

Alberta's need for skilled workers endures

Underlying issues of aging workforce, out-migration need addressing

BY BILL MAH, EDMONTON JOURNAL JANUARY 23, 2010



Mike Corbett of Edmonton-based David Aplin Recruiting says the labour outlook is slowly improving.

Photograph by: Rick MacWilliam, The Journal, Edmonton Journal

Workers in Alberta were not long ago a scarce resource -- and despite today's job losses, they could soon be again.

One prominent Edmonton-based employee recruiter worries Alberta could see a return to severe labour shortages if the energy-based economy revs up again, because little has been done to correct the underlying factors that led to the past worker crunch.

"The labour shortage was addressed by the economic turmoil that we experienced at the end of '08 and '09," said Mike Corbett, senior vice-president of David Aplin Recruiting.

Lacking help to run a booming economy, some employers imported temporary workers from abroad. Other jobs went unfilled, meaning long waits for service, even for just a cup of coffee. The cost of bridges to burgers skyrocketed as companies competed for scarce workers.

That all vanished when the economy stalled in the latter half of 2008, and the province lost a net total of more than 25,000 jobs in 2009. The average unemployment rate nearly doubled from 3.6 per cent for 2008 and 3.5 per cent in 2007 to 6.5 per cent in 2009.

But Corbett said the underlying problems leading to scarce labour remain.

"I don't know that we've done anything fundamentally to change that," he said. "Although the

unemployment rate is up, we haven't done anything to solve the labour shortage problem that we experienced back in '07.

"We still have immigration issues. We still have demographic issues. Once we get into 2011 and into 2012, there is the potential -- and I stress potential -- we could find ourselves in a similar situation."

The Alberta government knows the problem hasn't gone far away.

Alberta's workforce is aging and fewer people are moving in. Alberta lost more residents than it gained from other provinces in 2009, the first time that's happened since 1994, Statistics Canada said in December.

"The labour shortage Alberta experienced several years ago was mostly caused by the hot economy," said Alberta Employment and Immigration spokesman Terry Jorden. "While the recession has changed the labour shortage to a labour surplus, we expect labour shortages to return.

"Over the long term, however, the provincial government and industry are working to alleviate the labour shortage by continuing to increase the skill level of Albertans, encouraging the employment of under-represented groups, increasing the flow of skilled immigrants to the province, reducing barriers to interprovincial labour mobility, improving the recognition of foreign qualifications and facilitating the hiring of temporary foreign workers."

Those are part of the province's 10-year labour-force blueprint, Building and Educating Tomorrow's Workforce.

Jorden said employers and industry groups are also working on occupational awareness campaigns, staff retention programs and technologies to increase productivity. But for 2010, at least, most Alberta employers aren't expected to face staffing difficulties -- depending on the job.

ATB Financial senior economist Todd Hirsch forecasts Alberta's unemployment rate to hover between 7.0 and 7.5 per cent, then gradually fall as the year progresses.

"We're expecting the labour market to actually turn around somewhat in 2010," Hirsch said.

"We do think that the worst of the recession is behind the jobs market. We're expecting the unemployment rate to kind of plateau."

Hirsch said jobs statistics generally trail the direction the economy takes by four or six months.

If out-migration continues in the first quarter, that may also push the unemployment rate down, he said.

"People are realizing, well, if I'm out of work in Alberta, it's expensive to live here. I'm going to move back to New Brunswick or Manitoba where I'm from where I at least have my parents' basement to live

in or a support system around me there.

"I'm expecting 2010 to be the big turnaround for oil and gas and manufacturing. Those were the two sectors that really have led the charge on job losses last year. Between the two, oil and gas and manufacturing alone -- 50,000 jobs just in those two sectors."

He expects the construction industry will prosper when it comes to residential construction jobs, but suffer in commercial construction.

Business and personal services such as retail and wholesale trade will do OK, he said.

"Where we could start to see some downside is education, health care and government-type public sector jobs and the quasi-public sector as well, such as school boards.

"It's going to be pretty tight. All of them are going to be asked to shave where they can."

Part-time jobs will still outpace full-time position growth, Hirsch said.

"What we continue to see even in the depths of recession is a demand for skilled resources," Corbett said.

"As we work through 2010, I think we'll see the demand increase as we go into 2011."

Accounting and finance professionals will be sought as companies change to new, mandated accounting practices, he said. Engineering demand will grow as some construction projects pick up while information technology and sales jobs will also see growth, Corbett said.

bmah@thejournal.canwest.com

© Copyright (c) The Edmonton Journal