

APPLICATIONS

Management Consulting Ltd.

Wood Buffalo Labour Market Information

Worker Needs and Shortages Analysis 2010 — Executive Summary —

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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. Following the global economic crisis, when labour shortages reported became less severe, the labour market in the Fort McMurray region is again reporting increased labour needs and shortages.

Current local labour market information for the RMWB has been identified as a priority by Alberta Employment and Immigration. In the third quarter of 2010, a survey was conducted of 117 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 2009, 2008 and 2007 and serve as a point of comparison to this year's survey results.

Highlights

Survey respondents were asked if they have experienced difficulty hiring for certain occupations. Fifty-five per cent of employers surveyed reported having difficulty hiring. This is a five per cent increase in the number of employers expressing difficulty hiring compared to the results of the same survey in 2009, when 50 per cent reported difficulty hiring. These results suggest that finding qualified workers in Wood Buffalo has been getting more difficult again, although not to pre-recession levels. An analysis of these results by occupation indicates this is true in general, but is not true for all occupations.

Employers were asked if 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 the same size as it was a year ago (49 employers (42 per cent) reported that their workforce was the same).

Sixty respondents (51 per cent) expect their workforce to grow in the next year. Only five respondents (four per cent) expect their workforce to decrease in the next year. (See **Figure III Change in Workforce Size.**)

Employee turnover continues to be a challenge in the region, although new hires related to business growth have increased in comparison to new hires due to turnover. Across all industries, there were close to twice as many new hires over the past three months due to growth (54 per cent) as there were new hires due to turnover (32 per cent). This is in contrast to survey responses in 2009, when 54 per cent of new hires were due to turnover and 27 per cent were due to growth. For the first time in four years of surveying, new hires due to retirement were a significant reason for hiring: two per cent of new hires were due to retirements.

Employers responding to the survey reported that 47 per cent of positions they were looking to fill had been open for less than three months, while 20 per cent of positions were open for more than three months (33 per cent were unsure or did not specify). The number of positions open for more than three months has decreased each year of the survey: In 2007 65 per cent of positions had been open for more than three months, in 2008 this decreased to 45 per cent, then further decreased to 38 per cent in 2009, and the response in 2010 is even lower at 20 per cent of vacant positions.

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**.

Eight 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 about worker needs and shortages are:

- Middle and other Management Occupations
- Clerical Occupations
- Professional Occupations in Natural and Applied Sciences
- Technical Occupations Related to Natural and Applied Sciences
- Intermediate Sales and Service Occupations
- Elemental Sales and Service Occupations
- Trades and Skilled Transport and Equipment Operators
- Intermediate Occupations in Transport, Equipment Operation, Installation and Maintenance.

Other occupations were difficult for employers to manage some ways, but not all. For example, professional occupations in middle and other management occupations were difficult to fill, but were not difficult to retain, and employers did not indicate significant future hiring intentions.

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.

