

# **SKILLS SHORTAGE AND AN AGING WORKFORCE**

## **Labour Market Analysis for Small Business Literature Review**

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## **Executive Summary**

**The world of work as we know it is in a constant state of flux. New and emerging technologies, changing work patterns, individual work life balance expectations, transition from employee to entrepreneur are but a few of the underlying reasons. Internationally, the labour force is changing. The competition for human capital now transcends national or geographic borders.**

**The most important factor influencing the nature and degree of workplace changes is the shifting demographics of our population. As a society we are living longer with the consequential demands this places on our pension plans, social programs and shifting lifestyle and consumption patterns. The percentage of our society that represents our future workforce is significantly decreasing. Overall, we see the workforce participation rate dropping at a rate that must be of concern. A disconnect between individual career preference and work force requirements is resulting in a looming potential for shortages in a number of skill areas so important to a vibrant economy.**

**This combination of an aging workforce and skill shortages is a significant public policy issue. It is also one of the most potentially ruinous threats facing small business. Despite the importance of the small business sector to economic growth, very little research has been done to clearly identify and develop strategies to address the impact of an aging work force and skill shortages on small business.**

**The Community Futures Development Association of BC was contracted by Human Resources and Skills Development Canada to analyze the labour market for small business as it relates to skills and an aging workforce. This report is one part of that work and provides an overview of the work done in various jurisdictions to define, assess and develop strategies to address this most important issue.**

**The information contained herein is not exhaustive but is representative of what has and continues to emerge in various jurisdictions.**

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## Context

The Community Futures Development Association of BC was recently contracted by Human Resources and Skills Development Canada to analyze the labour market for small business as it relates to skills and an aging workforce.

The project will serve as a venue to engage BC businesses in a proactive process that will enable them to deal more effectively with the current challenges they are facing in acquiring the skilled workers they need to be successful.

Prior to engaging the business community in a focus group and survey process, a literature review of relevant past workforce studies is required.

This report will contain the outcomes of that review. While not an exhaustive review, this document will provide a significant compendium of information on skill shortages and an aging workforce.

## Sector Overview

In 2003, there were 325,321 registered small businesses in British Columbia. This number represents 98% of all registered companies in the province. 952,900 individuals are employed in small business in BC. Small businesses contribute 30% toward the province's GDP and their wage bill represents approximately 1/3 of all wages paid in British Columbia. Most recent statistics indicate that small business exports total almost \$10.5 billion annually.

The industry distribution of small businesses in BC indicate that 27% are in the Goods sector, 18% are in Business Services, 18% in Retail/Wholesale Trade, Other Services represent 15%, Accommodation and Food Services are 7% with a variety of other areas comprising the balance. It is clear that any discussion surrounding skill shortages and an aging workforce in the small business sector must cover a significant range of occupations and business factors. <sup>1</sup>

A detailed analysis of the Small Business sector in BC can be found in the *Small Business Profile-2004* prepared and distributed by Western Economic Diversification Canada, BC Ministry of Small Business and Economic Development, BC Stats and Small Business BC. <sup>2</sup>

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<sup>1</sup> Profile of B.C.'s Small Business Sector – Ministry of Skills Development and Labour – July 2004

<sup>2</sup> Small Business 2004 – WEDC, BC Ministry of Small Business and Economic Development, BC Stats and Small Business BC

### **British Columbia Population Demographics**

**The current population of British Columbia is approximately 2.2 million. The age cohorts indicating the largest population increase through 2008 include, in order of percentage increase, 55-64, 45-54 and 65+. The lowest increase is identified as the 0-14 age group. This has profound impact on our future workforce and the utilization and future support of social programs. Immigration takes on increased significance in meeting labour force requirements. In 1990, employment in BC was 1.5 million. That figure is expected to reach 2.14 million by 2008.<sup>3</sup>**

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<sup>3</sup> An Overview of Labour Market and Skill Shortage Issues in BC and Canada – BC Ministry of Advanced Education, June 2001, pgs. 12-17

