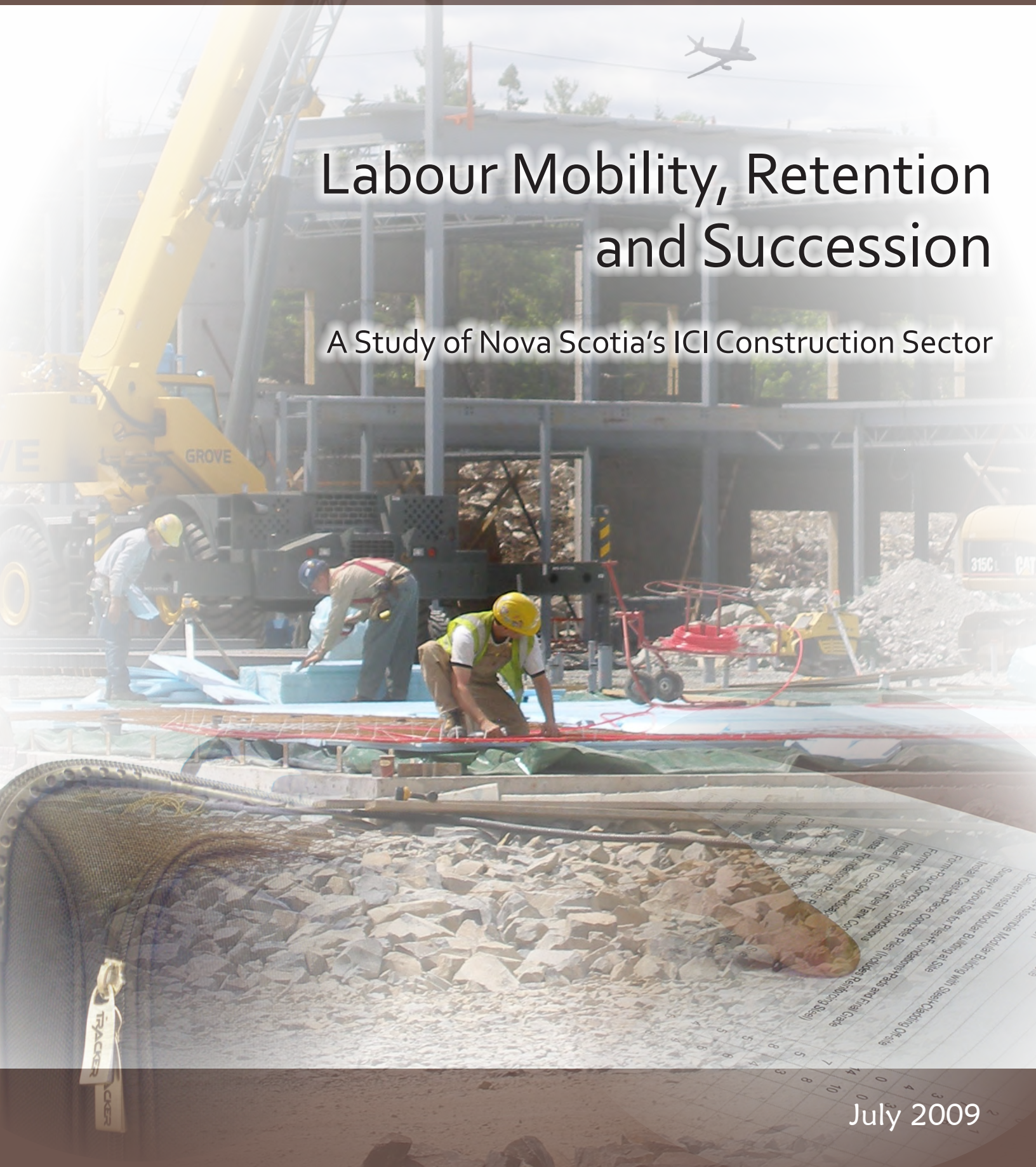




Nova Scotia
Construction Sector Council
Industrial - Commercial - Institutional

Labour Mobility, Retention and Succession

A Study of Nova Scotia's ICI Construction Sector



July 2009

Labour Mobility, Retention and Succession Planning

prepared for the

**Nova Scotia
Construction Sector Council
Industrial-Commercial-Institutional**

By



July 2009

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1. Executive Summary

This study was initiated by the Nova Scotia Construction Sector Council Industrial-Commercial-Institutional (NSCSC-ICI) to investigate labour mobility and its impact on Nova Scotia's construction industry, what the industry should do to prepare itself for the effects of mobility and retain the workforce that it needs, and how it should best plan for succession as both construction business owners and senior employees age and retire.

The current construction labour market in Nova Scotia, driven by many factors, shows a surplus of workers in most categories and very low turnover. This differs from the recent past when the high level of activity in the resource sector in Western Canada had drawn skilled workers from Atlantic Canada's Industrial-Commercial-Institutional (ICI) construction sector to a large number of projects offering well paying jobs with substantial work-hours available. In late 2007 and 2008 this situation changed, resulting in the conditions that currently prevail; less of these jobs are available and many of the migrating workers have returned.

However, economic improvements, major Government and Industrial infrastructure investments that have been announced, and independent forecasts of the increase in retirements of older workers all mean that the labour market can be expected to tighten again in the near future. Forecasts are difficult at present: predicting when all this will happen is challenging; that it is going to happen is more certain.

These patterns of increase and decrease in labour outflow exemplify the fact that the construction industry has always been mobile. This degree of mobility can be expected to increase as a result of institutional and statutory barriers to mobility being reduced or eliminated. Labour mobility has its drawbacks as well as its benefits. It can impose severe family pressures. Nevertheless it represents an important part of the economy, and employers and employees who understand its workings and impacts will be better positioned as the industry grows and changes.

Companies need to be prepared, with good employee retention strategies, and an awareness of the opportunities for labour mobility and potential loss of skilled workers. Staff turnover is currently very low, and recruitment in most cases is relatively easy; this does not mean that it will stay that way.

The aging workforce is a persistent factor. As business owners plan to retire they should consider how best to transfer their business to their successors, whether to the existing management, a family member or an outside purchaser. As well, owners and managers should examine the succession plans needed when their most skilled workers retire or leave. Small and medium sized construction businesses are often highly dependent on a relatively small group of such employees. Yet it has been found that few firms – less than a third – have taken adequate steps to prepare for any type of leadership transition.

An important purpose of succession planning is to enable employers to retain and promote their developing skilled workers in readiness for when their most experienced staff retire. Business owners who have planned, often long in advance, for their own retirement and prepared for the transition to new, younger owners and managers are likely to be rewarded through a better return on their investment as well as the satisfaction of seeing their business continuing to prosper.

Mobility, Retention and Succession are multi-dimensional issues, with retention planning related to both labour mobility and business succession, at both the company and Provincial level. The core recommendation is to use this slow economic time to plan both retention and succession strategies. This will ensure that Nova Scotia companies position themselves effectively and competitively for the future. Successful long term planning requires cooperation with and collaboration among the key stakeholders of the industry: employers, unions, trade associations, training institutions and regulatory authorities.

