

Northern British Columbia Service Industry Sector Study

Solutions Report

Prepared by

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The word "Canada" in a black, serif font, with a small red and white Canadian flag icon positioned above the letter 'a'.

“Funded through the Canada-British Columbia Labour Market Development Agreement”

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Acknowledgements

This 'Solutions' report is fourth in a series of reports that are part of the Northern BC Service Industry Sector Study. Its purpose is to delineate the Service Industry Sector labour market issue and identify practical responses to addressing human resources gaps in both the short and long term.

This project was funded through the Canada-British Columbia Labour Market Development Agreement.

The project team wishes to acknowledge and thank the staff of the Community Development Institute at UNBC, the staff of the Prince George offices of Service Canada and the BC Ministry of Housing and Social Development, as well as all of the people across northern BC who took time to talk with us about service industry sector needs, challenges, solutions, and opportunities.

Greg Halseth and Don Manson
Prince George
February 2008

Availability

Copies of Northern British Columbia Service Industry Study reports are available in a number of locations. At the University of Northern British Columbia, copies have been deposited at the Geoffrey R. Weller Library, or can be accessed on the Community Development Institute website:

<http://www.unbc.ca/cdi/research.html>

Service Industry Sector Project Reports

- Extracting the Value
- Population Background and Trends Report
- Quantifying the Problem Report
- Solutions

Contact Information

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Background

Solutions phase Objectives:

The objective of the Solutions phase of the project was to use information from a cross-section of northern communities to draw upon the participation of Service Industry sector employers to identify and develop practical strategies for dealing with the labour shortage issues in northern British Columbia's Service Industry sector for the short and long term.

The Service Industry Sector Labour market issue:

Much has been written about the transformation of the North American economy and the rise of the Service Industry sector. As knowledge and information become increasingly valued commodities, the need for workers in all components of the Service Industry sector will be crucial to extracting increased value and GDP from the traditional basic sectors of the economy.

Across northern British Columbia, the Service Industry sector has been, and will continue to be, a critical part of local and regional economic development. For example, Timber Supply Reviews by the Ministry of Forests routinely identify a multiplier effect from direct forest industry jobs of between 2.1 and 3.1 – with most of this in-direct employment and benefit being in the Service Industry sector. In other words, it is through the Service Industry sector that jobs and GDP are generated in northern British Columbia's communities. The proposed new inland container port study for Prince George estimates about 75 direct jobs but over 800 in-direct jobs – again with most of these being in the Service Industry sector. The recent economic upswing in resource industry development has exposed a critical lack of Service Industry sector employees across the north. Firms were unable to find employees across almost all of the industry components listed above, and this limits our ability to respond to opportunity and reduces the benefits our communities and regions are able to derive from such development activity. This has emerged as a critical labour market issue in northern British Columbia.

Defining the Service Industry Sector Labour Market

A working definition of the Service Industry sector for this project is drawn from Statistics Canada's standard industrial classification system. In this case, we identify five support clusters, as well as two additional categories, that comprise the Service Industry sector.

These are:

Goods Support

- Wholesale Trade
- Transportation and Warehousing
- Retail Trade

Administrative Support

- Administrative and Support
- Public Administration
- Management of Companies and Enterprises

Social Support

- Educational Services
- Health Care and Social Assistance

Cultural Support

- Information and Cultural Industries
- Arts, Entertainment and Recreation

Finance Support

- Finance and Insurance
- Real Estate and Rental and Leasing
- Professional, Scientific and Technical Services

Accommodation and Food Services

Methodology

Selection of Key Informant Interview Participants

The data for this project was collected through key informant interviews, which were conducted between June 2008 and February 2009. The purpose of the interviews was to provide information to identify and develop practical strategies for dealing with the labour shortage issues in northern British Columbia's Service Industry sector for the short and long term. The interviewees were asked a series of open-ended questions. A total of forty key informant interviews were completed in twenty-nine communities.

Research Ethics

The research conducted by the Community Development Institute is bound by research protocols established by the University of Northern British Columbia (UNBC). This requires all survey materials be submitted to UNBC's Research Ethics Board for review and approval. A key component to this protocol is to provide key informant participants with a copy of the consent form (Appendix B) that outlines the purpose of the study; how the research process will protect their anonymity and confidentiality, and that their participation is voluntary.

Key Informant Interview Guide

The purpose of the Northern British Columbia Service Industry Sector Project was to understand the research and support needs of northern British Columbia's communities.