## **Literature Review**

**It must be noted at the outset that there was not a significant amount of relevant literature identified as it applies to the small business sector. Although certain of the principles contained in the broader skills shortage/aging workforce literature have applicability, the small business sector has unique characteristics that require sector specific solutions. This section of the report will review identified literature to highlight the most relevant aspects contained therein.**

### **Canadian Literature**

**Both at the federal and provincial level, increasing focus have been placed on the issues of skill shortages and an aging workforce. Much of the research done to date has been at the macro level and/or very sector specific. Unfortunately, very little of the attention has been given to small business. Although some of the macro level research and, to a degree, sector specific initiatives have applicability to small business, the unique characteristics of this vital sector of our economy are still not addressed.**

**There have been numerous reports generated about the skill shortage and aging workforce issues. Various levels of government, labour, business and industry associations have all produced reports identifying the breadth and depth of what the future might hold. One example of these reports is the results of the Canadian Federation of Independent Business (CFIB) survey on skill shortages. That organization states<sup>7</sup>**

**“The shortage of skilled labour has become a major problem for almost half the small and medium sized firms in Canada. 1 out of 20 jobs remain unfilled because of the inability to find suitable people. For a smaller business, unfilled jobs can mean a poorer standard of service, losing customers or not developing new products”<sup>4</sup>.**

**There still exists varying and sometimes conflicting points of view on how real the issues are and how our economy can best adapt. Such authors as David Baxter<sup>5</sup> and David Foot<sup>6</sup> are but two examples of where such divergent points of view can be identified. Baxter in a recent article concludes,**

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<sup>4</sup> HRM Guide Canada May 2005

<sup>5</sup> Canada’s Aging Workforce Lacks Boomer Replacements – David Baxter – Business in Vancouver – June 2001

<sup>6</sup> Labour Shortage fear Unfounded – David Foot – National Post – June 2002

**“Demographic and economic trends, particularly labour force migration, will spread the (skill) shortage to all regions and most industries within the next decade”.**

**David Foot on the other hand states’**

**“Canada still has a jobless rate of 7% and that doesn’t sound like a labour shortage to me”.**

**In British Columbia the added dimension of the 2010 Olympics has also resulted in reports specific to the needs for human capital relating thereto.**

**At the national level, a report from the *Standing Committee for Citizenship and Immigration* speaks to the need for immigrants to assist in filling the serious skill shortages in Canadian labour markets.<sup>7</sup>**

**HRSO Canada issued a report entitled *Challenges of an Aging Workforce* in 2002. That report indicates that the percentage of Canada’s population aged 65+ will increase from 12.7% in 2001 to 17.9% in 2021. That same report also indicates that by 2011 41% of the workforce will be between the ages of 45 and 64. That compares to 29% in 1991.<sup>8</sup> The issue of work-life balance is also discussed. This concept is described as including such components as;**

- **Flexible work schedules**
- **Self funded leaves**
- **Job sharing**
- **Reduction of hours**
- **Family care support**
- **Health and wellness initiatives**

**The Canadian Centre for Occupational Health and Safety produced a detailed literature review in 2002 outlining the then current information on an aging workforce. Much of that information is still relevant although the statistical portion of many of the reports contained therein is now dated.<sup>9</sup>**

**The Canadian Policy Research Network recently issued a report entitled *Labour Force Aging and Skill Shortages in Canada and Ontario*. That report refutes other studies by indicating that despite the dire warnings, there is no evidence of**

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<sup>7</sup> **Government Response to the Report of the Standing Committee on Citizenship and Immigration, November 2002**

<sup>8</sup> **Challenges of an Aging Workforce – An Overview of the Issue, May 2002, pgs 3-4**

<sup>9</sup> **Aging Workforce Literature Review – Canadian Centre for Occupational Health and Safety - 2002**

a looming skill shortage in Canada.<sup>10</sup> The authors suggest that it is not simply an aging workforce that determines skill shortages. They cite four factors as more significant;

- The age structure of the current workforce
- The time required for training
- The geographic mobility of workers
- Working conditions that affect the attracting and retaining workers

The Malatest report entitled *The Aging Workforce and Human Resources Development Implications for Sector Councils*<sup>11</sup> identifies, analyses and critiques the most recent research and existing studies on the aging workforce in Canada. Two of the reports key findings are;

- there is limited data at the sectoral level in terms of an aging workforce suggesting more research should be done and,
- that youth strategies and older worker retention strategies should be pursued.