The recommendations for the Nova Scotia Construction Sector Council Industrial-Commercial-Institutional include the following subject areas:

1. Communicate the Expected Industry Change from Surplus to Shortage
2. Heighten Awareness of Labour Mobility Changes
3. Retain Key Workers with Steady Work
4. Flexibility in Compensation
5. Health and Pension Benefits
6. Modify the Work Week
7. Encourage and Support Training
8. Keeping Employees Involved and Informed
9. Give Guidance with Succession Planning
10. Management Development
11. Workforce and Stakeholder Coordination
12. Provide options for upgrade from Provincial to Inter-Provincial ticket
13. Self-Assessment Readiness Guide for Employers
14. Areas for Further Study

This report has been compiled in two parts:

Part 1 provides background to the study, summarizes the recommendations that have been made and gives a checklist for employers to implement retention and succession planning.

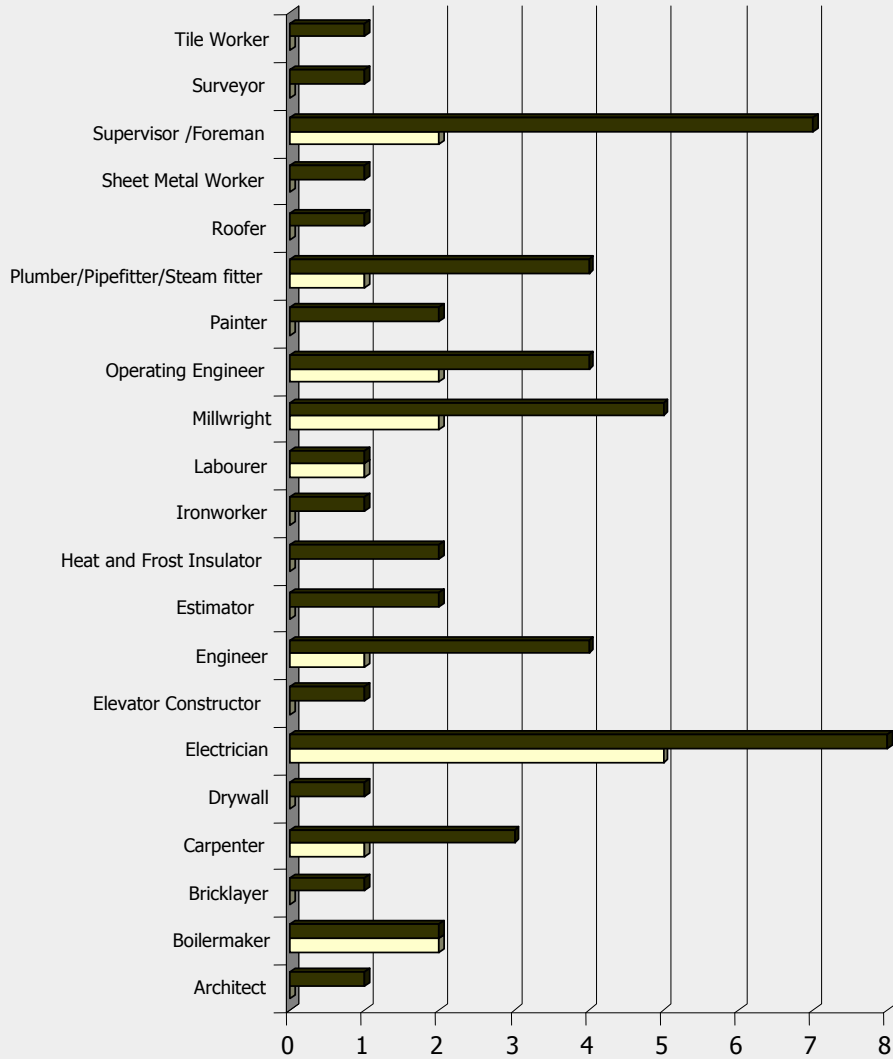
Part 2 describes in more detail the methodology of the project, provides detailed survey findings, and summarizes interviews and secondary research.

The chart on page 3 at the end of this summary illustrates the challenges that employers face in recruiting and retaining skilled tradespeople. Based on the number of employers responding (see section 6.4) it shows by trade which skills are hardest to attract, and those that are hardest to retain.

Degree of Difficulty Finding and Keeping Workers

How to read this chart: The scale numbers at the bottom of the chart refer to the number of employers who answered for each occupation listed. For example, 8 employers reported that electricians were hard to find, but only 5 reported that electricians were hard to keep (retain).

Hard to find
 Hard to keep



PART I

2. Recommendations

The following is a list of recommendations for the Nova Scotia Construction Sector Council Industrial-Commercial-Institutional, based on findings from the research, surveys and interviews detailed in Part 2 of the report.

2.1. Communicate the Expected Industry Change

Companies need to be prepared for the expected change from the current low levels of staff turnover. They need to develop good employee retention strategies, with an awareness of the opportunities for labour mobility and potential loss of skilled workers. Those that have planned for succession well in advance will survive and prosper. One of the biggest risks is complacency.

In communications with employers the NSCSC-ICI should ensure that companies are aware of these issues, and plan how to address them. Many employers will be focused on today's business problems, understandably in a difficult business climate. They will need to be reminded that the downturn will end, that they will have great need of their valuable employees, and that plans put in place now will help to secure their future.

2.2. Labour Mobility Awareness

The NSCSC-ICI, through their dialogue with the Department of Labour and Workforce Development, should advise employers, unions and other stakeholders of the effects of changes to the Agreement on Internal Trade. It is predicted that this change is likely to be implemented by 2010, possibly sooner, with the current restrictions staying in place until then (see section 7.3.3). All parties should be aware that, although clouded by the effects of the current economic downturn, labour mobility is persistent and can be expected to rise. Employers who recognize this, and where possible include it in their manpower planning, will be better positioned in the marketplace.

2.3. Retain Key Workers with Steady Work

Workers who have traveled away from the region to work, report that the main reason is the lack of consistent, steady employment with adequate compensation in Nova Scotia. Companies that responded to surveys and interviews recognized the importance of this same issue and identified consistently available work as a priority for retaining their skilled employees. An important part of employers' retention strategy is to identify the key workers that are essential for their business, and ensure that they have reliable work, year round if at all possible. To help with retaining these key employees, employers should continually assess local markets and conditions, and ensure that their pay reflects these employees' importance to the firm, for both the present and the future.

2.4. Flexibility in Compensation

Employers need to be flexible with their compensation plans. Performance bonuses, for both individual accomplishment as well as those based on the achievements of the business as a whole, are a valuable way for employers to recognize employees' contributions and sustain their loyalty to the firm. Recognition and bonuses have been identified by both employees and employers as important to them in making their retention plans. Company wide profit sharing and bonuses, although not as strongly endorsed in the surveys, are another way to provide performance-based compensation.

