Labrador, though it tightens up with each contract negotiation. Exploration is likely to increase, and this is now less tied to large companies or metal prices.

One mining company will be hiring 300-500 people over the next five years because of a large group of eligible retirees.

Labour Market Demand and Supply

The mining companies are finding that fewer specialists (e.g. welders, electricians) are needed, however, there is a need for more electrical technicians with general maintenance skills. Companies do not anticipate any difficulties filling the positions because the industry pays well and there will be a pool of candidates from the college program.

In mining in Labrador, there will be an increased need for millwrights, machinists, welders and other trades people, as well as various technicians and technologists including environmental. On the Island, for the hydromet facility, chemical engineers, computer processing technologists, instrumentation technologists, chemists, and other highly technical workers will be needed.

For mineral exploration companies, geologists and technologists with prospecting training are needed. In recent years, new graduates have been lured to the offshore oil industry because of attractive compensation and more job security than mineral exploration offers. Employment in mineral exploration is typically through short-term contracts of one or three months.

Recruitment and Retention

One company is actually offering retirement incentive programs to make positions available for a younger group of employees. At one company, there is a commitment to employing disadvantaged people. Through the Labrador West Economic Council, seven persons with disabilities are hired for janitorial positions through an HRDC 6-month wage-subsidy program. At the end of the six months, these people are hired into full-time janitorial positions as jobs are available and other “trainees” are hired through the LWEC. As mentioned earlier, there are also IBAs in place with the Inuit and Innu in Labrador.

The mineral resource industry is now planning for the replacement of workers through retirements. This will happen over the next five years, and there is a concentrated effort to have a pool of workers ready when needed. However the lack of full-time work in the short-term is actually resulting in these new entrants into the field going elsewhere for employment.

Within one company, 5% of the operations workforce is comprised of women. There are no specific programs in place to hire more women, however, 30% of

the students in each class of the Employee of the Future program in western Labrador are women.

Regional Economic Development Workplans

Not surprising, the zonal boards in Labrador and the Avalon Gateway identified opportunities in mining as a result of development at Voisey's Bay.

In addition, in Labrador dimension stone, quartzite, manganese, dolomite, and graphite are seen as areas for development. In western Labrador, expansion of the Mining and Mineral Technology program at the College of the North Atlantic is seen as necessary in planning for changes in the mining industry.

In central Newfoundland, development in dimension stone is seen as having growth potential.

Industry Profiles

Mineral resource development is one of the highest paid industries. The provincial industry profile for the mining industry identified these issues:

- The workforce will need to acquire new skills as a result of technological advances. Traditionally, there has been an established culture of workers training workers. Formal education requirements are increasing and so too is the need to establish training standards for operational personnel.
- Retention of skilled workers is not considered a major problem. However, there are concerns about the image of the industry in the minds of younger technical employees.
- The mining industry has traditionally been seen as having a harsh working environment - long periods working underground and/or outside, hard physical labour, and in remote locations. The industry's image has not been conducive to recruiting women. In particular, there has also been failure to provide adequate opportunities to Aboriginal women who may be available locally to the mine.

3.9 Forestry

Participant Company Profiles

The Pulp and Paperworkers' Union represents 1,000 workers in Abitibi Consolidated in Grand Falls-Windsor and Corner Brook Pulp and Paper. The workforce has been reduced from more than 1,900 workers in 1989. Because of concern regarding the availability of full-time work, some positions have remained vacant as an organizational strategy to reduce the hiring/layoff cycle.

Much of the harvesting work is seasonal, with harvesters working 45 weeks, loggers working 18-22 weeks, and planters/thinners working 16 weeks. The average age for loggers is 53.5 years. In the mill, the average age is a little lower.

The Lumber Producers' Association has 68 members including sawmills, loggers, and value-added producers such as manufacturers of flooring and mouldings. These members employ between 1,000-1,500 employees depending on the time of the year. Seventy percent of employees are employed year-round.

Technology/Training

Training is provided on the job. A principal concern around training is ensuring that workers acquire key technical skills. In the industry, semi-skilled workers require some high school education while machine operators require a college diploma. This creates a concern on the harvesting side of the industry in the Province since literacy is a major issue; only 30% of union members have a high school education. These workers are required to complete courses to operate and maintain new technologically advanced harvesters. There has been a focus on addressing literacy issues within the industry as part of a national initiative. Workers are sometimes reluctant or apprehensive about participating in courses because of a lack of self-confidence stemming from low literacy levels.

Use of information technologies and computers is increasing in paper mills and saw mills and as a result, worker skill requirements are increasing. Workers need to be more technologically literate. Most training is through on-the-job apprenticeship since education levels have traditionally been low. The demand is for more skilled workers and fewer labourers.

Over the past 10 years, there has been a modernization of the larger saw mills with the introduction of computerized kiln facilities, specialized equipment, and office computer systems.

Concerns Within the Industry

As a result of economics and market pressure, mill closures and machine shutdowns are always a concern. It is believed that only new paper machines will boost jobs and the forestry economy. The age of the paper machines in Grand Falls-Windsor presents a concern about the viability of long-term production.

The softwood lumber dispute between Canada and the United States has had a tremendous impact on the lumber producers in Newfoundland and Labrador. The dispute has resulted in anti-dumping penalties and tariffs being imposed on exported lumber. Because the industry in Atlantic Canada is not subsidized, producers in Newfoundland and Labrador are exempt from the tariffs and just have to pay the 9% anti-dumping penalty compared to a total of 30% imposed on producers in Central and Western Canada.

There are also concerns in this industry about the limited wood supply on the Island and the changes in allocations and cutbacks in quotas.