This report assembles key findings from the Solutions phase of this project.

Questions that were put forth to research participants covered various issues, including:

- Recruitment and retention;
- Non-traditional employee cohorts; and
- recommendations for addressing human resource needs today and into the future.

Confidentiality

All interviews were conducted with an assurance of anonymity of the participants. Interviews were voice recorded and transcribed to ensure the completeness and accuracy of participants' comments. To maintain privacy all recordings and transcripts were destroyed at the completion of this project.

Introduction

The Service industry sector is by its very nature a people business. It is one of the most labour intensive sectors of the economy¹. While other sectors have been able to alleviate some of their staffing pressures by the incorporation of technology, the Service Industry Sector, due to its 'people intensive' nature, has seen fewer benefits. The challenge going forward for the Service Industry Sector is how to recruit and retain the workforce necessary for a sustainable and profitable sector that meets the needs of the northern British Columbia market place.

In northern British Columbia the Service Industry sector is faced with the dual challenges of demographics and competition for workers from other, often high wage, sectors. The demographic issue is that of an aging population, coupled with the out-migration of youth and young people.² The Service Industry Sector is heavily reliant on youth for its workforce. The foodservice industry, for example, is the second-largest employer of youth in Canada with 44% of its workforce under the age of 25.³ The one potential bright spot for the Service Industry Sector in northern British Columbia is the large Aboriginal youth population between the ages of 15 and 29.⁴

Over 80% of participants felt that their greatest challenge in recruiting and retaining workers was that of wages. While all participants in this project noted the increase of wages in their sector, most also noted that given the pressures of rising operating costs, and low profit margins, it is difficult for the sector to compete with other sectors (the Oil and Gas Sector was most often cited) on the bases of wages.

The Service Industry sector in northern British Columbia is recognized as a playing a key support role for the resource sector. The Service Industry sector on its own plays an important role in the economic well-being of northern British Columbia. As well as having a pivotal role in the recruitment and retention of individuals and industry to the communities of northern British Columbia.

¹ Source: Statistics Canada, 2006

² Source: Northern British Columbia Service Industry Sector Study: Population Background and Trends Report

³ Source: Canadian Restaurant and Foodservices Association

⁴ Ibid

Interviewees

Interviewees were chosen from a broad spectrum of employers and business organizations involved in the Service Industry Sector of northern British Columbia. Categories included Goods Support, Social support, Cultural Support, Financial Support, and Accommodation and Food Services. Staffs from a number of Chambers of Commerce were also interviewed.

Interview Results

Background Information

Are you the owner of this business?

Approximately 60% of the interviewees were owner/operators and described themselves as small business owners.

How long have you been in this position/ business?

Over 50% of participants had been in business five years or longer

How did you start your involvement with this organization/ business?

20% of participants described their involvement as starting with a family business.

60% of participants described their involvement as a “good business opportunity”.

How many staff/employees are in the organization/ business?

Over 80% of participants had five employees or less

Service Industry Sector Skills

What Skills sets do you look for in potential employees?

92% of respondents required basic literacy skills

Fewer than 20% of respondents required special licences or post secondary education

Does your business/organization require employees have specific certifications?

Food Service respondents desired that prospective employees had Food Safe and/or serving it right certification

70% responded that they would hire an individual who did not possess this certification at the time of hiring

While many of the respondents desired employees with Super Host training, few required it as a term of employment

Do you find that potential employees meet these certification needs?

Less than 40% of respondents felt that employees met their certification needs/desires.

Potential employees should possess a 'positive' attitude, strong communication and interpersonal skills.

93% felt that employees should possess a 'positive' attitude, strong communication and interpersonal skills

Do you find that potential employees meet this expectation?

81% felt that potential employees met these expectations

Which attributes are commonly missing?

73% of respondents felt that the most commonly missing attribute was a positive attitude

Basic computer skills as a necessity in the Service Industry Sector

30% of respondents felt that basic computer literacy was a necessity

Do you feel that potential employees are 'job ready'?

69% of respondents felt that the employees they hired were job ready

Other Issues

70% of respondents felt that there should be a government strategy in place to make sure that the basic skills of potential employees was increased

Changes over Time

Have you experienced a change in the expectations of potential employees over time?

81% of respondents felt that wage expectations had changed over time, with potential employees expecting higher starting wages

20% of respondents felt that potential employees were looking for greater opportunities for advancement

62% of respondents felt that quality of life expectations of potential employees (flexibility of working hours, time off for family were most often cited) had changed

Changes in the sense of corporate loyalty of employees

72% of respondents felt that employees had a lesser sense of corporate loyalty than in the past

Is there a difference in expectations of younger workers (under 25) versus older workers?