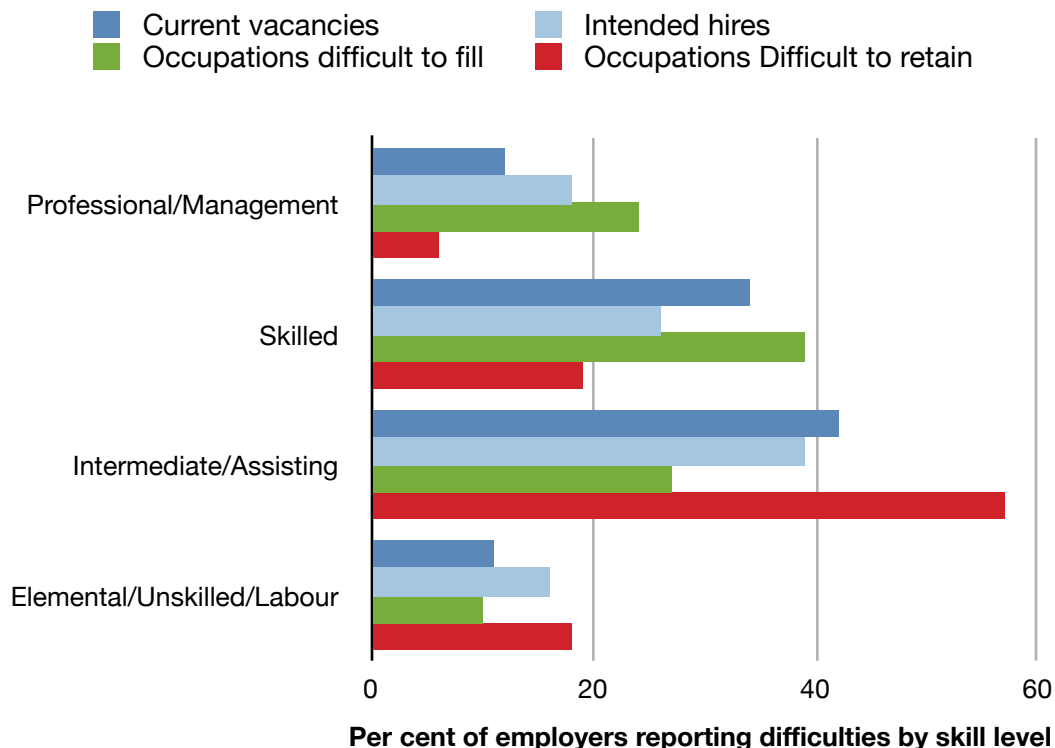
Figure I: Summary of Occupational Needs and Shortages

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	00-09	7%	5%	9%	1%
Professional Occupations in Business and Finance	11	1%	-	2%	1%
Skilled Administrative and Business Occupations	12	4%	-	-	1%
Clerical Occupations	14	10%	8%	5%	7%
Professional Occupations in Natural and Applied Sciences	21	1%	10%	8%	3%
Technical Occupations Related to Natural and Applied Sciences	22	10%	7%	8%	3%
Professional Occupations in Health	31	1%	2%	4%	-
Technical and Skilled Occupations in Health	32	2%	2%	2%	-
Assisting Occupations in Support of Health Services	34	1%	-	1%	1%
Professional Occupations in Social Science, Education, Government Services and Religion	41	2%	2%	2%	-
Paraprofessional Occupations in Law, Social Services, Education and Religion	42	2%	-	2%	1%
Professional Occupations in Art and Culture	51	-	-	-	-
Technical and Skilled Occupations in Art, Culture, Recreation and Sport	52	-	-	-	1%
Skilled Sales and Service Occupations	62	3%	3%	6%	-
Intermediate Sales and Service Occupations	64	18%	11%	13%	31%
Elemental Sales and Service Occupations	66	10%	11%	9%	12%
Trades and Skilled Transport and Equipment Operators	72/73	13%	15%	21%	12%
Intermediate Occupations in Transport, Equipment Operation, Installation and Maintenance	74	12%	18%	6%	16%
Trades Helpers, Construction Labourers and Related Occupations	76	1%	5%	-	4%
Skilled Occupations in Primary Industry	82	-	-	1%	-
Intermediate Occupations in Primary Industry	84	-	2%	1%	-
Processing and Manufacturing Machine Operators and Assemblers	94	1%	-	2%	-
Labourers in Processing, Manufacturing and Utilities	96	-	-	1%	1%
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 somewhat difficult to fill but it was relatively easy to retain employees.
 - *This pattern is consistent with the 2009 data; however recruiting to high-skilled positions in 2010 was easier than reported last year (over 30 per cent reported difficult to fill in 2009 compared to over 20 per cent this year).*
- Skilled occupations have a high proportion of vacancies and are the most difficult to fill.
 - *Filling skilled positions was more difficult this year than it was in 2009.*
 - *Retaining skilled occupations was less difficult this year than it was in 2009.*
- Intermediate occupations have the highest proportion of vacancies and intended hiring, and are very difficult to retain.
 - *Retaining intermediate/assisting occupations was more difficult this year than it was in 2009 (under 40 per cent in 2009 compared to over 50 per cent this year).*
- Elemental or unskilled occupations are somewhat difficult to retain, but employers reported having the least difficulty filling these positions, and the lowest number of intended hires.
 - *Retaining elemental or unskilled occupations is less difficult than last year.*

