

EXECUTIVE SUMMARY

INTRODUCTION

The Saskatoon Labour Market Committee (SLMC) contracted Fast Consulting to conduct the Saskatoon Work Force and Employer Needs Study. The study serves to profile the Saskatoon labour market, identify issues and challenges facing employers, and highlight successful recruitment and retention strategies.

The primary objective of this study is to provide SLMC with a comprehensive understanding of the employment-related needs and issues of local employers. Specifically, the study aims to:

- Conduct primary research with Saskatoon employers in order to profile the current labour market situation,
- Identify where employment vacancies exist and what employee recruitment and retention issues are facing employers; and
- Develop a set of proposed employee attraction and retention strategies that will address the needs of local employers.

RESEARCH METHODOLOGY

In order to achieve the project objectives, Fast Consulting employed three types of research methodologies: survey research, focus groups and high-level interviews. The survey was designed to identify employment trends, skills shortages, recruitment and retention issues, staff stability and information needs. The focus groups and high-level interviews were designed to further investigate the issues and challenges identified in the survey. Discussion topics included recruitment and retention challenges, industry issues, employee turnover, best practices and strategies and human resources information requirements.

Survey Research

In February 2004, Fast Consulting surveyed a representative sample of 750 employers in Saskatoon across all industry sectors. Using an in-house DASHcati system, respondents were contacted by telephone and given the option to complete the survey on the telephone or on-line. In total, 523 surveys were conducted on the telephone and 227 were completed on-line.

A sample size of 750 employers yields a 95% statistical level of confidence, with an overall margin of error of plus or minus 3.6 percentage points. The margin of error will be larger for different sub-sets of the survey population.

Focus Groups

Following the survey research, four focus groups were conducted with Saskatoon employers in four broad-based industry sectors. Based on consultation with the SLMC and the information gathered from the survey, the focus group discussions were held with the following industry clusters:

- Tourism & Accommodation/ Food Services
- Construction/Metal Fabrication/Manufacturing
- Printing/Publishing & Film/ Video & Information Technology/ Electronics
- Not-For-Profit

High-Level Interviews

Fast Consulting conducted 22 one-on-one personal interviews and discussions with a cross-section of employers from industries not involved in the focus groups.

SURVEY RESEARCH

- The survey represents 19 different industry sectors within the Saskatoon business community. The largest sectors include Manufacturing (14.4%), Accommodation & Food Services (13.1%), Retail & Wholesale (12.9%), Finance (8.5%) and Business Services (8.3%).
- More than one-half (57.2%) of respondents describe the current stage of business to be stable, while 38.0% say their business is in a growth phase.
- Businesses in the Public Sector (99%), Information Technology/Electronics/ Telecommunications (96%) and Metal Fabricating (91.6%) industries utilize the largest proportions of full-time employees.
- The top three industries that utilize the largest proportions of part-time employees include: Accommodation & Food Services (55.3%), Tourism (49.0%) and Health Services (43.0%).
- The number of employees covered by this survey is 25,603. The current estimate of the labour force in Saskatoon is 128,800 (employed and unemployed)¹. Based on this estimate, this survey covers 19.9% of the Saskatoon labour force.

¹ <http://www.statcan.english/Pgdb/labour35.htm>

- Over one-half (54.8%) of employees covered in this survey are between the ages of 25 and 44, while 76.5% are under 45.
- Respondents in the Construction and Agriculture/ Mining/ Oil & Gas industries have the largest percentage of employees between the ages of 25 and 44 (72.8% and 68.5% respectively).
- Approximately 40% of the respondents (or 304 businesses) anticipate 1,945 employment vacancies within the next 12 months.
- Approximately 37% of vacant positions are general labour, 16.2% are sales/consultant positions, 13.0% are retail or customer service jobs and 12.9% are business services positions.
- One-half (51.6%) of respondents do not find it difficult to attract employees in certain occupations, while 46.3% do have difficulties.
- A large majority of respondents in the following industries report having difficulties attracting employees to certain occupations: Health Services (81.8%), Construction (72.2%), Printing/Publishing (72.0%) and Tourism (63.6%).
- Approximately 60% (or 27.6% of all respondents) that have difficulties attracting employees say it is because of a shortage of skilled or experienced workers; one-third (33.4%) of respondents say it is because their organization offers a lower pay scale compared to competitors or other employers.
- Approximately one-half (54.3%) of respondents think that word-of-mouth is an effective or very effective means of recruitment, while 29.4% think professional journals (29.4%) and trade unions (26.5%) are also considered to be effective or very effective.
- Over two-thirds of respondents indicate that a shortage of experienced workers (66.9%) and a shortage of skilled workers (64.4%) are challenges they sometimes face when trying to find employees in their industry, while 33.2% say it is out-migration of workers.
- The majority of respondents in all industries except for the Not-For-Profit, Food & Value Added Ag Processing and Public Sector industries, indicate that a shortage of experienced and skilled workers is a challenge.
- The Construction (61.1%), Education (50.0%) and Biotechnology/ Pharmaceutical/Nutraceutical (47.8%) industries report the greatest challenge in attracting employees to Saskatoon.

