

1993/1994

**REGIONAL FRAMEWORK
DOCUMENT**

EMPLOYERS

BC/Yukon Region

4.0 EMPLOYERS

4.01 OVERVIEW

The Labour Market Adjustment Program (LMAP) specifically targets the private sector's commitment to providing a trained, adaptive workforce. Historically, the responsibility for obtaining and providing a skilled work force has rested on individuals and the various levels of government. Although most Canadian employers recognized a skilled work force was essential to long-term economic success, many relied on the skills available in the open labour pool rather than investing in training for existing employees. EIC's objective is to encourage the private sector to adopt a "training culture" and increase its understanding and use of human resource planning (HRP).

Currently, there is a gap between the skills and knowledge that is required by the labour market and the skills that many workers bring to the labour market. This frequently results in the co-existence of skill shortages and high unemployment. Various trends have caused this situation. Structural change in the economy is shifting employment from resource industries to services. While the primary generator of new jobs will be linked to the introduction of new technology and the structural shift from large firms to small businesses. These factors will result in a continuous change in the occupation and skill needs of the labour market.

Competitiveness in a global economy demands that attention be directed to HRP, and especially to ensuring that a well skilled workforce is available who can generate employment opportunities.

4.02 NEW DEVELOPMENTS

(1) Employment Equity

It is anticipated that during 1993/94 the federal Employment Equity Act will be amended increasing the number of federally regulated businesses covered under the Act and the number of employers participating under the Federal Contractors Program (FCP).

Furthermore, Provincial Employment Equity and Pay Equity legislation may be enacted in 1993/94.

Both of these developments will impact on our delivery systems. EIC offices should anticipate enquiries from employer and client groups regarding the

impact of these changes, information on employment equity, and assistance in conforming to legislative requirements. There may also be labour exchange implications as employers seek to recruit designated group members.

(2) Labour Market Demand

Local offices will require labour market information related to nationally and regionally recognized skill shortages to assist them in identifying and rationalizing local priorities. The B.C. Labour Market Demand and Training Needs Advice List has been developed for this purpose. Local offices with adjoining or overlapping labour markets may need to coordinate this activity, particularly when the most appropriate program responses require coordination (Coordinating Group model) or consistency in program application.

In the Western provinces/territories, the Designated Occupations (DOCC) screens of NESS should be used to share information on local priorities.

For further information on the use of DOCC screens refer to EB Chapter 11.13.

(3) Labour Market Adjustment

The past fiscal year saw increased activity in downsizing and sectoral planning initiatives, as well as increased Provincial involvement in adjustment issues. During 1993/94, EIC expects the interest in and pressure for national, regional, and sectoral solutions will continue. The challenge ahead will be to link the national agreements, such as those initiated by Strategic Policy and Planning (SPP), as well as regional agreements, to both Provincial priorities and the local planning process. Close cooperation will have to be established between Labour Market Services (LMS) Consultants and local offices during initial planning phases.

4.03 TRENDS

- (1) The majority of "new" jobs are being created in the service sector. Health, communications, finance, and business administration require diverse, complex skills and offer higher pay levels, while tourism, retail trade, and food and beverage employment opportunities require generic skills and offer lower pay levels.
- (2) Asian investment, particularly Japanese tourist-related investment, has peaked or started to decline, as Asian investors find alternate markets.

- (3) Downsizing, streamlining and restructuring throughout the B.C. economy is expected to continue.
- (4) Economic pressures will continue to cause the displacement of older and less skilled/educated workers.
- (5) Employers will need to adjust to more specialized markets. This could result in new businesses that will have to adapt to change very quickly.
- (6) The introduction of new technology will require higher educational levels and new skills that are not currently available in our labour market.
- (7) In response to labour market adjustment many workers will be required to relocate to find new jobs.
- (8) In order to cope with the changing economy, employers will be seeking sectoral approaches to adjustment issues. Significant numbers of new businesses will be created by members of under-represented groups as an alternative to traditional employment. For example, 70% of new businesses are started by women.
- (9) Self-employment will continue to grow.

4.04 ISSUES

- (1) Providing accurate and timely labour market information to assist employers in making strategic HRP decisions remains a critical service need.

The importance of LMI is evidenced by Employment Key Measure 5 (a) Client Satisfaction with LMI of the Chairman's Planning Guidelines (CPGs).

