APPLICATIONS

Management Consulting Ltd.

Wood Buffalo Labour Market Information

Worker Needs and Shortages Analysis 2009 -Executive Summary-

Prepared for:

Alberta Employment and Immigration

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Executive Summary

Labour shortages have been a way of life in the Regional Municipality of Wood Buffalo (RMWB) and the rest of Alberta for a number of years. However in the past year the labour market has changed as the economy has shifted.

Current local labour market information for the RMWB has been identified as a priority by Alberta Employment and Immigration. In the second quarter of 2009, a survey was conducted of 110 employers that have offices and/or workers in the RMWB to obtain a sample of responses across each major industry in the municipality. The purpose of this survey was to gain a better understanding of current worker shortages, hiring issues and expected future hiring by occupation. Similar surveys have been conducted in 2008 and 2007 and serve as a point of comparison to this year's survey results.

Survey respondents were asked if they have experienced difficulty hiring for certain occupations. Fifty per cent of employers surveyed reported having no difficulty hiring. This represents an eight per cent increase in the number of employers expressing no difficulty in hiring compared to the results of the same survey in 2008, when 42 per cent reported no difficulty hiring. In 2007, 38 per cent of employers surveyed indicated they did not have problems hiring. These results suggest that finding qualified workers in Wood Buffalo has been getting easier. An analysis of these results by occupation indicates this is true in general, but is not true for all occupations.

Employers were asked it their workforce was larger, smaller or the same size as last year, and how they expected their workforce size to change in the coming year. Responses indicate that the current workforce is generally smaller than it was a year ago (44 employers reported reductions in their workforce), but that further reductions in workforce are not expected in the next year. Fifty-seven respondents (52 per cent) actually expect their workforce to grow in the next year. (See **Change in Workforce Size** below)

Employers were also asked about the impacts of the economic downtown (impacts included lay-offs as well as other workforce impacts such as reduced hours, job sharing, eliminating overtime or deciding not to fill vacant positions). Of the 110 companies surveyed, 54 said their workforce was impacted in some way by the economic downturn, while 56 said there had been no impact on their workforce.

Employee turnover continues to be a challenge in the region, despite the slower economy, although retention has improved compared to 2008. Across all industries, there were twice as many new hires over the past three months due to turnover (54 per cent) as there were new hires due to growth (27 per cent). This is similar to survey responses in 2008, when 63 per cent of new hires were due to turnover and 36 per cent were due to growth.

Some employers viewed the economic slowdown as having a positive effect on their company. According to one respondent: "(We are seeing) more applications from reliable workers, because everyone is looking for a job and will work harder to keep it."

Summary of Occupational Needs and Shortages

It is useful to look at all the occupational information gathered in summary form to see what differences or similarities appear across occupational groups and skill levels. For comparison purposes, the occupation data collected is grouped by skill level using the National Occupation Classification.

Figure I presents the number of times an employer named an occupation (not the number of positions or employees) for each of the following questions:

- How many current vacancies are there?
- Not including positions that are open now, does your company plan to hire any additional workers in the next three months?
- Has your company had difficulties hiring employees in certain occupations?
- What occupations have you had difficulty retaining?

The results in Figure I are presented with the top five occupations in each category highlighted in **bold text**.

Four occupation groups stand out as being of concern for employers, in that they are difficult to fill and/or employees are difficult to retain, *and* employers indicated they had current vacancies and/or future hiring plans. The occupations that were most often mentioned by employers across all questions are:

- Clerical Occupations
- Skilled Sales and Service Occupations
- Intermediate Sales and Service Occupations
- Trades and Skilled Transport and Equipment Operators

Other occupations were difficult for employers to manage some ways, but not all. For example, professional occupations in natural and applied sciences were difficult to fill, but were not difficult to retain and employers did not indicate many vacant positions or future hiring intentions. Elemental sales and service occupations are difficult to retain, but not difficult to fill. Management occupations have high vacancies but are not difficult to retain.

Note: Details of the information presented in Figure I is provided in Appendices B through E, as well as in the body of this report.