2.5. Health and Pension Benefits

The most widely requested improvement in working conditions by employees was in the area of Health and Pension Benefits. These were also cited by them as key issues (the second and third most frequent after compensation) that would attract them to stay in Nova Scotia. Employers also identified these benefits as important in their employee retention strategies. Health and Pension Benefits are both the subject of collective bargaining agreements for unionized workers and do not give employers great latitude for adjustment. Employers that do not have a unionized workforce may have more flexibility in addressing this issue.

The NSCSC-ICI, working with employers, unions and other stakeholders, could play a valuable role in evaluating and promoting improvements with these benefits, and communicating options related to retirement savings. Improvements in health and pension benefits could become an important factor in retaining skilled workers in the construction industry in Nova Scotia, especially if the predicted skills shortage arises as a result of the economic growth projections that are forecast in the studies cited (see Section 7.4).

2.6. Modify the Work Week

Where contractual and collective bargaining conditions allow, adoption of the four day, 10 hour day work week has proved to be well accepted by employees¹. It encourages them to stay with their employer, and also in the construction industry. It also shows that the employer is taking positive steps to meet the needs of its employees.

2.7. Encourage and Support Training

Key employees are looking for opportunities for advancement. Employers who assist employees to accomplish this are at the same time contributing towards the company's retention plan and succession plan. It also important that apprentices and new employees have a training plan, so they understand how they are expected to develop. Training and development can be provided through courses, mentoring and coaching. Note that employees stated a

¹ Other flexible working arrangements were also noted, but four days of 10 hours each was the most widely reported and recognized variant.

preference for in-person rather than on-line course delivery. The Better SuperVison courses and Leaders Building Leaders mentoring programs, both administered in Nova Scotia by NSCSC-ICI, together with the Gold Seal Program, provided by the Canadian Construction Association², are widely available and directly applicable course offerings. The Merit Contractors Association offers similar courses to non-union employees of its members.

2.8. Keep Employees Involved and Informed

One of the most effective and least costly ways for employers to retain their employees is through effective communications and recognition programs (see section 6.4.3). Employees want to know what is expected of them, what the plans for their own advancement are, as well as the future prospects for the company. They want to be recognized for what they do, and be advised on how they can improve and develop. They want to be involved in decisions that affect them, to listen and to be listened to.

2.9. Give Guidance with Succession Planning

Planning for succession can mean planning for change in ownership, or any form of succession from the current owners such as to a family member or to the existing senior employees. It can also mean planning for succession of key employees as they retire. Succession planning is a complex matter, of which some facets require professional advice from informed sources (see section 7.5.2 for some options). However there are many aspects of succession planning that should be considered by most small and medium sized construction businesses. The time to start planning is now, as a smooth succession takes time, sometimes a long time. If professional advice is needed, and it probably will be, it should be sought at the beginning of the plan so that the proper decisions can be made.

Many aspects of a succession plan will also help with employee retention. Written job descriptions (so that the employee and his/her supervisor both know what is expected of one another), advancement plans for key employees to a leadership level, and documented work processes, are all part of a succession plan but they will also help to build a sustainable enterprise that employees will be encouraged to stay with.

2.10. Management Development

There is an ongoing need for management development in the construction sector. NSCSC-ICI should continue to work with the Department of Labour and Workforce Development, and the training programs such as those of the Nova Scotia Community College, to review options similar to those of the “Blue Seal” program. The “Blue Seal”, or Achievement in Business Competencies Program,

² Canadian Construction Association, <http://www.cca-acc.com/>

offered in Alberta³, is designed to provide the knowledge needed to manage a construction business including financial, legal, human resources, operations management, marketing, and communications subjects.

These are the essential skills for management. These also form part of a succession planning program. Senior employees that have obtained these skills will be in a position to provide business continuity when there is a change in ownership or senior management. As noted in section 7.5.2, Financial Institutions consider management skills (or lack of them) to be an important factor in deciding whether to offer or decline business financing to the construction trades.

2.11. Workforce and Stakeholder Coordination

There is value in NSCSC-ICI continuing a facilitation role with industry, educators and regulators to ensure a balance between apprenticeships, other training programs, and employment demands and opportunities. The Province of Alberta has been successful with the development of a Workforce Strategy⁴ that has had input from a very wide range of industry, labour and Government organizations. As that group acknowledges “Meeting [our] labour force challenges over the next decade requires the participation and involvement of all stakeholders.”

2.12. Provide options to upgrade from Provincial to Inter-Provincial Ticket

Many workers, particularly older workers, only have a Provincial Ticket (see sections 7.3.3 and 7.3.4). To achieve full mobility, at least until the proposed amendments to the Agreement on Internal Trade come into effect, they require an upgrade path to the Red Seal or Inter-Provincial Ticket. At present this is only offered through examination. NSCSC-ICI and the Department of Labour and Workforce Development should continue to evaluate alternatives, such as practical tests, and to monitor the outcomes of pilot projects underway, to provide a less onerous and more appropriate upgrade procedure for these workers. The unions and others do currently assist with upgrade training; this is a valuable resource for these workers.

2.13. Guide for Employers

It is recommended that the NSCSC-ICI provide a guide, or checklist, for employers on Labour Mobility and Retention and Succession, based on the findings and observations of this report. Such a guide is included as section 3 of this report.

On the more specialized aspects of Succession Planning, the NSCSC-ICI may wish to consider working with another professional or business organization to

³ Alberta Apprenticeship and Industry Training, Business Credentials. Government of Alberta, Advanced Education and Training.

⁴ Building and Educating Tomorrow's Workforce: A Workforce Strategy for the Construction Industry. Alberta Employment, Immigration and Industry, 2007.

cooperate with guidance on this specific topic. Succession planning for business owners can be a complex matter with a need for expert advice (some sources for this advice are given in section 7.5.2).

Alternatively, the NSCSC-ICI could prepare an overview advisory on core topics, with a recommendation to employers that they seek advice from specialist sources, such as those mentioned in this report, on certain key subjects. This is the approach taken in the Guide in the following section.

2.14. Areas for Further Study

In the course of the research a number of findings were made that suggest that further study is recommended before specific conclusions can be reached.

These additional findings include:

- Investigation into improvements in productivity, including the application of technology to the ICI construction sector. Productivity improvements will not only aid the competitive performance of the industry as a whole, they will, in part, help to overcome the effects of expected skilled labour shortages in the future.
- Investigation into the advantages and applications of cross training, as well as the challenges and how to overcome them. The increasing complexity of construction techniques will demand workers with interdisciplinary skills for both efficiency and effectiveness. This means that tradespeople will have to acquire additional skills within their trade, and may have to be trained on skills normally positioned within another trade as well.
- As noted in the suggested coordination activity of recommendation 2.11 above, there is a requirement for ongoing review of both the effectiveness of current apprenticeship programs for the construction trades and industry that they serve, as well as the content, supervisory methodology and outcomes measurement of these training programs. This is recognized as being a multi-faceted undertaking, but has important implications for the industry's future.