This report also identifies certain of the best practices internationally in addressing skill shortages, youth strategies and maximizing the recruitment and retention of the older worker. Some examples of these best practices include;

- flexible work scheduling for older workers,
- researching youth interests and targeting recruitment advertising to those interests,
- actively encouraging older workers to participate in workplace training programs including computer technology and,
- engaging older workers in providing instruction and education to younger workers.

Various provinces have also undertaken reviews and published findings. In Quebec *Taking Action on the Aging of the Labour Force*<sup>12</sup> report discusses in some detail the impact of an aging workforce and defines some guiding principles and suggested strategies to better adapt to this phenomena. Of particular emphasis are the issues of;

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<sup>10</sup> Labour Force Aging and the Skills Shortage in Canada and Ontario – Canadian Policy Research Networks – Cooke/Downie/McMullin

<sup>11</sup> The Aging Workforce and Human Resources Development Implications for Sector Councils, Malatest – February 2003, pgs 3, 26-31

<sup>12</sup> Taking Action on the Aging of the Labour Force – Jollette & Villeneuve, pgs 4-10

- **adapting the workplace ( i.e. changing attitudes and behaviours),**
- **availability of training,**
- **workplace flexibility,**
- **adapting public policy (i.e. promoting phased retirement specifically modifying tax and retirement legislation),**
- **human resource planning**

**In Ontario, the Ontario Chamber of Commerce issued in 2003 their *Skilled Trades Survey*.<sup>13</sup> The report based on almost 500 employer responses indicates the degree of current and looming trades shortages. 41% of the respondents indicated they would face a skilled labour shortage within 5 years. The three primary recommendations identified for addressing this issue are;**

- **raising awareness of careers in the skilled trades,**
- **financial support for employers who train apprentices and,**
- **promoting the image of skilled trades.**

**In British Columbia the Ministry of Skills Development and Labour initiated a consultation process with the private sector to determine to what degree skill shortages exist, are anticipated and what strategies are being developed to address the issue.<sup>14</sup> One sector specifically identified for consultation was Small Business. That report indicates that while certain skills were currently in short supply the looming skill shortage in a number of areas was the major concern. The report further indicated that some skill shortage issues are the result of staff turnover due to the inability of most small businesses to offer career progression. This is a structural issue within the sector. Other shortages are financially driven such as the tool investment requirement of mechanics of up to \$25,000, which cannot be depreciated for tax purposes.**

**The BC Ministry of Advanced Education has also undertaken research on labour market demand and supply issues. The 2003 *High Opportunity Occupations in BC*<sup>15</sup> jointly prepared by the Ministry and HRDC, identifies selected occupations, which offer above average employment opportunities. Some of the identified occupations include;**

- **Tourism Managers**
- **Engineers**
- **Computer analysts and programmers**
- **Social workers**

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<sup>13</sup> 2003 Skilled Trades Survey – Ontario Chamber of Commerce, pg 9

<sup>14</sup> Summary Report – Skill Shortage Meetings -BC Ministry of Skills –Development and Labour – January 2003, pg 8

<sup>15</sup> High Opportunity Occupations in BC 2003 – HRDC-BC Ministry of Advanced Education, pgs 3-4

- Accountants
- Chefs
- Electricians
- Plumbers

In September of 2004, the BC Industry Training Authority identified that there were 16,683 persons actively pursuing their apprenticeship in BC.<sup>16</sup> This represents an increase of almost 1,000 over the 2001 level.

Business and labour organizations in BC have also issued reports and/or comment on skill shortage and aging workforce matters. The BC Chamber of Commerce, the BC Business Council, Canadian Federation of Independent Business, Canada West Foundation, BC Federation of Labour are but a sampling of such organizations. As an example, the BC Chamber of Commerce in their *Closing The Skills Gap* report state;

“The degree to which skill shortages are averted by stakeholders will be a large determinant of BC’s economic prosperity and social health”.<sup>17</sup>

While the specific definition of the issue and suggested strategies are at times different across these organizations, they all suggest that there are substantial public policy issues that must be addressed.