Anticipated Changes Within the Industry

The industry is dependent on a ready wood supply. Though there has been a focus on 'paperless' workplaces, the demand for paper is actually increasing. As developing countries improve their population's literacy rates, there is more demand for paper.

Worker skill requirements will increase as a result of technological advances. New hiring will raise the bar, as workers will be expected to have courses on papermaking and operator qualifications, saw filing and lumber grading.

Labour Market Demand and Supply

Each mechanical harvester replaces 24 workers. As such, there has been no hiring since 1989 and it is anticipated in the forestry industry that there will be no future hiring for another 8-10 years, except in specific trades to replace workers lost through attrition.

With lumber producers, the uncertainty created by the softwood lumber dispute means forecasting demand for workers is difficult. An increase in the workforce is not expected but the profile of the workforce is expected to change as older workers retire and are replaced by more technologically literate workers.

There is a need for more specialists within the industry, such as Class 3 Engineers, technologists, electrical journeymen, millwrights, industrial mechanics, and management staff.

Recruitment and Retention

The company has received criticism from its own local communities for recruiting employees from outside of the geographic area. Traditionally, workers in the paper mills came from the surrounding communities. With the changes in skills requirements, however, there are few people with the necessary skills and experiences.

It is believed that there are ex-patriots willing to move back to the Province if there is full-time work. In fact, there is targeted recruitment of people vacationing 'home' during the summers.

Within the paper mill, there is a targeted recruitment of women, but very few have the technical qualifications. All women who apply for positions are included in the first screening for positions. There is a belief on the harvesting side of the industry, however, that women cannot physically do operations work. For this

particular union, there are only four women outside of administrative positions, and all are working as tree planters.

With the lumber producers, the proportion of women working in the industry is estimated to have grown from 2% ten years ago to 15% today. There are more women employed in the offices and as lumber graders and scalers. This trend is expected to continue as new employees will require more skills and less physical strength.

Regional Economic Development Workplans

The REDB workplans combined Agrifoods with the forestry industry. Many of the zones identified region-specific opportunities, such as berries, sheep, and vegetable farming. Zones in central and western Newfoundland identified forestry as important to their regions.

Industry Profiles

The provincial picture within the forestry industry is actually different from the national demographics:

- On average, workers nationally are in their mid 40s with the majority of new entrants between 15 and 29 years of age.
- Growth within the industry overall has declined due to the low world prices for paper.
- Most work is full-time and workers have above average wages.

3.10 Tourism

Participant Company Profiles

As with small business as a category for discussion, tourism encompasses a wide variety of representative companies. On the hospitality side, participation was gained from business owners of small bed and breakfasts to large multinational hotel chains. On the service side, golf courses, ski resorts, restaurants, and food stores participated.

There seems to be 2 distinct categories of tourism issues, those that affect the smaller (usually seasonal) businesses and those relevant for the larger (usually year-round) companies.

One golf resort employs 95% of its employees full-time for six months of the year. The company tried a 12-month concept in 1998 but the demand for service was not there. In contrast, the hotel chains not only operate year-round, but they continue

to grow often purchasing properties at good prices as smaller companies have not fared as well in the industry.

Technology/Training

Though there are hospitality certification programs available through Hospitality Newfoundland and Labrador, on-the-job training remains the primary training delivery method. Many fast food operations require no training or experience at the entry level and few establishments have upgrading programs for staff.

There is a skills gap in the customer service aspect of the industry, particularly in rural Newfoundland and Labrador. Since many of the employees are from the local area and have limited exposure to understand customer needs and expectations, they are often not aware of what excellent customer service entails. Therefore, training at all levels is critical in customer-oriented service. Almost all of the employees have high school education, though few have post-secondary.

For the hotels, technology is not as much a factor as the changing nature of work. People seem to have adjusted to technology and training changes, however, the challenge is in getting them to understand good customer service.

“It’s a challenge to train people about providing quality customer service in hotels when they may have never actually stayed in a hotel themselves.”

Technology has streamlined front desk activities. There are an increasing number of Internet bookings and high-speed access has been added for customers. The hotels have aggressive internal training programs and there is cross-training across departments.

Many hotel employees come with basic IT skills and are technologically focused. As such, they often see their skills as underutilized in many of the more entry-level positions. This results in high turnover rates as people move around for better wages and working conditions.

Concerns Within the Industry

The seasonal nature of the industry in the smaller businesses in rural Newfoundland and Labrador makes it difficult to have a consistent approach to training. However, staff information sessions work well to share what is happening within the company.

Growing the golf business will be a challenge over the next three to five years since there has been a proliferation of courses. Marketing will be important in getting non-resident visitors since there is a limited target market within the Province.

As for small businesses in general, an issue for tourism operators is the inability to attract employees given the benefits offered through Employment Insurance programs. When employees are laid off, their benefits will be negatively affected by coming to work or attending training programs in the off-season. As business owners stated,

“I found a good guy from (name of community) who worked in PEI. I had to pay him for eight months, even though the job was only for six.”

“We tried to open for 12 months one year and I needed help during the winter. I called everyone but couldn't get one person to work.”

Anticipated Changes Within the Industry

There have been a number of tourism-related initiatives within many communities, many of which are/were sponsored by the provincial government. The participants in the focus groups representing a cross-section of the Province felt that, while these are good initiatives for communities, tourism by itself cannot sustain communities given our short season. Though tourism is growing and injecting millions of new dollars into the economy, it is perceived to be limited in its impact on employment given wage levels and a short season. While creating some new businesses and seasonal employment, tourism is primarily seen as supporting many existing businesses and thus helping sustain many rural communities throughout the Province.