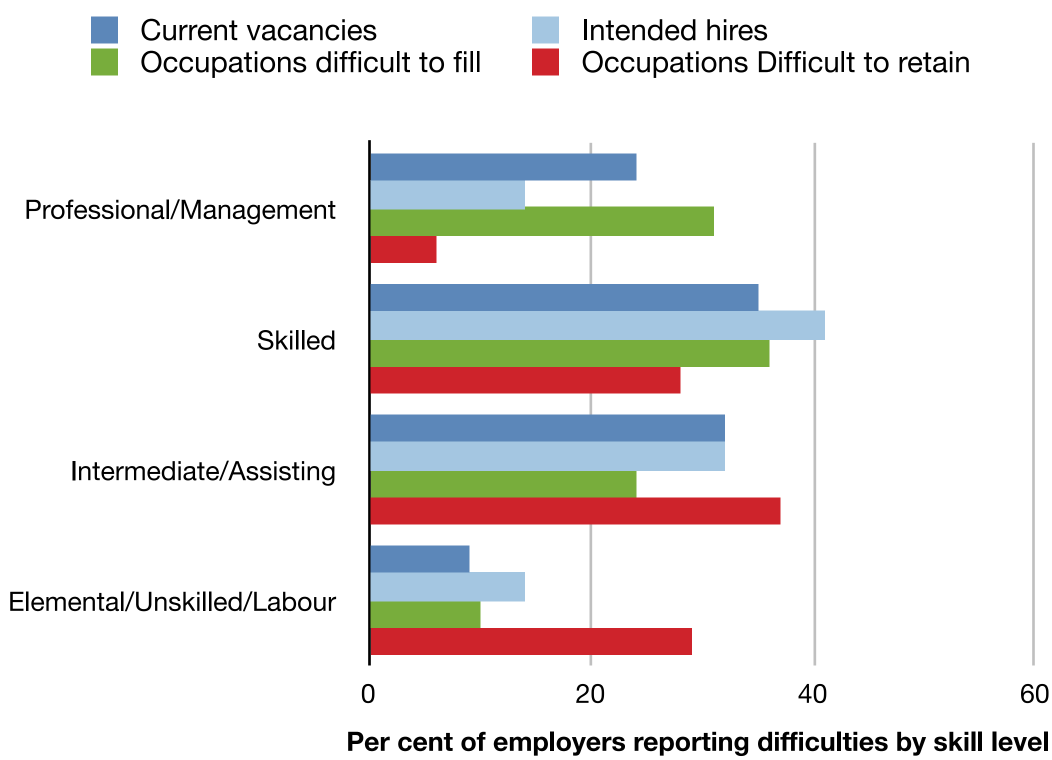
Figure I: Summary of Occupational Needs and Shortages

Occupational Group	NOC	Number of employers reporting vacant position(s)	Number of employers reporting intended hiring in occupation	Number of employers reporting occupation difficult to fill	Number of employers reporting occupation difficult to retain
Middle and Other Management Occupations	01-09	**13%**	**7%**	6%	3%
Skilled Administrative and Business Occupations	12	3%	3%	4%	-
Clerical Occupations	14	**10%**	**10%**	5%	**8%**
Professional Occupations in Natural and Applied Sciences	21	4%	2%	**11%**	-
Technical Occupations Related to Natural and Applied Sciences	22	4%	5%	3%	1%
Professional Occupations in Health	31	4%	-	5%	3%
Professional Occupations in Social Science, Education, Government Services and Religion	41	3%	5%	**9%**	-
Paraprofessional Occupations in Law, Social Services, Education and Religion	42	1%	3%	4%	3%
Technical and Skilled Occupations in Art, Culture, Recreation and Sport	52	-	3%	3%	-
Skilled Sales and Service Occupations	62	**9%**	2%	**9%**	**8%**
Intermediate Sales and Service Occupations	64	**14%**	**7%**	**13%**	**18%**
Elemental Sales and Service Occupations	66	5%	5%	7%	**18%**
Trades and Skilled Transport and Equipment Operators	72-73	**15%**	**22%**	**14%**	**17%**
Intermediate Occupations in Transport, Equipment Operation, Installation and Maintenance	74	5%	**12%**	6%	**10%**
Trades Helpers, Construction Labourers and Related Occupations	76	3%	-	1%	6%
Labourers in Processing, Manufacturing and Utilities	96	1%	7%	1%	4%
Other	-	6%	7%	3%	4%
Total		**100%**	**100%**	**100%**	**100%**