3. Checklist Guide for Employers

3.1. Introduction

The guide, or set of checklists, on the following pages is intended to help employers to review their plans for employee retention and succession. It is designed to recognize the impacts of labour mobility and retirements expected to take place in the near future. Each item may require an employer (or the business' managers) to investigate more deeply into the company's business.

The topics on these checklists have been derived directly from the findings from the surveys, interviews and research documented in Part II of this report. Further information, background and supporting material can be found in the appropriate sections of Part II.

Each checklist item has been placed into a table with status headings (No, In Progress, Yes) to record progress in developing a comprehensive retention and succession strategy. A focus on these actions will prepare the company for the time when the current labour surplus becomes a shortage as a result of increased competition for workers and retirement of older employees.

Advance planning for retention also serves as advance planning for succession in terms of having the right people, the right skills and the necessary information in place when needed.

Also included is a checklist for employees. It is suggested that employers provide this checklist to their employees to complete anonymously. Employees could either return the completed assessment to the employer for evaluation and summary, or retain it themselves for their own self guidance.

3.2. Employer Checklist

3.2.1. Key Employees

KEY EMPLOYEES	NO	IN PROGRESS	YES
Have you identified your “key employees” – those that are essential for the operation of the business?			
Does each of these employees have a written job description? The purpose of these is to ensure that both the employee and their supervisor properly understand what the job is, and demonstrate the firm’s interest in and obligation to the employee.			
Has their job description been reviewed in the last year? Was feedback given to the employee?			
Does each of the key employees have a “back-up” person in place, who knows what they do and how that they do it, if they were temporarily unavailable?			
Is there a successor being trained for each key individual, in case that person leaves or retires?			
Do you have a development plan, a training plan, a promotion plan or a retirement plan for each key employee? These show commitment to the employees, their success and therefore the company’s success.			
Do you conduct Exit Interviews whenever an employee leaves, to understand any challenges and issues that may exist?			
Is there full time work for all of your key employees year round; if not, have you tried to identify ways to adjust your workforce or business plans to make this possible?			
Do you have, or have you considered, a bonus or profit sharing plan, for your key employees?			

3.2.2. All Employees

ALL EMPLOYEES	NO	IN PROGRESS	YES
Do you have job descriptions for all other employees, and are these up to date? These ensure that both the employee and their supervisor properly understand what the job is, and demonstrate the firm's interest in and obligation to the employee.			
Do you have apprentices (or other trainees) ready for the time when more senior staff advance?			
Does every employee have a training plan? These demonstrate commitment to the future of the employee, the business, and their role in it.			
Have you reviewed the training plan with each employee, and gauged how they are progressing in order to identify any issues as they arise?			
Do you have a communications plan that lets employees know about your current and any future business intentions? This shows employees that they are part of the firm and retains their interest and loyalty.			
Do you invite feedback and comment from your employees on any matter that concerns them, keeping lines of communication open?			
Have you investigated flexible work hours such as four 10 hour days, if these are feasible for the work that you do? This demonstrates understanding of and commitment to employees and their families.			
Do you have, or have you considered, a bonus or profit sharing plan, for all employees?			

3.2.3. The Business

THE BUSINESS	NO	IN PROGRESS	YES
Are you, the business owner, thinking about retirement or selling the business in the next five years?			
If so, have you sought advice from professionals such as a lawyer, an accountant, a Business Agent, or one of the Government services, on business transition issues and risks?			
Do you have a management team that can run the business in your absence or in future should you leave or retire, to ensure business continuity?			
Do they have the management training that they need, and have you identified any gaps?			
Do they know and understand who your customers are and how your contracts are managed?			
Are your contract files up to date?			
Do you have written procedures in place for all of your major business activities including work planning, estimating, reporting, and are they up to date?			
Are your financial statements, including receivables, lists of assets and liabilities, up to date?			
Have you documented the Goals and Mission for the business, and the company's business history?			
Are your employee files up to date, including certifications, training plans?			
Do you have an overall succession plan that gathers all of the above information for the use of future owners or managers?			

3.3. Employee Checklist

EMPLOYEE SELF-EVALUATION	NO	IN PROGRESS	YES
Have you ever talked to your supervisor about your place and/or your prospects with the company?			
If not, would you like to?			
Have you ever taken outside advice, such as talking to a career planner, or any other advisor, about your career prospects?			
Have you looked for or been given any advice on training options?			
Do you have the help that you need to get certified?			
Have you taken any other concerns that you have about your work to your employer?			
If not, would you like to?			
Have you talked to a financial advisor about the arrangements you need to make for when you retire?			

PART II

4. Background to the study

4.1. Driving Forces

The construction industry as a whole depends for its stability, credibility and growth on the availability of a stable, reliable, experienced, capable and well-trained workforce. This need for stability has to be balanced with the labour mobility that has long been a prevalent feature of the Industry. The nature of construction projects and the wide dispersal of construction sites are characteristics of the industry. These characteristics cause some labour mobility to be an expectation of both workers and employers⁵.

Employers, Government Agencies, Educators, and Industry Associations have all reported in recent years that many construction industry workers in Nova Scotia, and in Atlantic Canada as a whole, have moved temporarily or in some cases permanently to work in Alberta, Saskatchewan, British Columbia and also Ontario^{6,7}. This has raised labour supply issues in the local marketplace, at least temporarily. This will be compounded if the trend continues, as the current age demographic of the industry will lead to increased retirements over the next five years⁸.

Two other factors are expected to affect labour mobility. Economic conditions are changing rapidly, conditions that may have a significant influence on mobility trends. The second factor reflects the expected changes in the regulatory context for the labour market, changes that are intended to increase mobility as a general trend.

Concerns with labour retention flow directly from concerns with the recent high level of mobility discussed in the cited references and illustrated in section 4.4 below. It is important to employers that they retain key, skilled workers for the success of their business. Retention strategies are challenging and best practices are important in a labour market with the inherent level of mobility that prevails in the construction industry.

Succession planning is allied with retention strategies. As noted in reports referenced above, the industry is facing a wave of retirements of senior employees in the near future. As well, many owners of small and medium sized business are also nearing retirement. This leads to important consequences for

⁵ Working Mobile: Labour Mobility in Canada's Industrial Construction Sector, National Construction Sector Council, 2005

⁶ Construction Looking Forward: The Atlantic Provinces, Demand and Supply of Labour, National Construction Sector Council, May 2008

⁷ Labour Market Brief, Nova Scotia Region, Service Canada, November 2007

⁸ Skills Shortage in the context of an aging workforce, Atlantic Provinces, Workplace Partners Panel, Ottawa, May 2006

the business when faced with the potential loss of experience, knowledge and intellectual capital whether the business is sold or if key, senior people leave.

