

EXECUTIVE SUMMARY

Introduction

The Northeast Highlands Chamber of Commerce (NHCC) represents approximately seventy businesses and commercial interests in the northern part of Victoria County, Cape Breton Island. The area stretches approximately 100 miles from St. Ann's Bay along the Atlantic coast to Meat Cove, on the Island's northern tip. The history of region dates back to the founding of British North America.

The area has a robust seasonal economy with a business community consisting mainly of small employers. The many small communities of the region rely heavily on fishing and tourism. The majority of fishers work in the lucrative lobster and crab fishery and the region boasts many prized tourism assets and cultural attractions.

Background

In recent years, employers have experienced increasing difficulty in finding and keeping employees. A key indicator is the growing number of unfilled jobs during the April to October period, which coincides with the busy fishing and tourism seasons. While not all areas and businesses have been affected, tourism operators have been hardest hit.

In March 2003, the NHCC submitted a project application to Human Resources Development Canada's (HRDC) Labour Market Partnerships Program. The primary objective of the project was to undertake a study of the labour supply problem and identify, analyse and report on the issues and make recommendations together with a plan of action in support of developing a more efficient, skilled and responsive workforce. In addition, the study was to develop labour force profiles and statistics and a jobs inventory. Approval was received and a consultant engaged in June 2003. Financial contributions were also received from Nova Scotia Community Services and the Municipality of Victoria County.

The goal of the initiative is to establish a human resource planning and problem-solving capacity for the area that would better allow employers and the region to deal with labour supply issues. A more accurate alignment of workforce needs and business development objectives is needed.

Approach

A five phase methodology was employed: issues identification and analysis; secondary research and primary research and data collection; tabulation and analysis; initial report preparation; and final report and action plans. The original 20-week work schedule was extended in response to unforeseen delays. Primary research included stakeholder consultations, multi-part surveys (of employers, employees and stakeholders), creation of a jobs inventory, and focused interviews and discussions.

Key Findings

Worker Shortages

Almost 40% of employers experienced some difficulty in finding and keeping employees in the past three years and 26% encountered persistent problems. While several sectors have been impacted, tourism operators are hardest hit. Even among those not reporting problems, most expected to be affected in the future. Employers' responses include higher wages, devoting more time to human resource planning, hiring under-qualified people or doing the work themselves. Nonetheless, 80% of employers do not offer employee benefits.

Population Characteristics

The Northeast Highlands population decreased 14% between 1991 and 2001 and 8% since 1996. Almost evenly divided by gender, the population is ageing as its youth leaves - the average age increased by 3 years to 38.6 years (1996 data) while the 20 – 24 age category fell by 26%. Less than half of the population has a Grade 12 education.

Workforce Characteristics

Just over half (52%) of the Northeast Highlands population reported earnings in 2001 with males averaging \$26,062 and females \$14,120. According to Statistics Canada estimates, the area labour force consists of 1585 individuals with a participation rate of 61%, an employment rate of 34.9% and an unemployment rate of 43.3%. Our study found some 2010 jobs in the region of which 342 (17%) are fulltime; 1461 (73%) full time seasonal; 178 (8%) part-time, and 35 (2%) casual. The fishery accounts for most jobs (753, 37%) followed by tourism (592, 30%), services (391, 20%), retail (150, 7%) and government (non-service) (124, 6%).

Some 40% of employers plan to expand business operations in the near future and most considered labour supply issues would not affect their decision to do so. Almost 25% of employers expected to increase employment by 10% - 50% and a further 10% expected more than 50% employment growth in the next three years.

The Role of Education and Training

60% of employers were dissatisfied with the role schools play in preparing students for the workplace while, in contrast, a significant majority were pleased with the job community colleges and universities were doing. Most employers believed time in school devoted to employment skills should be increased and students encouraged to go into the trades. Over 90% considered area employers and the business sector should play a more active role with local schools to ensure a better alignment of worker needs and education. In terms of training, almost 70% of employers rely solely on informal on-the-job training and the majority acknowledge they themselves would benefit from human resource training.

Employee Supports

The absence of organized childcare affects employee productivity and prevents many people from accepting or seeking work. This is a major concern to both employers and workers and a childcare needs assessment undertaken indicates a probable high demand for such services if available. Most workers feel that employers should work together to assist community efforts to establish affordable regulated childcare in the region. Employees also reported lack of public transportation and housing as important factors on their ability to seek or accept employment or to do their jobs. Employers confirmed these factors impacted their ability to find and keep employees.

