

# Meeting Construction and Maintenance Workforce Challenges

*Construction Owners Strategy 2011 to 2016*

## Executive Summary

In early 2010, a group of construction and maintenance owners and government officials met to discuss the labour challenges facing the construction industry. Owners and government officials concluded that a better appreciation of the construction industry's labour challenges is essential if governments and other stakeholders are to respond to their short-, medium- and long-term needs. This document presents a consensus strategy of a cross-section of construction owners (i.e., industrial, utilities/hydro, public infrastructure) to co-operatively address the workforce challenges facing the construction industry now and over the next five years, 2011 to 2016.

### Construction and maintenance industry

Construction and maintenance workers build, install, maintain, repair and renovate infrastructure worth more than \$220 billion annually. This infrastructure ranges from large industrial facilities, bridges and roadwork to single-detached homes. The industry directly employs close to 1.2 million workers, accounting for about six percent of total Canadian employment and more than 12 percent of gross domestic product (GDP).

According to the Construction Sector Council's 2011 forecast, consistent growth in the construction and maintenance industry will result in a need to recruit 111,000 workers between 2011 and 2019. In addition, over the same period, the industry will need to replace close to 208,000 workers who leave the industry due to retirement and mortality.

### Major projects

The magnitude of infrastructure development and investment (new and sustaining capital) in major construction projects in certain regions of the country has a tremendous impact on Canada's provincial, regional and national economies and labour markets. It is important to understand the impacts of new construction, sustaining capital projects, maintenance and shutdowns because the labour required for these types of activities will become a bigger issue in the future as more and more facilities are constructed. New construction competes with sustaining capital expansion as well as operations and maintenance requirements (i.e., shutdowns).

## Unique industry features

For any employment strategy to succeed, it must take into account the unique features of the industry. Construction work is always temporary. Jobs can last anywhere from a few hours to a year or more on the same construction site. No matter the size or duration of construction work, workers are vulnerable to the boom-and-bust cycles of the local economy. Seasonal and other fluctuations in construction activity (demand) translate into a situation where there may be severe labour/skills shortages in one region of Canada and surpluses elsewhere.

Another key feature of the construction industry is the relationship between owners, contractors/employers and workers. In other industries, this relationship is based on a long-term scenario in which employers hire to compensate for turnover that may be in the order of 2 percent per year and adjust their workforce to demand that is typically related to the business cycle. In the construction industry, contractors/employers are continuously hiring, even during an economic downturn. This stems from the temporary, seasonal and cyclical nature of construction activity.

## Owners Strategy

Improving productivity to address labour shortages should continue to be a priority. However, on its own it will not meet the medium to long-term workforce needs of the construction and maintenance industry. All sources of labour must be maximized.

Owners reported that there needs to be more work done to better educate youth about the skilled trades and the potential career paths within the industry. This requires a commitment by owners, contractors and governments to support apprentices during upswings as well as downturns in the economy. It was also noted that training, hiring, and retaining underrepresented sources of labour should be a priority, for example: integrating Aboriginal people, the fastest growing population in Canada with close to 50 percent below the age of 25, is a regional solution; creating respectful workplaces to attract and retain women; and facilitating the movement of immigrants from arrival in Canada to successful employment in the industry. In addition, implementing workplace modifications and retention strategies for older workers is an important workforce management solution when considering the impact retirements will have on the construction and maintenance workforce. Finally, it was highlighted that temporary foreign workers (TFWs) are an important part of the labour supply solution in meeting short-term workforce requirements.

## Proposed implementation plan

Owners are actively working to bridge training for unemployed Canadians, but there continues to be an urgent need to build capacity for the medium to long term. The owner community across Canada is interested in working with its stakeholders on a longer term relationship to address construction workforce challenges.

Although all stakeholders have a role to play in addressing these challenges, there is a need to focus on moving forward as quickly as possible and avoiding duplication of effort. This section sets out possible implementation actions for owners, industry, educators and trainers, government and other stakeholders that will begin to address the issues identified in this strategy.

### Summary of possible implementation actions

Following is a list of possible actions to be considered by stakeholders:

1. Engage more owners – increase size of owners forum.
2. Expand internal owner capacity.
3. Identify and articulate opportunities for owners and government to partner.
4. Maximize a skilled Canadian workforce by promoting trades and apprenticeship.
5. Facilitate recognition of international experience and qualifications.
6. Increase productivity.
7. Develop resourcing model to support work with owners.
8. Establish key performance indicators (KPIs).
9. Develop short-term approaches to address immediate skilled labour requirements.
10. Develop long-term strategies to address skilled labour requirements.
11. Develop community-level strategies to engage Aboriginal youth.
12. Work with contractors and labour to ensure their workplaces are receptive to immigrants.
13. Work with contractors and labour to develop a national craft skills database.
14. Continue to promote apprenticeship.
15. Place more focus on safety as part of the apprenticeship technical training.
16. Conduct pre-apprenticeship training prior to employment.
17. Place more emphasis on the trades in high school.
18. Build on existing awareness campaigns on the value of apprentices.
19. Ensure all provincial jurisdictions in Canada have a youth apprenticeship program.
20. Ensure every provincial jurisdiction in Canada has a practical women's program.
21. Develop innovative tax incentives.
22. Facilitate the employment of temporary foreign workers (TFWs) by relaxing the Labour Market Opinion (LMO) process.
23. Work closely with owners and industry to simplify the immigration process.
24. Dedicate more resources to handling source country verification/certification.
25. Improve understanding of the environment and consider new ideas and options.
26. Increase understanding of the unique features of the construction and maintenance labour market.

## Conclusion

It is difficult to develop and implement workforce solutions without a national venue. All stakeholders must invest in and be part of the foundation of such a venue. To this end, the construction and maintenance owner community would like to work with all stakeholders (owners, contractors, labour groups, government, educators/trainers) to discuss the issues and possible opportunities to partner; explore national approaches to addressing labour market issues; discuss capacity to move initiatives forward, including possible resourcing models; and develop a work plan to engage key stakeholders, maximize existing work efforts, fully utilize existing investment in programs and develop new approaches.

## Owners Working Group

The following owners developed this strategy to address the workforce challenges facing the construction and maintenance sectors and to propose a path of action:

- B.C. Hydro
- Canadian Natural Resources Limited
- Irving Oil
- Nalcor Energy
- Nexen Inc.
- Ontario Power Generation
- Shell Canada
- Suncor Energy
- Syncrude Canada Limited

The following owners have indicated their support for and commitment to the strategy:

- Concert Properties Limited
- Construction Owners Association of Alberta
- Manitoba Hydro
- TransAlta Corporation