4.2. Study Purpose

The purposes for this study were to investigate:

- Labour mobility patterns and dynamics
- How these affect Nova Scotia's construction industry
- What might retain workers within Nova Scotia and within the industry
- What strategies, options and best practices employers can use to retain workers
- What succession plans are being, or need to be, implemented and by whom
- What could assist employers, and also employees, in addressing these issues

4.3. Business Size

A significant factor that the study had to consider when evaluating Labour Mobility, Retention and Succession for the Construction Industry was business size. This is an important consideration as the impact of market trends, the decisions that organizations must make, and the way that they must make them, can be expected to be different for businesses of differing sizes. Different sized businesses in many cases have to make different decisions as they relate to mobility, retention and succession. In this study the range that was considered, and the terminology that has been adopted in this report unless specified otherwise, is as follows:

Business Size	Number of Employees
Small	1 to 4
Medium	5 to 34
Large	Over 35

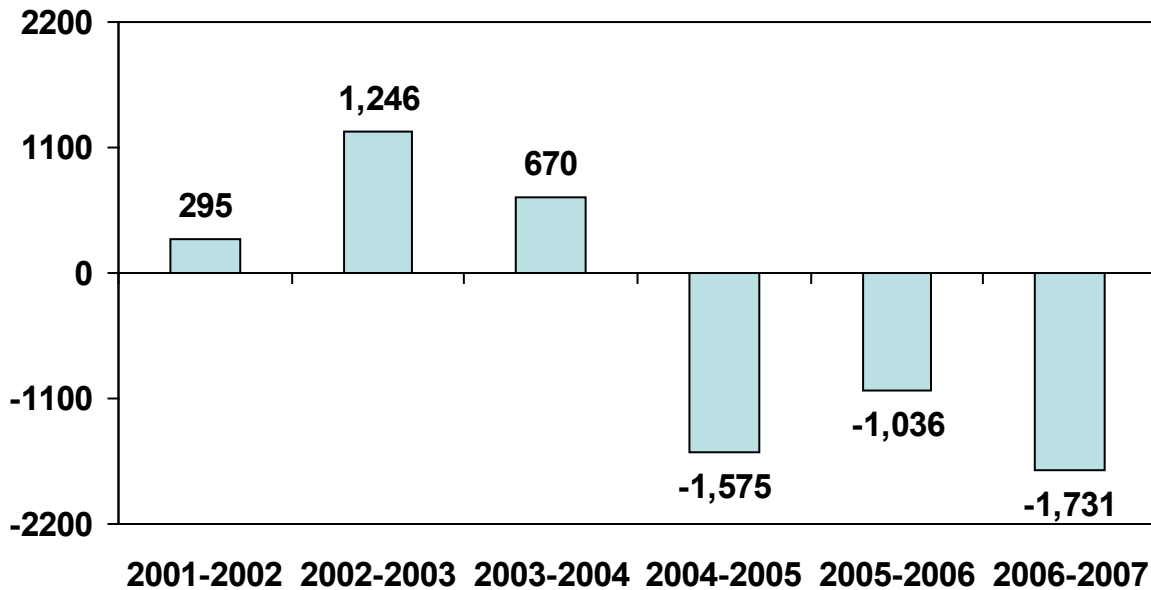
4.4. Nova Scotia Labour Migration

All industries in Nova Scotia, including the construction industry, have seen a rising trend in labour migration out of the Province in the period from 2002 to 2007, followed by a recent fall. The following chart is of interest because it is derived from tax filings of workers (not census information); such that it is able to show flows of workers into and out of the Province. The purpose of this chart is to demonstrate the general direction, noticing the sharp outflow between 2004 and 2006/2007. There are indications that these outflows are now moderating, although accurate data for late 2008 and 2009 is not yet available. Construction workers form part of this labour migration, and there are no reported indicators that that migration trends in the construction industry do not follow this overall pattern.

Net Migration to/from Nova Scotia Annual 2001 - 2007⁹

Year	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
In-Migration	295	1246	670			
Out-Migration				1575	1036	1731

This can be illustrated graphically as follows:



As of the beginning of 2008 the construction industry in Nova Scotia employed approximately 27,260 workers, and the industry represented 5.9% of Provincial GDP.¹⁰

⁹ Source: Service Canada and Statistics Canada Small Area Administrative Data (SAAD), 2008

¹⁰ Overview of Nova Scotia Economy, NS Department of Finance, March 2009

5. Study Methodology

5.1. Research and Survey Objectives

Labour Markets have been and continue to be studied extensively, as shown in the literature already cited, in Statistics Canada data, and in other reports¹¹. Most of these reports provide extensive information as to *what* has happened or give predictions on what might happen, but are limited in their observations on *why* things happen, *why* workers make the choices that they do.

In this study, methodology and research methods into labour mobility were focused on finding out what motivates employees to move, and what might motivate them to stay. To do this the research was designed to include “primary information”, that is, through an industry survey.

It was also essential to obtain first hand experience from employers, to gain their understanding of their employees’ motivations and experiences, and to understand the impact that labour mobility may have had on their businesses.

Additional important sources of information were trade and industry associations and organizations, regulatory bodies and training facilities, both within and outside of Nova Scotia. These have access to valuable information on activities and trends that they observe, often on a broader scale and with varying perspectives.

All of these, especially the employer group, were also the primary source for information regarding retention and succession planning. Secondary sources include literature published by trade and industry organizations, and many other published documents.

5.2. Research Approach and Methods

The approach to this project included the following key steps:

- Conduct secondary research through literature review, industry contacts, and other published sources
- Conduct primary research through surveys and interviews with employers, employees and other key informants
- Conduct periodic reviews with the project steering committee for guidance, direction, information and validation
- Consolidate findings into a report and recommendations

Working with the Project Steering Committee a list of initial contacts was developed of businesses in Nova Scotia that would be open to interview to obtain their experiences with Mobility, Retention and Succession.

¹¹ For example, annual regional labour market assessments of the National Construction Sector Council. The 2007 Labour Market Assessment, ICI Sector, Nova Scotia Construction Sector Council, also reported findings from Nova Scotia workers on mobility.

Many other organizations were contacted and interviewed either in person or by telephone. These included:

- National and Alberta Construction Trades and Labour Relations Organizations
- Education and Training organizations
- The Department of Labour and Workforce Development
- Merit Contractors Association of Nova Scotia¹²
- Construction Industry Union Locals in Nova Scotia and in Alberta

Many of the above contacts assisted the consulting team by both providing information through interviews and also by facilitating contact with both employers and employees for interview and/or survey. They were able to augment the list of survey respondents with workers known to have direct experience of working outside of Nova Scotia.

An on-line survey was prepared to solicit input from a wide range of mobile workers. After review by the Steering Committee this survey was available through the NSCSC-ICI¹³ web site. This presented a relatively available and straightforward survey vehicle, and allowed workers within and outside of the Province of Nova Scotia easy access to the survey.