Given its significance and potential impact on the labour market, the 2010 Olympics in Vancouver pose particular skill shortage/aging workforce issues. A report entitled *2010 Winter Games – Labour Supply and Gaps Analysis*<sup>18</sup> was prepared in September 2003 by Roslyn Kunin & Associates. The report is designed to analyze and identify the projected labour supply in British Columbia during the period 2003-2015 leading up to and subsequent to the Olympic games. A startling statistic contained in the report indicates that the actual BC labour force participation rate will decrease from 72.8% in 2001 to nearly 67% in 2015. In 1991 the labour force participation rate was 77.1%. Seven occupational groups were identified as facing overall gaps between supply and demand. Four other occupational groups were put on a “watch list” as having a potential gap between supply and demand. The report concludes that there will be a substantial aggregate surplus of labour for the Olympic games and concurrent projects but that in a number of specific occupational groups shortfalls can be expected. The report also outlines certain strategies to address the identified gaps. The occupations where the greatest shortage is projected include;

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<sup>16</sup> Employer and Industry Updates – BC Industry Training Authority – September 2004

<sup>17</sup> Closing the Skills Gap – BC Chamber of Commerce 2002

<sup>18</sup> 2010 Winter Games – Labour Supply and Gap Analysis – Roslyn Kunin & Associates – September 2003, pgs vi/vii

- **Managers in Retail Trade**
- **Managers in Food Service and Accommodations**
- **Managers in Construction and Transportation**
- **Auditors, Accountants and Investment Professionals**
- **Administrative and Regulatory Occupations**
- **Contractors and Supervisors – Trade related**
- **Motor Vehicle and Transit Drivers**

**The *Looking Ahead Initiative*<sup>19</sup> is a community-based project established in 1997. It provides a resource guide for employers hiring or considering hiring new Canadians and for managing a diverse workforce. It is helpful in assisting employers tap into new labour pools to address skill shortage issues. The *Aboriginal Employment Partnership* and the *Work Able Solutions BC* are other examples of programs designed to put potential employees from perhaps under utilized labour pools in contact with potential employers.**

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<sup>19</sup> **Employer Resource Guide – Looking Ahead Initiative –2004**

## American Literature

At the national level there has been some significant research undertaken on skill shortage/aging workforce issues. The Employment Policy Foundation, a non-profit research entity issued a report entitled the *American Workplace Report 2001*<sup>20</sup> in which it states that future labour and skill shortage threatens America's economic prosperity. It predicts the possibility of a shortfall of 5 million workers by 2011. It further states that the shortage in the United States may reach 36 million by 2031. Failure to close the labour supply gap will lower gross domestic product (GDP) growth from the projected levels by at least 3% in ten years. This organization also identifies "life balancing" as a significant issue that must be addressed to keep many individuals engaged in the workforce. This is particularly important in the older worker category. Interestingly, this organization indicates that while workplace issues such as phased retirement, flexible work schedules, enhanced training opportunities are important, other issues contribute to work life balance problems to an equal degree. In some cases increased commuting time is a major factor in having less family time not the actual hours spent in the workplace.

The US Department of Labor indicates that by 2030, 20% of the US population will be 65+ compared to 12% in 2005. In 2004 a US federal interagency *Older Worker Task Force* was convened to develop a policy and investment strategy related to the participation of older workers in the labour force.<sup>21</sup> Immigrants are an increasing source of labour. They represent almost half of the workforce growth between 1996-2000.<sup>22</sup>

The more practical application of research seems to be found at the state level. Minnesota is a good example. Of particular interest is the tracking of recruiting initiatives by employers and the ranking of such by success rate. The overall ranking of the degree of success by recruitment vehicle spans a three-year period. Recruitment vehicles included newspaper advertisement, Internet, word of mouth, professional journals and a number of others. Interesting information has been prepared based on Human Resource professionals input on planning the workforce over the next 10 years. Of the firms in central Minnesota who were engaged in hiring staff during 2002, 39% indicated difficulty in filling one or more positions. The positions where the greatest skill shortages were identified included;