80% of respondents felt that workers under the age of 25 had greater expectations of employers than workers over the age of 25

Other issues

Less than 18% of respondents took advantage of the “starter” wage.

Recruitment

Are there any unfilled positions within your organization?

40% of respondents had unfilled positions

Why do you think these job positions remain unfilled?

80% of respondents felt that competition from other sectors contributed to their problems with filling vacant job positions. They majority of respondents identified the Oil and Gas and Construction sectors as drawing away potential employees.

On average, how long does it take to fill a vacancy?

Respondents stated that on average it took 14 to 30 days to fill a job vacancy

Have you ever had any employees/staff recruiting difficulty?

90% of respondents had difficulty in recruiting employees

What do you think are the key issues to recruiting employees/staff to positions in your business?

70% of respondents felt that it was important to be known as a good or fun place to work

Has your organization attempted any form of job shadowing as a way recruiting future employees/staff?

Less than 20% of respondents felt that job shadowing was a viable tool for recruiting employees

Have you ever engaged an outside employment agency?

Less than 10% of respondents had engaged an employment agency

When you have a job opening how do you advertise that opening?

90% of respondents used local newspapers to advertise job openings

Have you ever participated in a wage subsidy program?

Less than 10% of respondents had taken advantage of a wage subsidy program

Most cited program constraints as a deterrent to using a wage subsidy program

Have you ever recruited from a 'non-traditional' employee/staff pool?

Less than 10% of respondents had recruited Aboriginal employees

Fewer than 5% of respondents had recruited seniors

Less than 1% of respondents had recruited people with disabilities

Retention

Do you have difficulty in retaining employees/staff?

85% of respondents felt that they had difficulty in retaining employees

Why do you think employees/staff do not remain with your business?

81% of respondents cited rates of pay as the main issue of why employees did not remain with their business

What strategies do you employ to retain employees/staff?

Fewer than 20% of respondents employed special rewards or incentives for employee retention

33% of respondents provided flexibility in hours of work

Respondents that identified themselves as small business were less likely to provide rewards or incentives

Respondents that identified themselves as small business were more likely to be flexible in hours of work and time off

The Next Five Years

What do you see are the key development issues for your business/organization over the next 5 years?

Respondents identified the aging workforce and the shrinking pool of under 25 workers as key issues over the next five years

Do you see the issue of Recruitment and Retention as increasing or decreasing over the next five years?

92% of respondents felt that the issue of Recruitment and Retention would increase over the next five years

Which do you feel will be the dominant issue?

62% of respondents felt that the issue of recruitment and retention would be of equal importance

What do you see as the role of the Service Industry sector in meeting your Recruitment and Retention needs?

80% of respondents felt that the Service Industry sector was too broad and competitive to play a significant role in meeting their Recruitment and Retention needs

What do you see as the role of government in meeting your Recruitment and Retention needs?

Respondents felt that government needed to play a role in promoting the Service Industry sector as a place of good jobs. Respondents cited the investments that governments' had made to address the recruitment and retention needs of other sectors, such as trades, as an important role for government.

What do you see as the role of the education community in meeting your Recruitment and Retention needs?

Respondents felt that the education community needed to view the Service Industry sector as a legitimate career path for students. Respondents also felt that the education community could do more to help potential employees to be 'job ready'. Universal access for students to programs such as Food Safe certification was seen as an important role for the school system.

Are there other organizations that should be participating in developing strategies for meeting the recruitment and retention needs of the Service Industry sector?

45% of respondents identified Chambers of Commerce as important partners for developing strategies for meeting the recruitment and retention needs of the Service Industry sector

21% identified sector organizations as important partners for developing strategies for meeting the recruitment and retention needs of the Service Industry sector. This figure was significantly higher (60%) for respondents that identified themselves as belonging to the food services industry.

Would you participate in developing a Service Industry strategy?

35% of respondents said that they would participate in developing a Service Industry sector strategy

Who do you think should participate in the development of a Service Industry strategy?