“Tourism holds opportunity for growth, but it is not a growth industry.”

Some communities are working with their Regional Economic Development Boards to develop ideas for extending the tourism season. This has resulted in lengthening the tourism season by tying activities to local events, for example introduction of cruiseship stops in the fall.

Labour Market Demand and Supply

Employers have identified shortages of qualified applicants for chefs, experienced line cooks, and sales managers. The hotels expect a slight increase in hiring in the next three or four years to replace an aging housekeeping and maintenance workforce.

The hospitality industry employs a wide variety of job classifications including administrative, maintenance, housekeeping, and company-specific job classifications. The businesses in rural Newfoundland and Labrador employ their workforce from local areas and most of the work is seasonal.

Recruitment and Retention

More women are employed on the hospitality side of the tourism industry while more men are employed in maintenance jobs.

Given the catchment area for employees in rural Newfoundland and Labrador, 12-hour shifts seem to work well with some employers. This allows a more flexible schedule, thus making childcare and travel arrangements easier. As well, there has been a directed effort to have work-eligible children working in the same company as their parents. HRDC programs are utilized to hire people from disadvantaged groups.

For larger companies, a number of strategies are used to retain workers, such as staff social events. The biggest factor in keeping good people, however, seems to be to treat people with respect and appreciation.

The major recruitment issue for one hotel is recruitment into junior levels (housekeeping, food services) and some management (kitchen managers, chefs) positions and developing a set of consistent HR policies throughout the company. Recruitment into Newfoundland and Labrador is a concern, even within the same company and the move into Newfoundland and Labrador is often used as a career path incentive. These people come to the Province as an opportunity to manage a larger department/hotel and gain experience. They often move on to positions outside of the Province as new opportunities open for them within the company and the cycle continues.

There are no specific recruitment efforts for women, except to get more women into management positions.

Recruitment difficulties are predicted because entry-level jobs in this sector are not viewed as attractive career choices and are perceived as a low status and low-paying career. Many potential entrants consider the working conditions to be poor. There is likely to be short-term and long-term staff shortages as a result of a shrinking labour pool. Turnover is considered unavoidable and better human resource practices are needed to reduce turnover. One large hotel chain partners with the Association for New Canadians to target hard-to-fill positions.

Regional Economic Development Workplans

Many of the REDBs identified tourism initiatives specific to their region, such as sport activities, craft development, and development of heritage sites.

Industry Profiles

The interviews within the tourism industry focused on the private, small business side of the industry. There were no industry profiles specific to tourism in this province.

One aspect of tourism that deserves recognition is the cultural side of the industry, given its potential for growth in the Province. These comments come from industry projections, rather than from the project participants:

- The Visual Arts & Crafts industry has a different composition of the workforce compared to the other fields with respect to age. People generally devote more time to their art as they become older and more established.
- Many cultural workers are highly educated though there is a shortage of well-rounded marketers and managers and there is a need for computer and business skill enhancement.
- Job growth is expected in technological areas such as software development, archiving, and systems designs. A variety of training sources exist and individuals in this sector are continuously needed to upgrade their skills. High quality and affordable development programs are needed, with grants to allow novices to participate.
- Salary, benefits, and job security are generally low as many individuals in this industry are self-employed. Unions and guilds have a decreasing influence. Work is predominantly contractual in nature with few opportunities for stable, long-term positions with benefits.
- The music industry is predominantly male-dominated in the middle-to-senior management and technical positions. In the Literary and Publishing Industry, male and female participation rates are comparable. There is an increasing presence of women in the Visual Arts and Crafts industry.
- An aging population and changing lifestyles, particularly home entertainment and the exodus to the suburbs, will probably reduce attendance at live performances.
- Little or nothing is being done in schools to promote the performing arts to replenish tomorrow's audiences.

3.11 Service Sector

Participant Company Profiles

Arguably, all of the companies that participated in this project are in the “service” business. There are a group of businesses, however, that provide direct professional services to clients that is more of a consultative nature.

One IT company interviewed currently employs 550 employees within the Province, with plans to go to close to 700 in the next five years. It is very focused on productivity and factors such as percentage of billable hours and cost per unit of output are measured and tracked. The expectations for their Newfoundland and Labrador operation are exactly the same as elsewhere. They realize that major growth for this operation will come from “export” sales, so they are focused on business development, especially outside the Province.

Companies in the service sector typically are using advances in technology to understand and service their customers’ needs better through data mining, Internet, and email usage. In the banking industry, in particular, advances in technology have changed how service is delivered, e.g. direct deposits, ATMs, online, and telephone banking services.

Technology/Training

Within the food service industry, approximately 50% of the necessary training is generic to the job, while the other 50% varies by profession and company. This company-specific training must be offered in-house.

Many of the larger IT/knowledge-based companies and call centers have a close working relationship with the post-secondary institutions and have solid training programs in place, primarily in web-based training such as PeopleSoft and Cisco Systems, in order to maintain certification. Most of these companies also have extensive in-house training programs.

Some educational programs tend to be skewed to the technical and quantitative side but these skills may be obsolete by the time the person gets to the industry. Employers stated that there needs to be more emphasis on stress management and change management in these programs.

Concerns Within the Industry

Turnover is a concern within non-professional entry level positions within the service industry. Call centers, in particular, have a 46% annual turnover and tend to lose people to other IT companies that have more attractive shift schedules and allow employees to expand their skills and applications. Often, employees are underemployed and move to other jobs as they gain experience.

Turnover was not an issue at companies where employees are in career positions, are salaried, have post-secondary education and have opportunity for advancement.