- General Labourer
- Salespersons

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<sup>20</sup> American Workplace Report 2001 – Employment Policy Foundation

<sup>21</sup> A National Perspective on the Aging Workforce – US department of Labor – May 2005, pg 1

<sup>22</sup> The Economic Challenge – America's Career Resource Network, 2005

- **Teachers**
- **Registered Nurse**
- **Practical Nurse**
- **Nursing Assistant**

**The most frequently identified reasons for not being able to fill positions included;**

- **Lack of candidates**
- **Lack of on the job experience**

**While designed to apply to larger organizations, some of the specific actions required transcend organizational size.<sup>23</sup>**

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<sup>23</sup> **2002 Study of Skilled labor Shortages in West Central Minnesota –Braun – Minnesota State University – pgs 12-15**

### International Literature

Of the international literature identified and reviewed, three jurisdictions stand out as being progressive and proactive in addressing small business issues. These jurisdictions are the United Kingdom, Australia and New Zealand. While some initiatives have been in place for several years, most identified programs are in the developmental and/or pilot project stage. They are, however, instructive in as much as they demonstrate the varying approaches in addressing this worldwide issue.

### United Kingdom Literature

The United Kingdom has identified significant skill shortage issues, as have so many other jurisdictions around the world. The UK population aged 50+ has increased 24% over the past four decades. It is expected to rise an additional 37% by 2031. A consequential increase in the number of individuals aged 50+ participating in the labour force has also been seen.

In Wales, a detailed survey was undertaken to audit the skills required of businesses and the skills offered by the people who live there. This gap analysis proved very useful. The focus was on generic skills, which are transferable across all sectors. The survey also asked for employer input on skills gaps for existing employees and mechanisms to initiate and/or expand training.<sup>24</sup> In one publication, StartUps.Uk, the impact of skill shortages particularly on small business is identified. Specific steps that can/should be taken in addressing this issue are provided. These include;

- ensuring when filling vacancies experience isn't confused with ability,
- analyzing business goals and inventorying skills required to achieve business goals.<sup>25</sup>

A recent survey undertaken by Deloitte for the Scotland Oil and Gas sector indicates a skill shortage in the sector is leading to project delays and higher costs. About 80% of the surveyed firms have been trying to recruit over the past year but cannot find the right staff.<sup>26</sup> The specific occupations in high demand but short supply include;

- Managerial staff
- Technical staff
- Offshore engineers

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<sup>24</sup> Future Skills Wales – Generic Survey 2003 – Skills for Business Network, pgs 4-6

<sup>25</sup> Taking Charge of the Skills Shortage – StartUps UK – Spellman – 2005 article

<sup>26</sup> Skill Shortage in Oil Industry – BBC World News – February 2005

A key finding of the report indicates, “Most contractors are expecting a pick-up in work this year, but many say their priority is finding younger skilled staff to replace an aging workforce”.

*The Sector Skills Development Agency*<sup>27</sup> has been established by government to focus attention and fund research into skill needs and capacity. It also fosters the sharing of “best practices” across the various sectors. *Sector Skills Councils* have been created with the purpose of addressing skills and productivity needs within individual sectors throughout the UK. They are employer led with trade union, professional bodies and other stakeholder participation. There are currently 21 such Sector Skills Councils covering a diverse range of sectors from retail to oil and gas. These Councils are also focusing on national occupational standards and vocational qualifications.