- (2) Planning and strategies for the introduction of HRP at the local level must be better developed during 1993/94. Regional consultants and local offices must work together to convince employers to undertake HRP.
- (3) **Seventy percent of the labour market's new entrants are from one of the four (4) designated groups. To remain competitive, employers will have to use this pool of prospective employees. Many employers continue to ignore this group's potential and the reality of labour supply trends. It must be ensured that Employment Equity is an integral part of employers' human resource planning.**

For additional information, refer to Section 3.5 - Designated Groups.

- (4) In recessionary times, businesses typically place a reduced emphasis on HRP. Expansion is not a pre-requisite for the introduction of HRP. The slow recessionary recovery gives EIC the opportunity to provide HRP training to employers.

4.05 PROGRAMMING

It is EIC's goal and one of its key indicators (see Employment Key Measures section of CPGs), to establish partnerships with employers dedicated to the joint identification and resolution of human resource issues. A critical element in achieving this goal, is the transfer of HRP skills to targeted employers (local HRP) and employer groups (sectoral HRP). The HRP training and orientation provided in 1992/93 to supervisors and counsellors has prepared local offices to effectively plan for the implementation of Local Human Resource Planning (LHRP) via their Local Planning Strategy (LPS) in 1993/94.

The implementation of LHRP will generate spinoff benefits to be gained in other programming areas, such as Worksharing (WS), Foreign Worker Recruitment, and Workplace-Based Training (WBT). While there is no operational requirement for the employer to demonstrate effective planning as a pre-condition to participating in EIC programming, where feasible, local offices are encouraged to link the presence of a HR plan with programming requests.

EIC will continue to expend \$32 Million in 1993/94 in program and income support costs as its contribution to B.C.'s and Yukon's Apprenticeship programs. Furthermore, EIC will continue to work with the Province/Territory and employers to enhance Apprenticeship programs and seek greater participation by designated group members in accordance with commitments under the Canada/British Columbia and Canada/Yukon Labour Force Development Agreements.

The changes to WBT which were anticipated last year are now complete. These changes support the increased involvement of the private sector in providing a skilled labour force. The program changes and reduced Consolidated Revenue Funds (CRF) have resulted in the reduction (and sometimes elimination) of wage subsidies and reduced levels of training costs support. However, for designated groups members, off and on-the-job wage support can and should be provided where necessary. By doing so, employers are encouraged to train and upgrade these employees and enable them to

access a broader range of occupations, including apprenticeships.

Also supporting increased private sector involvement is the training being delivered through the Coordinating Group mechanism. This approach facilitates the implementation of sectoral approaches to respond to training needs. Small business management skills will continue to be a priority and may benefit from an industrial sector approach available through the Coordinating Group mechanism.

During 1993/94, Work Sharing (WS) will remain a necessary intervention as economic adjustments continue to occur. With regards to WS contracts involving training components, only modest increases were noted in 1992/93. Therefore, **increasing the promotion of a WS training component should occur in 1993/94. The uses of WS could become a part of a local EIC office's strategic employer client approach. This more strategic use of WS will necessitate an integrated working relationship between local employment units and local LMS consultants.**

Industrial Adjustment Services (IAS) will continue to be a significant adjustment vehicle for EIC. IAS provides an excellent example of the positive results possible through partnerships with the private sector, labour and other levels of government. Consultants will work collaboratively with Labour Market Area Managers (LMAMs) to identify the business and industry adjustment issues requiring IAS intervention.

Through Business Development Centres (BDCs), Self-Employment Assistance (SEA), and other initiatives, EIC is stimulating small business development. As a result, the development of a new community of employers is being formed. In connection with these initiatives, local EIC offices have an opportunity to introduce HRP and equity group participation at an early stage.

Employment Equity must become an integral part of all employer-based programming. The challenge to EIC is to find a way to introduce and encourage equitable employment practices. This can be achieved by placing employment equity within a context that employers can understand and integrate. As noted earlier, basic demographics dictate that designated groups will become an increasingly important portion of the available workforce. Therefore, a failure to use the talents of 70% of the available labour pool can and will impact on a firms's competitiveness.

To assist the successful adoption of employment equity by employers in communities where a large portion of the residents fall within one or more of the designated groups, Equity Awareness training for staff should be a priority.