Anticipated Changes Within the Industry

Many of the companies anticipate growth over the next three to five years as both sales and operations will continue to grow. This will require more technicians and technologists in companies that design and manufacture products.

Availability of labour is becoming a concern within the call centre industry, though it is a little early to see if competition for labour will increase. Human resource managers within that industry are beginning to see a slight downturn in the quality of the applicants. As new opportunities open for experienced IT professionals, the pool of potential replacements changes.

Technological changes have been profound in the travel management business. Before the growth of the Internet, travel information came from travel companies. Now any consumer can get that information online. Employees in travel management must be Internet savvy and have the ability to use and understand a number of reservation systems. One company anticipates growth in the industry as a result of oil and gas industry needs, with gradual improvement in the next three to five years. Travel consultants will need to have a higher degree of knowledge of destinations, travel trends and patterns, and construction of complex travel itineraries. The trend is toward more centralized offices for better client servicing.

In the banking industry, competition is increasing with more retail outlets such as Walmart and President's Choice offering financial services. Mergers in the banking industry have been on the horizon for some time.

Labour Market Demand and Supply

Applicants with an IT background will continue to be needed throughout all sectors. One IT company will need approximately 200 people to fill new technology positions in the next five years. It does not anticipate too much difficulty finding the people they need and plan to "home-grow" them, particularly through partnerships within the post-secondary education system.

"We will work with our education partners to provide the people."

Primarily, these companies will be looking for mainly technical people who are "trainable", and look for people with good interpersonal skills who can develop a consultant mentality.

There will be a demand for engineers and scientists in the environmental consulting business.

Recruitment and Retention

Many companies use a variety of retention strategies in an effort to reduce turnover. These include recognition programs, competitive salary and benefit packages, extended training, and exit interviews.

Turnover is low within the travel agency business. Often employees come in their early 20s and stay for 15 to 20 years. The workforce on the travel agency side of the industry will remain static or shrink, but the quality of people will improve. The skills required will be good interpersonal skills, the ability to handle stress and change, and being a team player. Vacancies within travel agencies are often filled through the industry network. There are a lot of Newfoundlanders and Labradorians wanting to come home, so there is little concern about the ability to fill positions.

One company plans to hire locally, train appropriately, and practice retention. The company pays well (central Canadian wage levels) with very competitive packages and 3-5% of payroll is spent on training. Its major concern is retention, in fact, their major emphasis is on keeping the people they have. They realize it is a lifestyle decision for many who want to remain in Newfoundland and Labrador. They pay well and give employees opportunities to work on exciting projects with major clients. They also have the advantage that it is the only company in the Province able to offer such positions. They may need to hire a few more senior people, but will promote them from within or move them in from other company offices. Senior managers for the future will come from MBA programs, internal workshops, and company-wide succession planning.

Companies which compete for federal contracts must comply with the requirements of the Federal Contractors Act and its employment equity provisions. As such, there are no gender issues and these companies offer all federally mandated benefits. As well, internal policies address flexible working schedules and working from home, as required.

Regional Economic Development Workplans

The service sector is not addressed in the zonal workplans.

Industry Profiles

It is difficult getting industry profiles for the service industry since it encompasses so many sectors. General considerations include:

- For call centers, growth of the industry means there is a heightened demand for skilled staff with a basic requirement for an entry-level position, often a high school diploma.
- There is a maturing of the Consulting Engineering workforce owing to downsizing and increased emphasis on management experience and/or highly specialized skills. Employment has declined in the last decade but has stabilized with low employee turnover. There has been little job progress for women with few women in senior positions, although there has been an overall increased proportion of women within the industry.
- The Biotechnology industry has a relatively young workforce and experienced scientific and technical personnel are in short supply, especially those who can combine two or more fields of expertise. Growth is expected in this sector, especially in marketing since 41% of employment is involved with research and development

4.0 General Themes

There are a number of themes that emerged from both the focus group discussions and the depth interviews. Some of these are more prevalent in various industries, however, they seem to encompass a number of sectors.

4.1 General Perceptions

Economic Outlook

Long-Term

The economic picture for Newfoundland and Labrador has the best long-term projections in the country. The companies and business owners who participated in this project confirmed their agreement with the overall economic outlook. They did express a concern over the depletion of non-renewable resources and felt that the Province needs to step back from quick deals on resources to ensure we continue to have long-term benefits from the development of our resources. There needs to be a reinvestment of revenue from non-renewable resources into new industry development.

Short-Term

There was an overall air of optimism from the participants, for their own business and for their communities. The short-term outlook for the Province was very good, primarily because of our positioning in the oil and gas sector and from development such as INCO/Voisey's Bay Nickel.

Most of the businesses stated they were doing well, in fact, in several sectors like transportation, retail, and manufacturing, there has been an increase in sales and projections for the future are very positive. For technology companies, the bigger the economy, the more technology grows.

Barriers to Business Growth

While the economic picture is promising, business owners identified several impediments to business growth. The payroll tax, which adds 2% to overall payroll costs, is seen as penalizing companies for setting up operations in the Province.

The cost of air transportation and the lack of air access throughout the Province are seen as barriers in rural Newfoundland and within Labrador.

Changes to the Workplace Health, Safety and Compensation Commission with respect to occupational health and safety and Early and Safe Return to Work are seen as troublesome to businesses that have a high employee turnover rate.

The structures of the Employment Insurance and welfare systems are deterrents to filling entry-level positions for many small business owners and those in seasonal industries. Entry-level positions are often paid at minimum wage and total income plus benefits from government support programs can be higher for the individual. However, as one participant voiced:

“Where would the minimum wage have to be to encourage people to work if they are content to live on welfare?”