Late in the research process, following meetings with the Department of Labour and Workforce Development, the Department offered to circulate the survey through the apprenticeship database which includes a large number of employers, and current and past apprentices.

5.3. Research Concerns

The Canadian economy is suffering from a major economic downturn, resulting at least in part from a global decline that began in late 2007 and continued throughout 2008¹⁴. This has had an immediate and visible effect throughout much of the construction industry¹⁵, especially in major capital projects¹⁶.

The surveys and interviews conducted collected information based on past experience of employers and employees. Conditions are changing, and interpretation of the surveys and findings must take into account the current unsettled conditions in making recommendations for future plans and actions.

¹² Merit Contractors Association of Nova Scotia, Bedford NS, <http://www.meritns.com/>

¹³ Nova Scotia Construction Sector Council Industrial-Commercial-Institutional, Bedford NS <http://www.nscsc.ca/>

¹⁴ On average, for the years 2003 to 2008, employment in the Construction Industry in Canada grew by 5%. For the years 2009 to 2012, this is forecast to be 0%. Source: Statistics Canada.

¹⁵ Negative employment growth i.e. a net reduction in employment in the industry, is forecast for all Canadian Provinces in 2009, except Manitoba, Saskatchewan and PEI. Source: National Construction Sector Council, Statistics Canada, Bank of Canada, CMHC, HRSDC

¹⁶ For example, Construction Labour Relations – Alberta reports a 48% decrease in construction investment in that Province between 2008 and 2009.

6. The Labour Mobility Survey

6.1. Overview

Following an extensive review of the retention practices in other construction jurisdictions, two online surveys were designed to collect both employer and employee input on retention solutions and options that could be used in Nova Scotia. The employer survey also examined succession issues.

Construction workers were asked which, if any, of numerous retention options would interest them and to what extent each option would have an impact on their decision to stay in Nova Scotia. Both surveys took approximately 20 minutes to complete.

113 employees and 35 employers, (including 6 who were interviewed in person) responded to the survey conducted between March and June 2009. Of the 113 employee respondents, 92 of them or 81%, responded to every question in their survey. Of the 29 employer respondents, 22 of them or 76%, responded to every question in their survey. In each case the remainder omitted one or more questions.

It should be noted that the response to a self-administered survey does not necessarily reflect all employers or employees, but reflects those that have a strong opinion and may be speaking on behalf of the others. As such, this data provides a useful perspective on how employers and employees in the Nova Scotia construction sector are thinking.

The surveys used a mix of question to capture quantitative measures as well as open-ended questions to encourage respondents to offer their opinions using their own words.

6.2. Employee Response

6.2.1. Background Experience

Over one-third of the respondents (36%) are journeypersons, 61% are apprentices and 12% indicated that they are in leadership roles as supervisors, superintendents or foremen.

Overall, the employee respondents have worked in construction for an average of 13 years, ranging from 2 months to 50 years. Journeypersons have worked an average of 24 years, while apprentices have been working in construction for an average of 6 years. In a typical year over half (52%) of journeypersons and apprentices work for only one employer; the balance work for two or more employers. This indicates that the employees surveyed represent both stable work situations (with one employer) as well as variable work situations (with multiple employers). By work level, 40% of the journeypersons work for 1 employer, while 55% of the apprentices work for 1 employer.

In terms of mobility, 47% say that most or all of their work was outside of Nova Scotia. Of these 33% stated that most of their work was outside of Nova Scotia and 14% stated that all of their work has been outside Nova Scotia. The remaining 53% say that that little or any of their work had been outside Nova Scotia during their construction career. Of these 12% stated that little and 41% indicated that none of their jobs had been outside Nova Scotia.

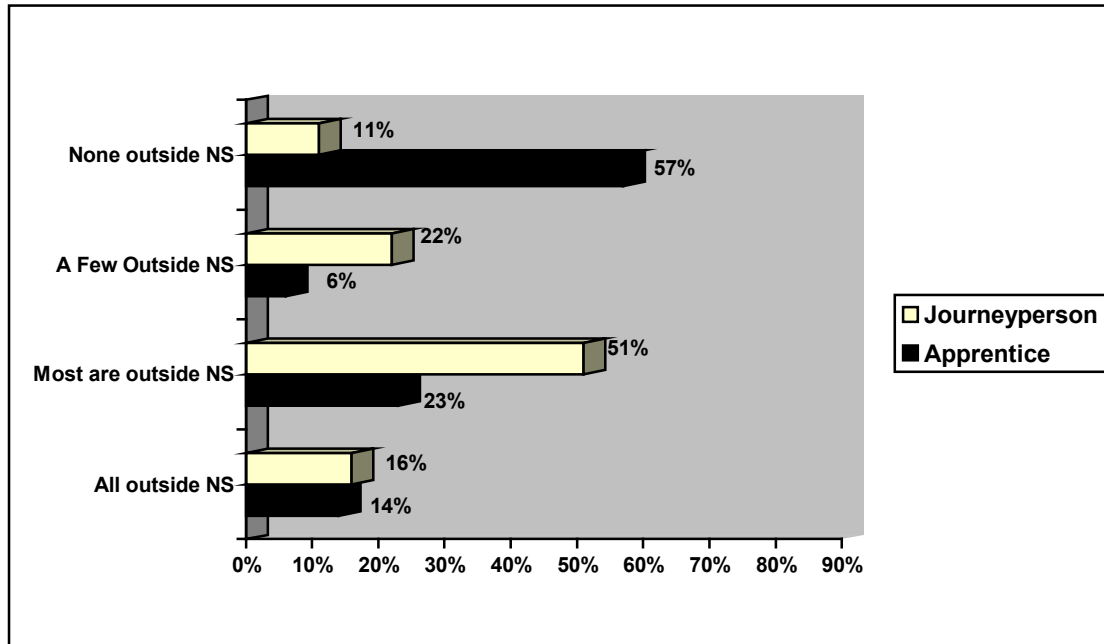


Figure 1- Comparative Mobility Over Their Construction Careers

Figure 1 shows how mobility varies between journeypersons and apprentices. Figure 1 shows that apprentices are much more likely (57% vs 11%) not to have worked outside of Nova Scotia, compared to the more experienced journeypersons. The journeypersons are more likely (51% vs 23%) to say that most of their jobs are outside Nova Scotia. However there is a similar minority percentage of both groups (14% and 16%) that say all their jobs are outside Nova Scotia.

These findings reflect that mobility is a 'way of life' for a large percentage of Nova Scotia construction workers in general, and journeypersons in particular.