Planning Priorities

The vast majority of employers agree that a co-ordinated approach to the area's worker needs and development a human resource plan for the region were of great importance. From the planning perspective, some 70% felt that establishment of regulated affordable childcare and building a capacity to house outsiders workers was also very important. Finally, most felt that much more needs to be done when it comes to education and training, including partnerships at several levels.

Issues

In addition to the reoccurring worker shortages, the following issues impact on the region's labour supply and its ability to succeed at maintaining and strengthening its workforce.

- **The planning deficit and creating the capacity to plan** – There are no mechanisms in place to plan for, let alone manage, the region's labour force and worker needs.
- **Seasonality and the rural economy** - The seasonally dependent economy puts a strain on workers and forces them elsewhere in search of year-round/better paying job opportunities.
- **The shrinking the population** – Statistic Canada 2001 Census information confirms that the population of the Northeast Highlands is in decline and aging.
- **Employee recruitment and retention** – Employers acknowledge they could be better equipped to handle the intricacies of finding and keeping employees.
- **Lack of worker accommodation** – The absence of rental accommodation limits employers' hiring choices and restricts the housing options of the existing workforce.
- **Transportation and the lack of public transport** – The absence of public transportation means that workers must have access to or own a vehicle.
- **The absence of organized childcare** – Childcare responsibilities impacts on productivity and limits the availability to seek or accept work.
- **Employment Insurance (EI) as a disincentive to work** – In many instances, EI competes against employers for workers. Often, workers can make more by collecting benefits.
- **Attitudes and motivation** – Employee attitudes, complacency and a lack of motivation seem to be deep-rooted. Some workers suggest that employer attitudes also need to change.
- **The education system in preparing workers** – Employers feel that there is a disconnect between what education system is providing and what is needed locally. Employability skills are lacking in younger workers and little is being done to promote local career choices.
- **The need for training and skills upgrading** – Outside informal on-the-job training, very little formal training is carried-out, particularly among small employers. Training awareness is lacking and access to resources is an issue.

There is little doubt that the Northeast Highlands labour force is under significant strain with recurring shortages indicating a weakening supply. Absent action, the situation will worsen with potentially serious effects on the region's long-term social and economic health. There are, however, no quick fixes.

It is generally recognized that to address its labour supply issues the region needs a long term, collective approach, the development of a planning capacity and an appropriate implementation mechanism to undertake the actions required. Indeed, this recognition led to the action by the NHCC and its partners in undertaking the present study which has confirmed that the issues are in large part structural requiring concerted, carefully planned and incremental action by various stakeholders over many years. Success will require patience and commitment, the harnessing of leadership in assembling and managing necessarily limited resources and excellent, sustained communication.

Recommendations

The study report recommends creation of a multi-stakeholder committee to work with the NHCC to implement its recommendations, including a systematic approach to planning and management of the region's labour supply, finding resources, creating awareness and other matters as needed. It is recommended that the NHCC continue to build a long-term capacity to deal with worker shortages and linked labour force issues by promoting a collective and co-ordinated approach with employers and working with the multi-stakeholder committee.

Specific and detailed recommendations are made concerning in the following areas: seasonality, employee supports (generally and with regard to housing, childcare and transportation), employee recruitment and retention, employment insurance, training and skills development, the relationship between the business and education sectors, communications and advocacy.

Success Factors

The report identifies a number of factors that will vitally affect the likelihood of future success. There will be a need to take and to instil a long-term view among those involved in the implementation of the report and to set realistic, achievable time frames for achievement of goals and objectives. Equally, a long-term commitment and leadership is required from the NHCC and other stakeholders as well as understanding of the limits of volunteer action in planning and implementation. The NHCC also needs to provide initial administrative support to establish the recommended multi-stakeholder committee, which can then move to secure the further resources needed to move forward. Significant resistance to change in the region will need to be overcome and require demonstrating positive effects of change. Excellent, strategic, proactive and sustained communications will therefore be necessary maximizing available capability to overcome the communications obstacles inherent in the dispersed population and rural nature of the region.

Finally, it should be noted that there is a need for better overall economic development planning. At present there is no current strategy in place to help guide the region's economic future. For long-term success, a human resource plan should be linked and integrated with a long-term economic development plan.