Companies also mentioned finding it difficult to incorporate recruitment of disadvantaged groups into contract proposals when the contract is awarded on lowest bid. Disadvantaged groups may need longer to complete tasks and/or require more training and supervision which adds to the cost of completing a contract.

General Regional Perceptions

The participants in this project, particularly those outside of the Northeast Avalon, expressed concern about the general nature of government business development incentive programs. While there was widespread agreement that new business growth must be attracted to rural Newfoundland and Labrador, any new business in an area is in direct competition for the available labour supply. So, in areas where there is difficulty finding a labour source, these new businesses create competition for labour among existing businesses.

Major projects like Voisey’s Bay and White Rose are seen as having little economic impact on most of rural Newfoundland. Even in Labrador, any economic benefit to be derived from those projects is seen in a limited capacity. In fact, those projects are seen as having the potential for a negative impact on the labour force since workers will be drawn to the urban areas.

There is a thriving underground economy throughout the Province. Many participants, in both focus group discussions and depth interviews, identified the need for trades people in their area. Yet, there is a great deal of trades work being done as secondary income from people in other professional groups.

Keeping communities alive was a big concern for most of the participants. The sites for the focus group sessions are considered urban hubs in the various regions of the Province. Those communities are seen as doing well economically. However, businesses in many of the surrounding areas are struggling.

Perceptions from Labrador

An interesting observation from Labrador was the difficulty in separating private sector labour market issues from what is happening in the public sector. The ability to attract businesses into Labrador is largely dependent on the availability and quality of many public services, like health care, education, and community services. As well, there is a very limited pool of skilled workers in Labrador and often the movement of personnel in and out of the various industry sectors can result in the loss/gain of public sector employees.

An example of the need for both sectors to work together was cited for Labrador West. Labrador City identified the need to attract a family physician to the town and proceeded to recruit a physician. However, it was unable to negotiate a working agreement with the union representing IOC to accommodate the physician's spouse.

The high cost of transportation in Labrador is a concern. The unpaved highway is a deterrent to ground transportation of goods since trucking companies must go through Quebec, rather than to and from Goose Bay, because of the condition of the road. Also, the limited seats available on flights to and from Labrador and the high costs of air travel create barriers to doing business in Labrador.

Contract proposals now must include considerations of an aboriginal workforce. While this is seen as a positive initiative, there needs to be targeted training for aboriginal workers. As well, a creative approach to training and skill development may be necessary since many within the labour pool do not have the minimal qualifications for many of the jobs. This will require an awareness of cultural sensitivities and tact to avoid negative connotations about the aboriginal workforce.

Workers originally from other areas are tending to stay in Labrador following their retirement creating a need in the future for services related to an aging population.

Perceptions about Government

There was a general feeling that policy makers need to approach the needs of business from the perspective of the business owner. Businesses within the Province must respond to market changes and labour demand/supply in a timely manner in order to remain competitive. The general belief is that governments take too long to implement strategies.

"We can't afford to take years to study a problem and then decide on what needs to be done."

"You don't need all the pieces of the puzzle in place to make a decision."

As well, government departments are seen as “short-term (vote) focused” rather than looking at the long-term needs of the business community. An example cited of this are the decisions made with respect to the allocation of plant licenses in the fishery.

There is also skepticism about the value of government programs such as EDGE and ACOA-sponsored projects. ACOA-funded initiatives are seen as having short-term impact while companies setting up operations under the EDGE programs are a source of competition for available labour. There is a perception that these programs have limited success since they hear few “success” stories.

Perceptions about Educational Programs

Industry places importance on people skills and recognizes the importance of training and development. However, it is perceived that the education sector does not know what industry requires and that there is a need to establish better links between education and industry. Regardless of the industry, participants expressed the need for better liaison between colleges and the respective industries in the development of education/trades programs.

Many of those interviewed, across various industries, identified the need for increased training opportunities so existing employees can raise their skill levels. There is a concern that the educational institutions are not accommodating to the part-time employee who must attend college outside of the traditional school schedule. There may be an opportunity for more distance learning and/or working with companies to plan an alternate course schedule, especially if the company can fund the program.

The content of the programs is often outdated, as is the equipment for the practical component of the programs. Many people felt that the trades programs are inconsistent with the needs of industry, so the College of the North Atlantic is responding to individual requests from companies without looking at the impact on industry standards.

Companies have concerns employing college graduates since their skills are often outdated by the time they reach the workplace.

“They are graduating with Windows 98 when the industry standard is now Windows 2000.”

Likewise, unions are concerned that some programs are too company-specific and not tied to apprenticeship programs.

Growth of Information Technology

The Information Technology sector is not only an industry in its own right, but also an integral part of virtually all industries, as all will need computer and IT skills for businesses growth and development. According to NATI, the IT/knowledge-based industry is still the fastest growing with potential for integration into health care, hospitality, and other markets. There is growth in ocean and marine technology, as well as in geomatics. IT services are expanding as companies are looking to Atlantic Canada instead of Asia and India to set up operations.

Growth is only limited by the ability for a focus on market development. This industry also has the potential for further growth since much of the work is intellectual development resulting in low equipment needs and an open market where the work can be done anywhere.

The difficulty is for new graduates to gain experience and work opportunities. Big companies, which could provide that experience, look for people with existing experience. This creates a gap for less experienced IT professionals to “build their resume” and raise their billable potential. There is no, or limited, funding for private companies to hire and provide that developmental experience. Graduate internships may bridge that gap, with companies acquiring the needed labour supply in entry-level positions and the employee gaining valuable experience. There is a disconnect between educational programs and the needs of industry. This results in the need to retrain internally, a major obstacle for small businesses that have, on average, five employees.