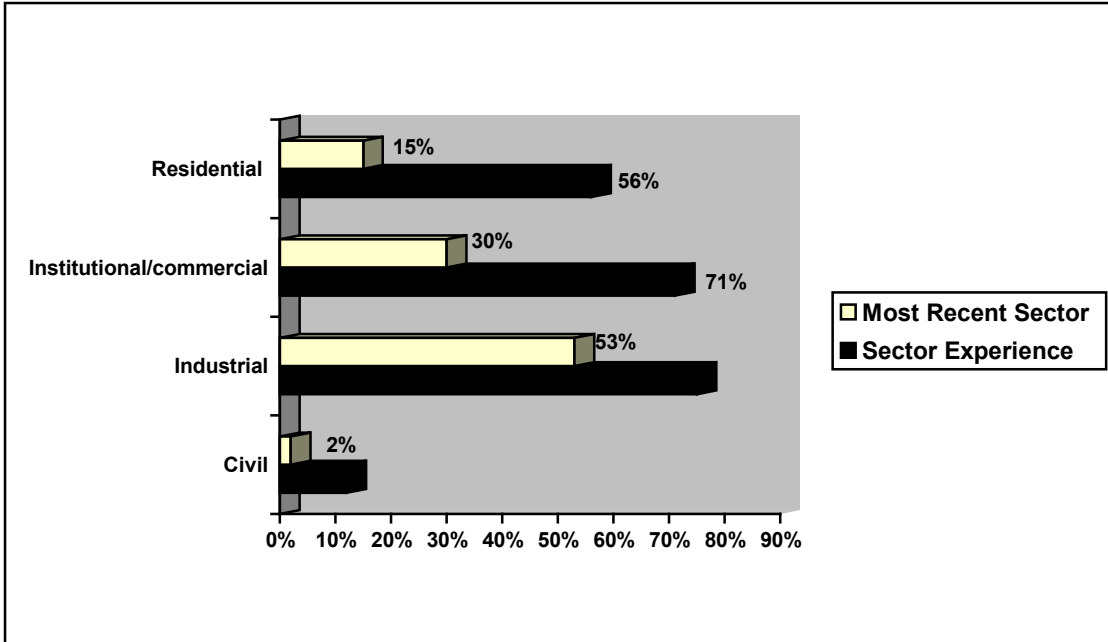


Figure # 2 Construction Sectors

Figure 2 illustrates the areas of construction that respondents have worked in during their careers and also identifies their most recent sector. Experience is represented in all sectors, but is most prevalent in the ICI sectors for both general career experience and by most recent work experience.

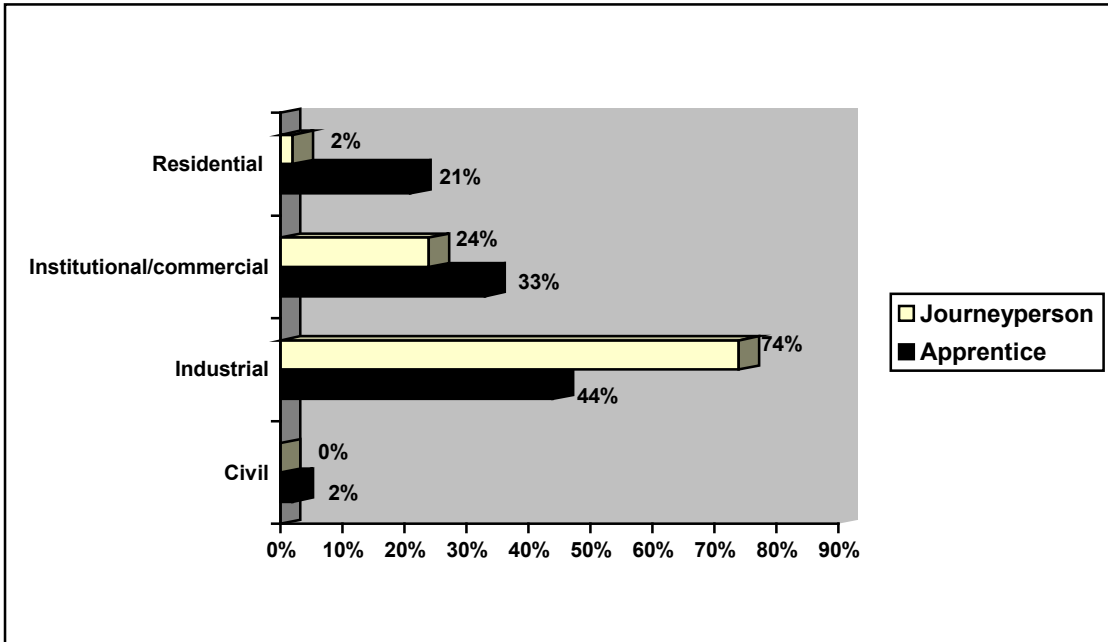


Figure # 3 Most Recent Construction Sector by Work Level

Figure 3 breaks out the most recent sector by work level - journeyman and apprentice. The apprentices are much more likely (21% vs 2%) to have recently been working in residential construction, compared to the journeymen, who

are predominantly working in the industrial sector. However 77% of the apprentices were working in the ICI sector most recently¹⁷.

The workers who participated in the survey included a range of trades as illustrated in the chart below, as well as other trades including lineman, welder, heavy equipment operator, technicians and specialists.¹⁸

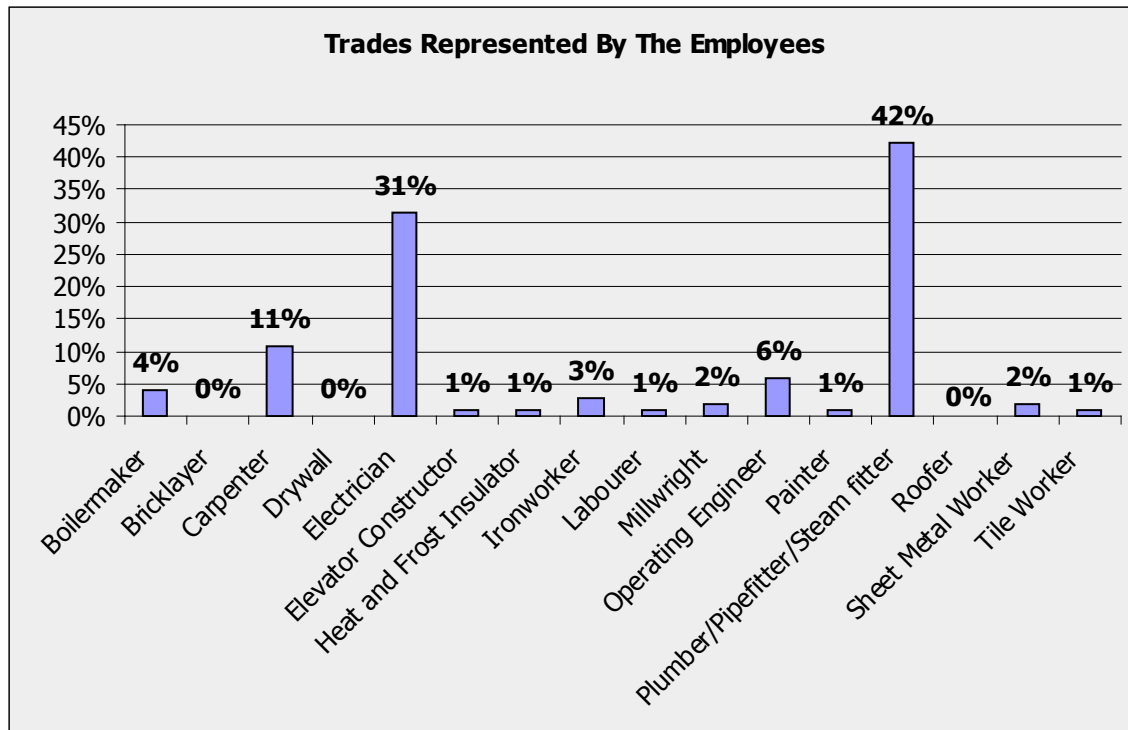


Figure #4 Trades Represented By The Employees

6.2.2. Red Seal Certification

Forty-nine percent (49%) of the respondents stated that have Red Seal certification in their trades. 90% of journeymen responding stated that they have Red Seal certification, and therefore were also in certifiable trades.