Government, educators, sector organizations, community and First Nations leaders, and economic development organizations were identified as key participants in the development of a Service Industry sector strategy

Recommendations for moving forward

Recommendation #1

The government bring together educators, sector organizations, community leaders, First Nations leaders and economic development organizations from across northern British Columbia to develop a Service Industry sector strategy

Recommendation #2

The government create a northern British Columbia Service Industry Sector Council to advise the government on issues facing the sector in northern British Columbia

Recommendation #3

The provincial government should encourage more participation by First Nations in the Service Industry sector both as employers and employees

Recommendation #4

The government should provide incentives for bringing more seniors into the Service Industry sector

Recommendation #5

That government provide more support to Service Industry sector businesses in smaller and remote communities to recruit foreign workers

Recommendation #6

The ministry of education explore the possibility of providing 'for credit courses' universally across the province in order to promote more high school students achieving Food Safe, and the Super Host certification

Recommendation #7

Government should place more emphasis on getting workers, through pre-employment programs, prepared for the Service Industry Sector

Recommendation #8

That changes be made to Employment Insurance to better reflect the seasonal nature of many of the jobs in the Service Industry sector

Recommendation #9

That changes be made to Social Assistance to allow recipients to gain employment in the Service Industry sector without undue penalties

Recommendation #10

The government provide more post secondary spaces related to the Service Industry sector

Conclusion

We found little consensus on strategies for solving the human resource problems in the Service Industry sector among participants. There was however, consensus on the need for government to be more engaged in providing solutions to what will be a growing problem in this sector. There was a belief among participants that government needed to recognize the importance of the Service Industry sector the province as a whole and to northern British Columbia in particular.

The *Extracting the Value* report demonstrated the importance of the service Industry sector in supporting other sectors such as the Oil and Gas industry. It also needs to be recognized the importance of the role the Service Industry sector plays in attracting and retaining professionals to a community.

For a sector that is highly dependent on young workers, which is faced with the aging demographics, and the continued out-migration of youth from northern British Columbia, it is important that a strategy be developed for encouraging the population group with the largest youth cohort, First Nations, to participate in the Service Industry sector.

It is vital that the Service Industry sector and government come together to address the pressing human resource needs, today and into the future, of this important sector of northern British Columbia's economy. Without a healthy Service Industry sector it will become increasingly difficult to recruit and retain the workers and industry needed to create a stable and sustainable economy in northern British Columbia.

Appendix A: Interview Script

Section A: Background Information

The first section of questions asks about your organization.

A1. Are you the owner of this business?

A2. How long have you been in this position/ business?

A3. How did you start your involvement with this organization/ business?

A4. How many staff/employees are in the organization/ business?

SECTION B:

In this section I would like to ask you some questions relating to the findings of the “Quantifying the Problem” phase of this project.

Service Sector Skills

B1. What Skills sets do you look for in potential employees?

B2. Does your business require employees have specific certifications?

<Food safe, serving it right, others>

B3. Do you find that potential employees meet these certification needs?

B4. Interviewees noted the requirement for potential employees to possess a ‘positive’ attitude, strong communication and interpersonal skills. Do you agree that these are attributes you look for in a potential employee? Do you find that

potential employees meet this expectation? If no, what attributes are commonly missing?

B5. Interviewees noted that basic computer skills are becoming a necessity in the Service Industry Sector. Do you agree?

B6. Do you feel that potential employees are 'job ready'?

Changes over Time

C1. Have you experienced a change in the expectations of potential employees over time? In which areas?

<Wages, advancement, quality of life>

C2. Interviewees noted changes in the sense of 'corporate loyalty of employees. Do you agree or disagree?

C3. Is there a difference in expectations of younger workers (under 25) versus older workers? If there are differences please elaborate.

SECTION D: Recruiting

In this section I would like to ask you some questions about recruiting employees/staff.

D1. Are there any unfilled positions within your organization?

D2. Why do you think these job positions remain unfilled?

D3. On average, how long does it take to fill a vacancy?

D4. Have you ever had any employees/staff recruiting difficulty? (please describe)

D5. What do you think are the key issues to recruiting employees/staff to positions in your business?

D6. Has your organization attempted any form of job shadowing or job succession planning as a way to train future employees/staff?

D7. Have you ever engaged an outside employment agency?

D8. When you have a job opening how do you advertise that opening?

<Newspaper, word of mouth, other>

D9. Have you ever participated in a wage subsidy program?

D10. Have you ever recruited from a non-traditional employee/staff pool?

<Aboriginal, seniors, people with disabilities>

SECTION E: Retention

In this section I would like to ask you some questions about retaining employees/staff.

E1. Do you have difficulty in retaining employees/staff? (please describe)

E2. Why do you think employees/staff do not remain with your business?