As was expressed by companies in the manufacturing sector, there are many expatriates ready and available for new positions. These people want to move back and have gained a lot of experience from being away.

4.2 Profile of the Workforce

Demographic Profile

Many of the more traditional industries within the Province (forestry, mining, fishery) are facing an aging workforce. The layoffs of the 1980s and 1990s have resulted in a reduced workforce, but one in which there has been little succession planning. Therefore, when this cohort group leaves the industry through retirements within the next 5 to 10 years, a lot of experience and company knowledge will go with them. Many companies will find themselves with a younger and inexperienced workforce as competition for experience and advanced education increases.

Technology and Training Issues

Across industries, businesses identified the need for technology-literate workers, not necessarily for the industry-specific technologies. The companies will provide the necessary on-the-job training on the specific equipment, however, prospective employees must be computer-literate.

Literacy and basic communication skills continue to be a concern, particularly in industries that traditionally have had a lower education entry requirement, such as forestry, the fishery and construction. This creates an even greater difficulty in ensuring that the workforce is technology-literate.

Improved orientation and training programs are needed throughout industries. Many industries are required to provide training programs to comply with industry standards, such as construction, transportation, and the marine industries. However, the small business owner and those in the tourism sector continue to find this a challenge.

General laborers will require a high-school education and strong product knowledge since there seems to be a movement away from specialization and more to cross training for a number of skills. This was particularly seen in the mining industry where future employees will be trained with general maintenance skills and provided with company-specific operations training as the need arises.

Projected Labour Demand

There were widespread comments that too few people are available for the technical trades. This applies to machinists, millwrights, electricians, plumbers, and refrigeration technicians, to name a few.

The use of computers is increasing in a number of industries, such as for inventory control in the retail/service sector. Just as within the technology industry, there is a projected need for technical support, systems and infrastructure services, and internal and consultant network analysts.

There will be a need for technicians (electrical, engineering, mechanical, geological) to service various industry sectors.

Growth in sales through export of products will increase since there is declining population of target age groups within the Province. As companies expand into global markets, occupations in sales and marketing are expected to increase. There are manufacturing companies in the Province that are already exporting 90% of their product to world markets.

Finding the “Right” Employee

When asked what kind of employee they need for business success, invariably participants outlined their “ideal” employee as having these skills: being a team player, able to solve problems, motivated, adaptable to change, having a desire to learn, and being willing to be flexible for the good of the company. The concern expressed was that younger people entering the workforce have an attitude that rewards have to be immediate, and they are less willing to fill entry-level positions.

“Employee attitude is more important than education. I didn’t take a co-op student this year because I couldn’t find one with the right attitude.”

Recruitment and Retention

Direct recruitment efforts tended to follow the traditional routes – newspaper advertisements, word of mouth, and industry networks. The manufacturing companies, those in the technology/knowledge-based sector, and companies on the Northeast Avalon generally didn’t anticipate difficulty filling projected vacancies. For small business owners and those in the service and tourism sectors, filling entry-level and trades positions are a concern.

Other industries, such as the fishery and hospitality, find difficulty getting supervisory people to move to rural areas since there are opportunities already available in the urban areas. Companies use these moves as part of a career path within the company.

Out-migration will continue to occur since better-educated young people, in particular, have a wide network outside the Province and relocation is much easier. This is not seen as negative by many of the industries. Several participants felt that, for those people who have a passion for the work they do, it is good to go elsewhere for experience. As one participant voiced:

“Educate them, send them away, then bring them home.”

Manufacturing and technology companies are targeting these expatriates to fill positions and are creating opportunities to bring them back. Having gained experience in their sector, expatriates are often ready to trade higher salaries for a better lifestyle, although it is also acknowledged that many will not return.

Several companies have used creative approaches to recruiting entry-level people. Organizations such as the Single Parent Association of Newfoundland and Labrador, Perlin Agencies, the Association for New Canadians, and the John Howard Society have proven to be a source of labour for the service and manufacturing sectors. Interestingly, these employees demonstrate a stronger

loyalty to their employer for giving them a first chance or another chance at employment.

Retention strategies have included profit sharing and bonus incentives. Many employers, however, said that the best retention strategy is to treat people well, fairly, and with respect.

4.3 Regional Economic Development Board (REDB) Workplans

The REDB Zonal Strategic Plans focus on business development opportunities by sector/industry within their respective region. The targeted areas for development varies from zone to zone, however, very few of the plans discuss either the labour market or skills necessary within those industries. Therefore, it is difficult to determine whether these are viable opportunities. There needs to be a provincial picture of the viability of those opportunities so the zones are not creating too many separate, competing projects. As well, these plans need to be crosschecked against the Strategic Social Plans (Community Accounts) that consider labour market needs and skills.

The zones are at various levels of development with respect to labour market strategies. Some have clearly identified projects, such as in Zone 12 (Exploits) and 14 (Kittiwake); others are still at the administrative level assisting small/medium sized businesses, committee discussions, facilitating partnerships, and seeking government agreement/funding phase.

4.4 Human Resource Issues

Many of the medium to large companies and most of the small businesses do not have a dedicated human resource function. Given the scope of changes we have witnessed in the transportation, fishing, mining, manufacturing, and service industries, supervisors and managers are often individually making decisions about recruitment and hiring, termination and transfers, and compensation decisions.

Within the technology/knowledge-based industry, NATI has four or five people dedicated to providing HR consultation to its member companies. These consultants provide advice on recruitment and placement, training (both employee and managerial), and employee relations.