- Approximately 40% of respondents of large businesses face out-migration as a recruitment challenge. This compares to 28.3% of respondents of small businesses and 35.2% of respondents of medium-sized businesses.
- The majority of employers (86.5%) are not concerned about their turnover rates.
- Over one-half of respondents (52%) say employees leave for better opportunities, which includes better jobs and/or jobs that offer full-time work.
- The majority (56.9%) of businesses have not experienced an increase or decrease in the number of employees leaving for employment out of the province and/or country, while 13% indicate they have experienced an increase.
- Industries with the highest percentage of employees leaving for employment out of the province and/or country are Education (50%), Business Services (21%), Metal Fabricating (18.5%) and Health Services (18.2%).
- Close to one-half (44%) of respondents use money (wages, salaries, commission or bonuses) as a successful employee retention strategy. One-quarter 25% offer competitive wages or salaries, while 19% offer competitive commissions or bonuses.
- One-in-five respondents (20%) require information or support services for training employees and 18% require information or support services on recruitment, hiring and retention of employees.

FOCUS GROUPS AND HIGH-LEVEL INTERVIEWS

- Saskatoon employers say they face a number of recruitment challenges including:
 - Lack of skilled and/or experienced workers
 - Lack of work ethic
 - Lack of vocation awareness and negative perceptions
 - Lack of adequate training or training facilities
 - Economic volatility
 - Competition with other employers and other cities
- The type of recruitment method employed by Saskatoon employers varies between industry, size of business and type of position required.
- However, word-of-mouth and referral recruitment is the method preferred by most employers.

- When recruiting for highly skilled or specialized positions, most participants prefer to use targeted recruitment methods such as recruitment consultants, industry journals or postings at the educational institute that offers the required training program.
- Recruitment methods such as newspaper ads, employment agencies and Internet sites are used with varying degrees of success.
- Employers in almost every industry struggle with the emigration of employees. Employees leave their Saskatoon employers for higher paying jobs, full-time work, better job opportunities, lower taxes or a different lifestyle in other cities.
- In addition to losing employees to other cities, businesses also lose their employees to higher paying employers.
- Several employers indicate that employees leave for better opportunities for career growth and advancement.
- Other employers lose employees because of issues such as job stress and employee burn out.
- Participants in most industries believe that the recruitment and retention challenges they face are common to employers in their industries across the province.
- Employers in most industries say they do not require information on human resources-related issues.
- However, some would like to see an information toolkit that provides employers with information recruitment and retention strategies, industry associations, training or apprenticeship programs and funding or subsidy programs.
- Other participants think that there should be a monthly newsletter, e-mail or information sessions that serve to inform employers about changes in grants or subsidy programs for employers, new regulations and human resources best practices.

PROPOSED STRATEGIES & RECOMMENDATIONS

The research project presents a series of recruitment and retention strategies, as well as a set of strategic recommendations that are based on information gleaned from the focus groups and high-level interviews. In some cases, secondary sources of research were used to provide a more thorough explanation of the strategy.

RECRUITMENT STRATEGIES

Offer Attractive and Competitive Compensation

- Employers choose to use attractive remuneration packages such as signing bonuses, competitive wages, stock options, profit sharing, etc. to recruit employees.

Create a Potential Employee Database

- Develop a pre-qualified candidate pool by accumulating resumes before a position needs to be filled.

Establish Partnerships with Training and Educational Institutes

- Post jobs at schools which offer the required training.
- Consider participating in or developing tailored co-op and apprenticeship programs. By employing co-op or apprenticeship students, employers are able to 'test out' employees without any long-term commitment.

Hire From Within

- Announce, post and advertise all employment, promotion and transfer opportunities, including acting, interim, temporary, and part-time appointments to internal staff first.

Market the Position

- When advertising a position, emphasize the benefits of the job, identify the most important responsibilities and qualifications and be as specific as possible to minimize unqualified applications.

Provide Information on Saskatoon and Saskatchewan

- Provide prospective employees from outside Saskatoon and Saskatchewan with information on the benefits of living and working here. The material should include information on housing costs, taxes, community and social life, the environment, etc.

Provide Relocation Assistance

- When recruiting employees from outside Saskatoon and Saskatchewan consider providing travel and relocation assistance, as well as help in finding a new home, school and/or employment for spouses/partners.

Track Recruitment Successes

- In order to determine which recruitment methods are effective, track candidate sources and subsequent successes.

Retention as a Recruitment Strategy

- By maximizing employee retention, employers are effectively reducing the need for recruitment and the high cost of training new employees.