E3. What strategies do you employ to retain employees/staff? (please describe)

<Rewards/incentives for employees/ flexibility in hours of work>

Does this meet your needs?

SECTION F: Strategies for moving forward

In this last section of the interview I would like to ask you some questions relating to the future of the Service Industry Sector and potential strategies for meeting future employee/staff needs.

F1. What do you see are the key development issues for your business/organization over the next 5 years? (please describe)

F2. Do you see the issue of Recruitment and Retention as increasing or decreasing over the next five years? (please describe)

<which do you feel will be the dominant issue?>

F3. What do you see as the role of government in meeting your Recruitment and Retention needs?

F4. What do you see as the role of the education community in meeting your Recruitment and Retention needs?

<schools, employment/training agencies,

F5. Are there other organizations that should be participating in developing strategies for meeting the recruitment and retention needs of the Service Industry sector?

<Chambers of Commerce, sector organizations>

F6. Would you participate in developing a Service Industry strategy?

F7. Who do you think should participate in the development of a strategy?

SECTION G: Concluding Questions

G1. From the experiences you have had, can you think of anything else that has not been touched on here about meeting the human resources needs of your business/organization now and looking 5 years into the future?

G2. Are there any other issues or topics related to human resources needs or training that you would like to comment upon?

Appendix B

Appendix B: Consent Form

Northern British Columbia Service Industry Sector Interview Consent Form

Purpose – This project seeks to delineate the Service Industry Sector labour market issue and identify practical responses to addressing human resources gaps in both the short and long term. The objectives of this community driven process are two fold: to use information from a cross-section of northern communities to identify the Service Sector labour shortages, and to draw upon the participation of Service Sector employers to identify practical strategies for dealing with these labour shortages. The project is funded by Service Canada and is managed by Greg Halseth, Professor, Canada Research Chair, Rural and Small Town Studies at the University of Northern BC (UNBC). A research team from the Community Development Institute at UNBC will be conducting a series of interviews with community partners and stakeholders who can provide information on the human resources needs and demands (both now and in the future) in the Service Industry Sector.

How Respondents Were Chosen – Potential interviewees were selected from publicly available lists and from recommendations by the project advisory committee. This advisory committee was assembled from interested stakeholders to assist in the development of the project. The interviewees were selected for their potential to provide information about issues relevant to human resources needs in the Service Industry Sector.

Anonymity And Confidentiality - The people selected for these interviews are local experts in the human resources needs of the offices or enterprises which they direct or manage. All information shared in this interview will be held within strict confidence by the researchers. All records will be kept in a locked research room at UNBC and will be accessible only to the research team. The names of participants will not be used in any reporting, nor will any information which may be used to identify individuals. The information will be kept until the final report of the project is complete. After this time, shredding will destroy all information related to the interview.

Potential Risks And Benefits - This project has been assessed by the UNBC Research Ethics Board. The project team does not consider there to be any risks to participation. We hope that by participating you will increase the knowledge of labour market issues facing the Service Industry sector in Northern BC and help in the identification of solutions and options to address labour market issues.

Voluntary Participation - Your participation in the research project is entirely voluntary and, as such, you may choose not to participate. If you participate, you may choose to not answer any question that makes you uncomfortable, and you have the right to terminate the interview at any time and have all the information you provided withdrawn from the study.

Research Results - In case of any questions that may arise from this research, please feel free to contact Greg Halseth (250-960-5826) or Don Manson (250-960-5018) at UNBC. The names of all interviewees will be added to the distribution list for the final project report.

Complaints - Any complaints about this project should be directed to the Office of Research, UNBC (250) 960-5820 reb@unbc.ca.

I have read the above description of the study and I understand the conditions of my participation. My signature indicates that I agree to participate in this study.

(Name -please print)

(Signature)

(Date)

Appendix C

Appendix C: Community Visits

<u>Community</u>	<u>Interviews</u>
Atlin	02
Burns Lake	02
Chetwynd	01
Clearwater	02
Dawson Creek	01
Dease Lake	01
Fort Nelson	01
Fort St. John	02
Hazelton	01
Houston	01
Hudson's Hope	01
Kitimat	01
Mackenzie	02
Masset	02
McBride	01
Old Masset	02
Port Clement	01
Port Edward	01
Prince George	02
Prince Rupert	02
Queen Charlotte	02
Quesnel	01
Sandspit	01
Smithers	01
Stewart	01
Terrace	02
Tumbler Ridge	01
Vanderhoof	01
Williams Lake	02
Total	29
	40