5.0 Summary

There are several fundamental issues that emerged from this project. Each of these affect the various industries to different degrees, however, they all have an impact regardless of industry.

Technology

Regardless of the industry, an integral part of virtually all companies is the need for computer and IT skills. Employers are looking for technology-literate and computer-literate employees for businesses growth and development.

Aging

The Province is facing an aging workforce. The layoffs over the previous decade have resulted in a workforce with an average age in the 40s and 50s, depending on the industry. There are few succession planning strategies in place and there is a fear there will not be enough people to satisfy future labour demands.

Lack of Strategy

Virtually none of the small businesses, and many of the medium to large companies, have no dedicated human resource function. As such, decisions regarding recruitment and hiring, compensation and retention, and human resource planning are often left to individual supervisors and managers.

Continued Out-Migration

While employers voiced a concern about future employment needs, there was not a great deal of concern from these participants about young people leaving the Province to gain experience. Many felt there are enough people wanting to move “back home” to fill any jobs they will have. As well, the added experience gained from working in a new environment was seen as positive. As one participant expressed:

“I want someone who has the drive to get out of here to see new things and learn new ways of doing things. Why would I want to hire someone who doesn't even have the motivation to leave town?”

Not all of the community out-migration was seen as negative. There was a view that the Province cannot support the number of municipalities currently in the Province.

The dynamics of demographic change is complex and there are conflicting views on what, if anything, should be done to reverse the trend. There is a global demand for labour and many companies compete for potential employees at an international level. Many people voiced the view that return to the Province could be attractive for many wishing to relocate. However, that will happen only in the context of competitive salaries and perceived job security.

Appendix A: List of Participants

Depth Interviews and/or Focus Group Participation:

Fishery/Marine

- Fishery Products International; Wilson Fudge (Atlantic Canada Operations) and Sadie Popovich (Director of Labour Relations, Newfoundland and Labrador)
- North Atlantic Sea Farms Corporation; Jonathan Moir
- The Barry Group; Karl Sullivan
- The Pike Group; Greg Viscount
- United Food and Commercial Workers (UFCW); Linda Chafe (President)
- Fisheries Association of Newfoundland and Labrador; Alastair O'Rielly

Manufacturing/Distribution

- Brookfield Dairies Ltd; Gerry Smith and Bernard Sparrow
- Cameron Ashley (Manager); Manufacturing/Building Supplies
- Camprint (Owner); Commercial Printing
- Central Diaries (Human Resources Manager); Manufacturing & Distributing
- E. L. Bugden Ltd. (Owner); Wholesale Distribution
- Flexco Pac (Owner); Commercial Printing Plant/Silk Screening
- Garrison Guitars; Chris Griffiths (President)
- Labrador Sewing Center (Owner); Manufacturing
- Lotek Wireless; Mark Ploughman (Plant Manager)
- Manna Bakery; Chris Rusted (Owner)
- Metal World Inc. (Owner); Manufacturing
- Milton Fiberglass (Manager); Manufacturing
- Stagg Signs and Graphics (President); Sign & Screen Printing

Construction

- Carpet Villa, The, (Manager); Flooring Retailers
- H. J. O'Connell Limited; Len Knox
- Kerr Controls Ltd. (Owner); Heating & Refrigeration Contractors
- Lumberworld (Manager); Building Supplies
- Mullett Contracting & Building Supplies (Owner); Building Supplies

Transportation

- Carlson Wagonlit Travel; Stephen Outerbridge (General Manager)
- Day & Ross; Roger Flood (President)
- Marine Atlantic; Sid Hynes
- The Pike Group; Greg Viscount

Communication

- Aliant; Sharon Duggan (VP-HR)
- NATI; Jeff Tulk (Executive Director)
- Persona Inc; John Reid
- The Telegram; Miller Ayre

Petroleum/Energy

- Canadian Association of Petroleum Producers; Paul Barnes
- Canship Ugland; Sid Hynes
- Newfoundland Power; Juliette Crosbie (Manager, Human Resources)

Natural Resource Development

- Chamber of Mineral Resources; Peter Dimmell (Chair)
- Iron Ore Company of Canada; Andrew Robertson (Director, Employee Relations)
- Steelworkers' Union; George Kean (President)
- Voisey's Bay Nickel Company; Bob Marshall
- Women in Resource Development; Lorraine Michael

Forestry

- Abitibi Consolidated; Don Reid (Human Resources Manager)
- Pulp and Paperworkers' Union; Ron Smith (President)
- Newfoundland and Labrador Lumber Producers' Association; Gloria Saunders
- Jamestown Lumber; Bob Dingwall

Tourism

- Bayshore Bed and Breakfast (Manager); Hospitality
- Bradley's Bed and Breakfast (Owner); Hospitality
- Burin Heritage House (Manager); Tourism
- Fairmont Newfoundland; Debbie Molloy (Director, Human Resources)
- Fortis Properties; Elizabeth Whitten (Director, Human Resources)
- KFC Restaurant (Manager); Fast Food Restaurant
- Labrador Inn/Churchill Falls Inn (Owner); Hotel/Motel
- Mulligan's Pub (Owner); Hospitality
- Station Steakhouse (Owner); Restaurant
- Terra Nova Golf Resort; Cathy Duke (General Manager)
- United Food and Commercial Workers (UFCW); Linda Chafe (President)
- White Hills Ski Resort (Manager); Ski Resort