When the occupations are organized by skill level, as depicted in Figure II below, the following trends appear:

- Professional and management occupations are difficult to fill but it was not as difficult to retain employees.
    - *This pattern is consistent with the 2008 data; however recruiting to high-skilled positions in 2009 was more difficult than reported last year (less than 20 per cent in 2008 compared to over 30 per cent this year).*
- Skilled and intermediate occupations have the most current vacancies and intended hires.
    - *Filling skilled positions was not as difficult this year as it was in 2008.*
    - *Retaining intermediate/assisting occupations was not as difficult this year as it was in 2008 (less than 40 per cent this year compared to almost 60 per cent last year).*
- Elemental or unskilled occupations are difficult to retain, but employers reported having the least difficulty filling these positions.
    - *Retaining elemental or unskilled occupations is more difficult than last year, but there are fewer employers reporting vacancies or difficulty filling positions than in 2008.*

Figure II: Difficulties by Skill Level

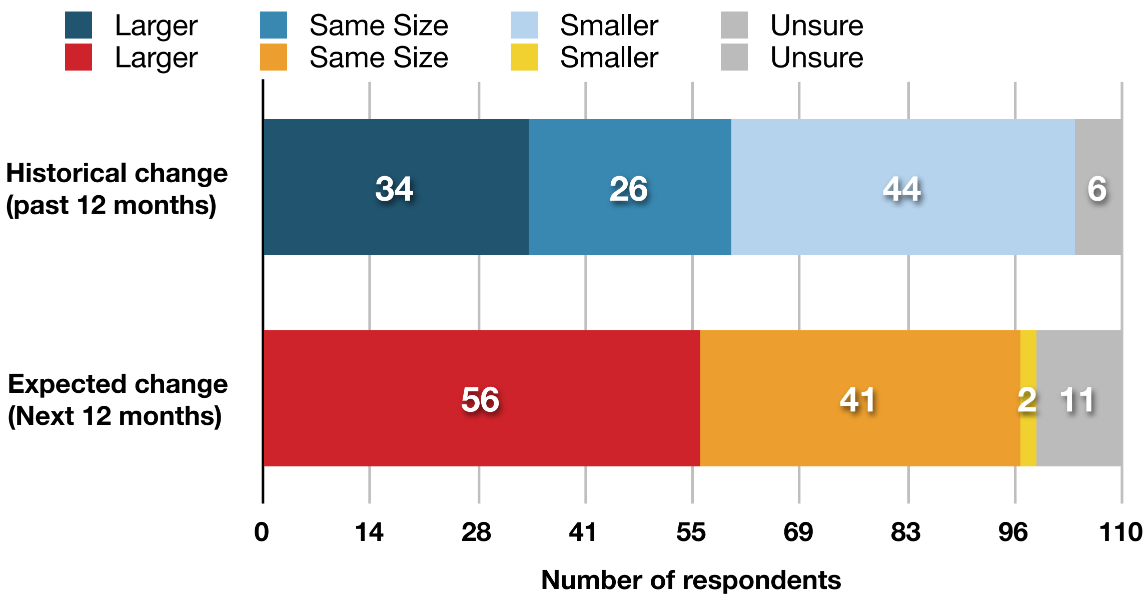


Change in Workforce Size

Recent economic changes have had an impact on the size of the workforce in the Regional Municipality of Wood Buffalo. Survey responses indicate that the workforce is smaller than it was last year, with 44 employers reporting reductions in the number of workers they employ. However, the majority of employers indicate that they will be expanding their workforce over the next 12 months (57 respondents (52 per cent) expect their workforce to grow in the next year).

Of the 34 respondents that reported a larger workforce compared to last year, 30 expect to increase (23) or stay the same size (7) in the next year. Of 44 respondents that indicated their workforce decreased in the past year, 22 expect to increase again in the next year and 15 expect to stay the same. Only one expects further workforce reductions.

Figure III: Changes in Workforce Size—Historical Change (past 12 months) and Expected Change (next 12 months)



Full report is available at http://www.woodbuffalo.net/linksRESRepo.html