Figure II: Difficulties by Skill Level of Occupation



Change in Workforce Size

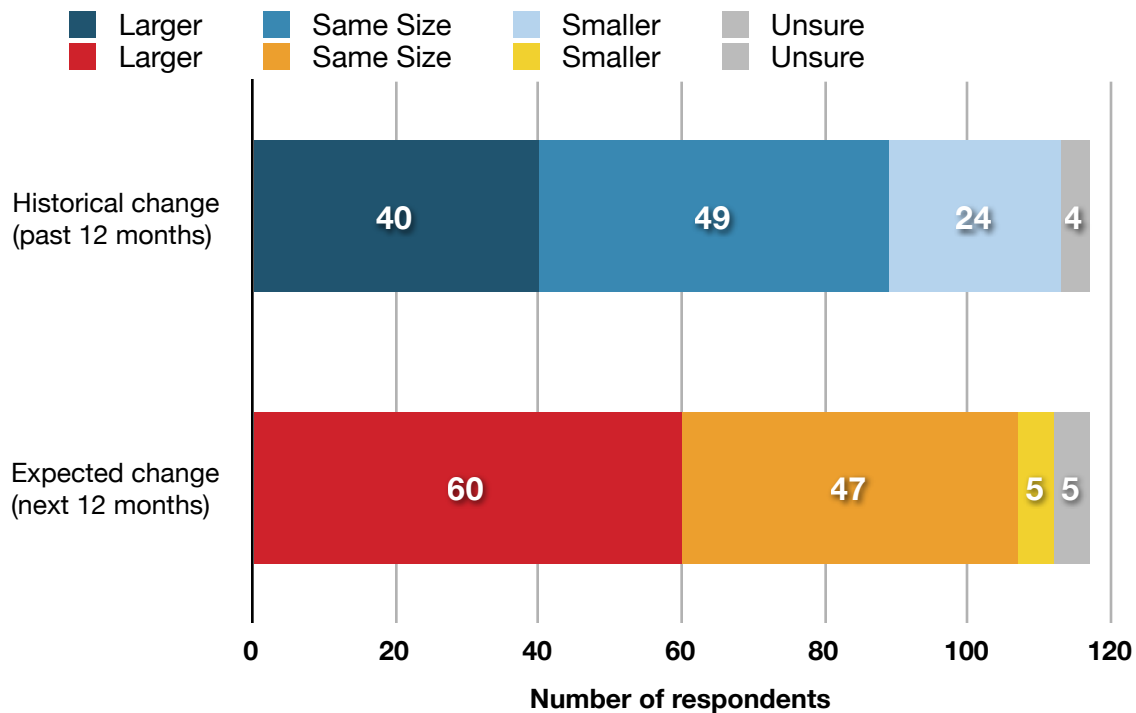
Recent economic changes have had an impact on the size of the workforce in the Regional Municipality of Wood Buffalo. Survey responses indicate that the workforce is larger than it was last year, with 40 employers reporting increases in the number of workers they employ compared to 24 employers with a decreased workforce compared to last year.

Looking to the future, the majority of employers indicate that they will be expanding their workforce over the next 12 months (60 respondents (51 per cent) expect their workforce to grow in the next year). Only five employers expected to decrease their workforce.

Of the 40 respondents that reported a larger workforce compared to last year, 37 expect to increase (29) or stay the same size (eight) in the next year. Of 24 respondents that indicated their workforce decreased in the past year, 13 expect to increase again in the next year and seven expect to stay the same. Only one expects further workforce reductions. Five employers were unsure of their future growth.

These survey results indicate that workforce needs in the region are once again increasing.

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



See the full report at www.woodbuffalo.net/linksRESRepo.html