Service Sector

- Ability Employment Corporation (Manager); Employment Services
- Cabot Pharmacy (Owner); Pharmacy
- Christopher's Fine Quality Clothing (Owner); Retail
- Cover to Cover (Owner); Bookstore
- Creative Curl (Manager); Hairstyling
- Edwards & Associates (Manager); Engineering and Surveying
- Emberley Electric (Owner); Plumbing and Electrical Supplies
- Ewing Gallery, The, (Owner); Art Gallery
- Executive Coffee (Owner); Retail
- Exploits Community Employment Corporation (Director); Employment
- Good Buddy Sports (Owner); Retailer
- J. W. Allen and Company Ltd. (Owner); Computer Supplier
- Jacques Whitford; Dr. Rex Gibbons
- L & G Plumbing Ltd. (Owner); Plumbing Contractors
- Labrador Health Center (Director of Nursing); Health Care
- Lakefield Farm & Nursery (Owner); Nursery (Flowers)
- M. Francis Kelly (President); Retail Manufacturing
- Midtown Fashions (Owner); Retail

- Newfoundland & Labrador Vegetation Control (Manager); Vegetation/Lawn Control
- Norris Music (Owner); Retail Consumer
- O. P. Sales Ltd. (Owner); Automotive Services
- Outfitters Adventure Gear & Apparel (Owner); Retail
- PhotoTec Services (Owner); Technical Services
- Power's Recreation Ltd. (Owner); Small Engine Repair
- Scoop and Save Foods (Owner); Bulk Natural Food Store
- Scotiabank; Francis Power
- Sports Beat (Owner); Retail Consumer
- Torbay Estates Ltd. (Manager/Operator); Property Management
- Triware Technologies; Art Stanley
- Walters Hoffe (Owner); Chartered Accountants
- Xwave; Lloyd Powell (Vice-President, Human Resources)
- *A call center which asked to remain anonymous*

Sources of Information

- Labrador Strategic Social Plan Coordinator
- Clarenville and Area Chamber of Commerce
- Corner Brook Chamber of Commerce
- Exploits Region Chamber of Commerce
- Labrador North Chamber of Commerce
- Marystown-Burin and Area Chamber of Commerce
- Newfoundland and Labrador Chamber of Commerce
- Newfoundland and Labrador Employer's Council
- Newfoundland and Labrador Federation of Labour

Appendix B: Documents Reviewed

- Accommodation Industry - Quick Scan
- Accommodation Industry - Sector Study
- Agricultural and Related Services - Quick Scan (1998)
- Air Transport Industries - Quick Scan
- Analysis of gaps and issues related to labour supply and demand in offshore exploration and production in Newfoundland (Petroleum Industry Human Resources Committee, 2001)
- Apparel Industry - Sector Study (1997)
- Banks and Other Deposit Accepting Intermediaries - Quick Scan (1998)
- Biotechnology Industry - Quick Scan (1999)
- Book and Stationary Stores - Quick Scan
- Call Centre Sector in Canada - Sector Study
- Common Threads: Opportunities for Growth in the Newfoundland and Labrador Apparel Industry (2000)
- Community Colleges Industry - Sector Study (1993)
- Community Colleges Industry - Sector Study Update (1997)
- Construction Industry - Sector Study
- Consumer, Business Financing and Investment Intermediary Industries - Quick Scan
- Cultural Industries - Sector Study
- Dairy Processing Industry - Sector Study
- Educational Services Industry - Sector Study
- Fish Products Industry - Quick Scan (1999)
- Fishing Industries and Services Incidental to Fishing - Quick Scan (1998)
- Food Service Industry (Information from: Canadian Foodservices Industry: A Human Resource Study - Sector Study (1990). Prepared by Ernst & Young.
- From Potential to Prosperity: Human Resources in the Canadian Consulting Engineering Industry (1994). Pacific Leadership Inc., KPMG MANAGEMENT CONSULTING INC, undertook the research. And Revay and Associates.
- Health Care, Social Assistance - Sector Study (1998)
- Help Wanted: Results of CFIB Surveys on the Shortage of Qualified Labour (2001)
- Here the Tides Flow: Career Opportunities in the Marine Transportation Industry. Prepared by Memorial University/Marine Institute (June, 1999).

- Horticulture Industry: Organizing For the Future – Human Resource Issues and Opportunities – Atlantic Region (1993).
- Lumber and Building Materials – Sector Study
- Management Consulting Services - Quick Scan
- Manufacturing Development: A Strategy For Small- Scale Manufacturing in Newfoundland and Labrador (1999)
- Marine Transport Industry - Sector Study
- Mining Industry - Quick Scan (1999)
- Mining Industry - Sector Study (1993)
- Newfoundland and Labrador Aquaculture Strategic Plan (2000)
- Newfoundland and Labrador Craft Industry Development Strategy (2002)
- Overview of the Transportation and Warehousing Sector, The Canadian Labour and Business Centre (CLBC)
- Promoting and Encouraging Training in the Canadian Food Retail/Wholesale Industry. Canadian Labour and Business Centre (2001). Derwyn Sangster
- Pulp and Paper Industry - Quick Scan (1999)
- Pulp and Paper Industry - Sector Study (1993)
- Retail – The Heart of Every Community. Retail Council of Canada. Paul M. Jacobson (2001).
- Situational Analysis: Canada’s Seafood Processing Industry, National Seafood Sector Council, 2002
- Sound of the Future: Human Resource Issues in Music and Sound Recording - Sector Study. (1994). The study was prepared by Ekos Research Associates.
- Staging the Future: Human Resource Issues in the Audio-Visual and Live Performing Arts Industry - Sector Study (1994). Prepared by Ekos Research Associates Inc.
- Teacher Demand, Supply and Retention in Newfoundland and Labrador (Dibbon & Sheppard, 2001).
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Appendix C: Regional Economic Development Board (REDB) Zones