In January 2005, a comprehensive study funded by the SSSA was undertaken to look at “management” skill issues across a variety of sectors. This study closely correlates the need for management skills with economic growth. The findings clearly indicate the need for significant managerial skill capacity development in the UK.<sup>28</sup>

The *Investors in People* program provides a national framework for improving business performance through a planned approach to setting and communicating organizational objectives. This organization receives government funding to provide employee and organizational development at various levels throughout an organization. It identifies over 38,000 firms of less than 50 employees have and/or continue to utilize their services in personal development, motivation, achievement and recognition. It would appear that this program is particularly helpful in retaining existing workers.<sup>29</sup>

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<sup>27</sup> Sector Skills Development Agency – About SSSA and Sector Skills Councils – website

<sup>28</sup> Sectoral Management Priorities – Management Skills and Capacity Research – Bosworth/Wilson – 2005

<sup>29</sup> Tools for Small Business - Investors In People – 2005, website

### Australia Literature

The demographics of Australia's population parallel Canada's with a projected significant increase in citizens seeking earlier retirement. Approximately 33% of the workforce is over age 45. Many Australians indicate an intent to retire between the ages of 50-55.<sup>30</sup> In the last decade of the 20<sup>th</sup> century Australia's working age population grew by 170,000 per year. By 2020, the working age population will grow by 120,000 for the entire decade.<sup>31</sup> It is anticipated that by 2050 the percentage of the population aged 65+ will grow from the current 11.9 to 24.1%. The Australian Parliament also commissioned a report on the aging of the workforce and arrived at very similar outcomes.<sup>32</sup> In Australia, the federal department of Education, Science and Training has developed and commenced implementation of a *National Skills Shortages Strategy*.<sup>33</sup> The strategy includes;

- skill shortages projects,
- regional skills projects,
- national industry skills initiative,
- focus on science and technology,
- labour market forecasting and,
- a new apprenticeship roundtable.

There are eleven sectors targeted in the strategy. One of particular interest is the rural sector. This initiative is striving to achieve flexible development of cross industry skills and competencies. The blending of a series of part time and/or seasonal jobs into full time positions is intended to maximize the utilization of available labour within the agricultural sector in rural parts of Australia.

In a recent phase of the strategy implementation, proposals were sought for the development and implementation of several key programs with a closing date of April 2005. Further monitoring of the status and outcomes of these programs should be undertaken. One of these projects is focused specifically on youth and another on rural skills shortage issues. The use of focused pilot projects and sound outcomes assessment appears to be key components of this public policy

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<sup>30</sup> Life and Work Issues in an Aging World – Association of Career Professionals – 2003, pgs 2-3

<sup>31</sup> Australia's Aging Workforce – Adrian Walsh & Associates – 2003

<sup>32</sup> Australia's Ageing Workforce – Department of Parliamentary Services – 2005 – pgs 1-2

<sup>33</sup> National Skills Shortage Strategy – Department of Education, Science and Training – 2005, website

initiative. The Australian National Training Authority has launched a program specifically geared towards small business to assist them in recruiting apprentices.<sup>34</sup>

The Australian government also maintains a website entitled *Australian Careers* in which a listing of employment opportunities by category are identified. This site also identifies those occupations where skill shortages exist and occupations with good employment prospects. Some of the identified occupations include;

- Accountants
- Bakers
- Customer Service Managers
- Hairdressers
- Hotel and Motel Managers
- IT professionals – varied
- Mechanics
- Plumbers
- Truck Drivers
- Waiters

While the site is not specific to small business, a number of occupations typical of small businesses are included.<sup>35</sup>

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<sup>34</sup> Australian National Training Authority – website

<sup>35</sup> Australian Careers – Australian Government – 2005

### *New Zealand Literature*

The New Zealand working age population is expected to actually begin to decline and become negative by 2020. The percentage of the population aged 65+ will increase 33.7% between 2000 and 2020.<sup>36</sup> In New Zealand a program entitled the *Job Vacancy Monitor*<sup>37</sup> has been created. It has two key elements. They are a monthly monitor and analysis of job advertisements appearing in daily newspapers and selected websites and an intensive qualitative survey of employers who have advertised in selected trades and professions to gain an in-depth understanding of shortages in key occupations. The results of these surveys combined with other data sources are combined to form a series of occupational reports. This blend of quantitative and qualitative data approach would appear to be very useful.

