

ISSUES & IDEAS

What B.C. must do to compete globally

It starts with our workforce — and neither the province nor the nation is performing very well

This is a summary of a paper that will be released at a September 22 B.C. Business Council Summit in Vancouver.

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A highly skilled, high-performance workforce is crucial to British Columbia's long-term economic growth. Unfortunately, the province ranks poorly in numerous workforce indicators. If B.C. is to improve its workforce, and its economic outlook, government, industry, labour, educators and communities in B.C. will have to work together now to pursue workforce practices that boost productivity and innovation.

With the emergence of one global workforce market, and companies around the world competing for the best, the "war for talent" prophesied in the 1990s has become a reality. In this scenario, the global integration of economies and increased competition encourage greater mobility of people and capital, and the availability of skilled talent is a key determinant of investment decisions and location of economic activity.

Unfortunately, B.C. and Canada do not stack up well in key workforce indicators. Last year, the World Economic Forum ranked Canada 19th in employee training, 22nd in female participation in the workforce, 31st in pay and productivity, 34th in cooperation in labour-employer relations and 46th in non-wage labour costs. According to the Centre for the Study of Living Standards, B.C. was last among provinces in labour productivity growth during 1987-2006.

To remain competitive with the rest of the world, B.C. and its companies need to pursue workforce practices that boost productivity and innovation. Today, labour market flexibility and workforce adaptability are increasingly important because of global economic volatility. International and inter-provincial mobility, and the assessment and recognition of skills, are increasingly competitive factors for eco-



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Training and averting 'skills wastage' are increasingly important if Canada is to maintain the competence of its workforce.

nomie growth. Formal education and training are increasingly critical for preparing for workforce entry and maintaining workforce competence. Labour diversity is increasing due to demographic trends, and we need to avert "skills wastage" of thousands of aboriginal people, immigrants, persons with disabilities, women and other underemployed people.

Overall, the B.C. workforce development system is moving in the right direction. Secondary and post-secondary education, labour market agreements and workforce development programs

in B.C. have responded to the tremendous economic and employment growth since 2001. Thanks also to federal and provincial programs and funding introduced over this decade, B.C. is well-positioned to address workforce transition needs during downturns as well as to build a world-class workforce in the longer term.

The real test will be outcomes and long-term results. B.C.'s workforce development programs will need to meet quality indicators that demonstrate they improve firm competitiveness, worker productivity, labour market

flexibility, and workforce transition. Productivity and innovation improvements will depend on the skills and quality of our workforce.

To achieve a "highly skilled, high-performance workforce" vision, B.C.'s strategic workforce goals must reflect critical labour market outcomes that lead to:

- Increased productivity.
- Increased labour market flexibility and adaptability.
- Increased worker mobility.
- Increased workplace and workforce innovation.

- Increased quality of working life.

To that end, government and businesses should consider action on the following fronts:

- Reflect priority workforce development outcomes in the planning, design, measurement and evaluation of workforce programs.
- Directly link workforce development to improving productivity, supporting global competitiveness of businesses, and economic and business planning.
- Promote "high-performance" workplaces that have high-value products, innovation and technology, skill investments, and positive workplace cultures and engagement.
- Encourage and support private sector innovation in workforce development.
- Use benchmarking and performance measurement to evaluate, develop or amend workforce programs.
- Increase support to maximize the utilization of existing workers and the underemployed and unemployed.
- Develop comprehensive and accessible labour market information.

I would make the following recommendations:

- Provincial and federal workforce development programming and funding should be focused on long-term economic and workforce requirements and be expanded in the short-term.
- All workforce development programming should include an evaluation component that focuses on important measurable labour market and economic outcomes.
- The provincial government should develop a comprehensive workforce transition strategy that integrates federal and provincial programs and funding for displaced and at-risk workers in hardest hit industries and regions to facilitate retention and re-employment.
- For the longer-term, B.C.'s economic planning and policies and supporting workforce development policies should support the new economy and knowledge-based, emerging growth industries.

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