RETENTION STRATEGIES

Hiring Practices

- Use stringent screening processes, multi-phase interview procedures and aptitude tests to select a candidate that has the proper skill set, experience and fit with organizational culture.
- Considering hiring candidates that have ties to Saskatoon or that used to live in Saskatchewan.

Competitive and Equitable Compensation

- Given that many employees leave jobs for better paying opportunities, employers should attempt to offer competitive and equitable compensation.

Flexible and Competitive Benefit Plans

- Provide competitive benefit plans that are flexible and include Employee Assistance programs, earned days off, extra vacation time, fitness programs or day care.

Flex-Time or Family Friendly Work Place Policies

- Provide flexible working hours to accommodate employees' personal or family needs.

Lateral Advancement

- Provide opportunities for employees to move laterally throughout the organization. This allows employees to grow, take on new responsibilities and learn new skills.

Training Opportunities

- Encourage and provide a means for employees to acquire new training or further their education to help them become better at what they do.

Mentoring

- Use formal mentoring programs to develop and maintain a well-trained and versatile workforce.

Recognition and Reward

- It is important for employers to acknowledge and reward employees for such things as good work, loyalty and productivity. This improves employee morale, encourages motivation and demonstrates appreciation.

Positive Work Environment

- Ensure that employees are working in a positive, friendly and safe work place that is free of harassment, intimidation and health hazards.

Job Satisfaction/Challenging Work

- Ensure that employees are given work assignments that match their skill sets.
- Provide employees with a variety of assignments and give them autonomy to make work-related decisions on their own.

Employee Surveys

- Some employers utilize employee satisfaction, opinion or retention surveys to identify issues concerning staff early on.

GENERAL RECOMMENDATIONS

Change Saskatchewan Attitudes and Economic Climate

- Saskatoon employers and residents of this province and city need to have a positive mind set and openly promote the benefits of living and working here.
- The government should continue to employ strategies such as the Wide Open Future campaign to educate people about the opportunities that exist in Saskatchewan and aggressively promote the province as a great place to work and live.
- The SLMC should work with the Government of Saskatchewan, businesses and educational institutions to develop and implement job creation strategies that foster economic growth.

Partnerships with Government

- It is too expensive for some employers to continually train employees who end up leaving once they are trained. This creates a disincentive for employers to help build a skilled work force.
- The SLMC should work with employers, industry associations and the government to develop employer-friendly programs that support training. Once grants are established, the committee should inform employers about opportunities that exist.

Partnerships with Educational Institutions

- Respondents that require skilled employees think that there should be more communication between employers and industry associations and educational institutions to mitigate the skill gaps, lack of experience and inadequate training issues facing employers.
- Industry associations and the SLMC should act on behalf of employers to ensure that training standards are meeting the requirements and expectations of employers.

Positive Promotion of Undervalued Vocations

- In order to increase awareness about Manufacturing, Construction, Transportation, Accommodation and Food Services industries and potential career opportunities, industry associations and the SLMC should work with the primary and secondary school system to incorporate these industries in the school curriculum as viable and attractive career choices for students to consider.

Foreign and Immigrant Workers

- The SLMC should work with government agencies and training institutions to explore opportunities involving recruitment of skilled foreign labourers to address some of the province's skills shortages.

Required Changes in Hiring Practices

- In order to lessen the gap between available workers and experienced workers, employers should be willing to take chances on inexperienced workers by giving them jobs in order to gain work experience.

RECOMMENDATIONS SPECIFIC TO THE SLMC

Increase Awareness of the SLMC

- Our study indicates that awareness of SLMC is currently low in the Saskatoon business community. One of the most important steps SLMC can undertake to increase its effectiveness is to increase awareness among Saskatoon employers of the Committee, its activities and its objectives. It's also an opportunity to position itself in the business community in a manner that is consistent with the evolving labour market needs of employers as identified in this study.

Disseminate Human Resources-Related Information

- The committee should consider using monthly newsletters or e-mails to inform employers about changes in training grants or subsidy programs, new employment regulations and human resources best practices.

- Information can be shared with employers via information sessions, presentations to employers and organizations such as Saskatoon Human Resources Association and direct mail or e-mail information newsletters.

Develop a Human Resources Toolkit for Employers

- The SLMC should create an information tool kit for employers, which provides information on recruitment and retention strategies, industry associations, training or apprenticeship programs and funding or subsidy programs.

Promote Saskatoon Success Stories

- The SLMC should publicize the business and employment successes in Saskatoon. This will help to change some attitudes about Saskatoon and reinforces that it is a great place to work or conduct business.

Create a Promotional Package

- In order to help employers in recruiting employees from outside Saskatoon, an information/promotional package about Saskatoon should be created. The package should include information on cost of living, taxes, housing costs, educational opportunities, community-environment, family-life, etc.