The *WorkSite* web based information source is another initiative of the New Zealand government. It contains information on current skill shortages as well as immigration, education and geographic or regional opportunities. It also links into education and private sector information.<sup>38</sup> There is also a *Work Life Balance* program that may have the effect of keeping individuals in the workforce by addressing issues that contribute to under utilization of human capital. Research indicates that this is particularly important in retaining older and more experienced workers. The program is a new initiative that will develop specific tools to address related issues. The overall goals of the program are;

- Facilitating the participation in paid employment
- Increasing workplace productivity
- Facilitating an innovative and inclusive society
- Promoting quality of life

The perception is that work life balancing will contribute to addressing the critical challenges New Zealand faces in lifting its economic performance and in meeting the skill gaps challenge.

The outcomes will be evaluated over the next year. Although the program has been designed primarily for government departments it is believed that the concepts and tools are transferable to the private sector.<sup>39</sup>

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<sup>36</sup> Future of Work Overview – Government of New Zealand – author unnamed –2003

<sup>37</sup> Job Vacancy Monitoring Report – Department of Labour – website

<sup>38</sup> WorkSite – Government of New Zealand – website

<sup>39</sup> Work Life Balance Program – Government of New Zealand – April 2005 – State Services Minister Mallard announcement

**It should be noted that both Australia and New Zealand have significantly greater trainee/apprenticeship positions as a percentage of the labour force. New Zealand has 4.75% and Australia has 3.9%. In British Columbia that percentage is 0.83%.**

## **Summary**

**As can be seen from the preceding narrative, the issues of skill shortages and an aging workforce are universal in their existence. Each jurisdiction is grappling with innovative mechanisms to address the impact. It is also clear that the labour force is now viewed as a global resource with open competition for required skills a worldwide phenomenon.**

**It is also clear that while much research has been undertaken at the macro or sector level, insufficient attention has been paid to the small business sector. This is truly unfortunate in as much as this sector is the most vulnerable to the impacts of skill shortages and an aging workforce.**

**The ability to tap into non-traditional sources of labour is a key factor identified in most reports. The ability to retain existing workers – particularly older workers – is also identified as a critical success factor.**

**This report is not intended to be an exhaustive analysis of all available literature on the issues of skill shortages and an aging workforce. As indicated at the outset, much research is yet to be done on the impact of these public policy issues on Small Business. There are common threads running through most of the literature that provides insight as to how any enterprise can better position itself to deal with the impact of these issues if/when they do present in any particular business operation.**

## Appendix

### Footnotes

1. **Profile of B.C.'s Small Business Sector – Ministry of Skills Development and Labour – July 2004**
2. **Small Business 2004 – WEDC, BC Ministry of Small Business and Economic Development, BC Stats and Small Business BC**
3. **An Overview of Labour Market and Skill Shortage Issues in BC and Canada – BC Ministry of Advanced Education, June 2001, pgs. 12-17**
4. **HRM Guide Canada 2005**
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7. **Government Response to the Report of the Standing Committee on Citizenship and Immigration, November 2002**
8. **Challenges of an Aging Workforce – An Overview of the Issue, May 2002, pgs 3-4**
9. **Aging Workforce Literature Review – Canadian Centre for Occupational Health and Safety - 2002**
10. **Labour Force Aging and the Skills Shortage in Canada and Ontario – Canadian Policy Research Networks – Cooke/Downie/McMullin**
11. **The Aging Workforce and Human Resources Development Implications for Sector Councils, Malatest – February 2003, pgs 3, 26-31**
12. **Taking Action on the Aging of the Labour Force – Jolette & Villeneuve, pgs 4-10**
13. **2003 Skilled Trades Survey – Ontario Chamber of Commerce, pg 9**
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19. **Employer Resource Guide – Looking Ahead Initiative –2004**
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22. **The Economic Challenge – America's Career Resource Network, 2005**
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32. **Australia’s Ageing Workforce – Department of Parliamentary Services – 2005 – pgs 1-2**
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34. **Australian National Training Authority – website**
35. **Australian Careers – Australian Government – 2005**
36. **Future of Work Overview – Government of New Zealand – author unnamed –2003**
37. **Job Vacancy Monitoring Report – Department of Labour – website**
38. **WorkSite – Government of New Zealand – website**
39. **Work Life Balance Program – Government of New Zealand – April 2005 – State Services Minister Mallard announcement**