“I wrote the exam in Dec. 2008 and got 63%; pass was 70%. Please note: it cost me \$657.00 to register to write the red seal. I studied the books and wrote the exam. I was notified by mail I got 63, not enough for the 70 to pass. I did not receive a copy of the exam to show me where I had gone wrong, but the government wants \$135.00 for me to write again and make the same mistakes, because the government doesn't have the decency to show a copy of the exam and show which questions I had wrong, so I could study and re-write the exam. That's how it was when I went to school. That \$135.00 to rewrite to me, spells money-grab. I have survived 43 years in the construction industry and a lot of those years as a supervisor and no accidents. No incidents. I also have the supervisor's course for safety excellence.”

¹⁷ The proportionately high level of responses in the ICI sector is most likely a result of posting of the survey on the NSCSC-ICI web site; the results are therefore more meaningful to this sector.

¹⁸ There were a very small number of respondents indicated a trade that was not listed in the survey, in response to “other trades”. Note that the totals in this chart can exceed 100% as some respondents indicated more than one trade.

The verbatim comment above is included as an opinion on the Red Seal examination experience for a person who is interested in increasing his qualifications but believes that barriers exist. Assistance to help workers gain their Red Seal exists, however this may require more communication of available help, as well as a review of whether and what type of additional assistance is needed.

6.2.3. Workplace Destinations

Table 1 Areas Worked in 2008, % by Province							
	BC	Sask	Manitoba	NB	Ontario	Alberta	NS
Journey-Person	3%	1%	0%	11%	19%	61%	47%
Apprentice	0%	2%	3%	0%	3%	34%	76%

Table 1 shows that in 2008, the majority of respondent journeypersons worked in Alberta, while the majority of respondent apprentices worked in mainland Nova Scotia. The percentages add to more than 100% as some have worked in more than one Province during 2008.

6.2.4. Comparative Compensation

In the past two years, both apprentices and journeypersons have worked in another province for 6 months of the year on average. Over 70% of both groups that had worked in provinces outside of Nova Scotia had worked most in Alberta. They were asked to compare the salary they made in 2008, in another province, with the salary they could have made in Nova Scotia if they had been working the same number of months.

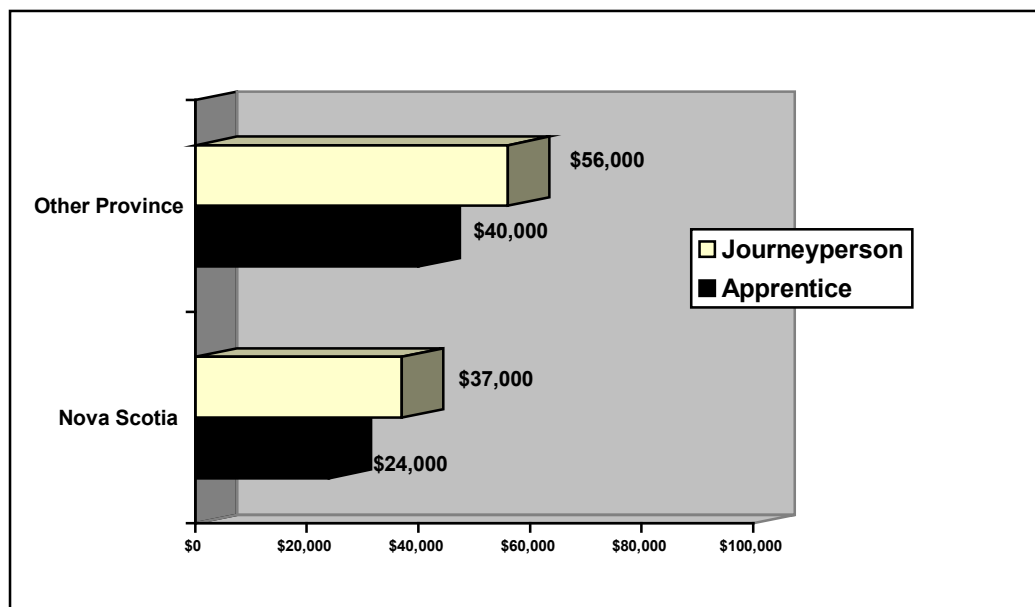


Figure #5 Perception of Salaries for NS compared with other Provinces

Figure 5 shows the average salaries in Nova Scotia compared to their 2008 province outside Nova Scotia for journeypersons and apprentices. Overall, the average salary outside Nova Scotia was \$50,000 compared to an average salary of \$30,000 in Nova Scotia.

These numbers indicate that an apprentice can make slightly more, on average, in provinces such as Alberta (the dominant choice of province for this comparison), than a journeyperson can make in Nova Scotia. A journeyperson can make \$19,000 more on average outside Nova Scotia, while an apprentice can make \$16,000 more on average, outside Nova Scotia.

Apprentice annual salaries while working in other provinces ranged from \$2,500 to \$145,000, with 12% making less than \$10,000 and 8% making \$100,000 or more. Journeyperson annual salaries when working in other provinces ranged from \$3,600 to \$142,000, with 11%% making less than \$10,000 while 21% made \$100,000 or more. These both indicate that survey participant’s salary levels tended to be weighted more towards the higher end.

61% of respondents say that it costs them more to work away from home.

“When working up in Fort McMurray, I was getting a living allowance of \$195.00 a day. So that would pay for my food, rent, and utilities. But now there is no LOA (living allowance), so I am paying everything myself.

There are extra union dues to local (union) working for—extra traveling dues to home local for finding work.

There is income tax on LOA”

On average, their additional annual cost of living away in 2008 was \$2,600, although the median cost was \$1,750.00, which indicates variability towards the low end in the costs they were required to pay in 2008. However this cost can be expected to rise as some employers in Alberta are no longer paying for flights or daily living allowances (an incentive to work in Alberta). One individual noted that the daily living allowance he no longer receives was \$195.00 per day.

6.2.5. Comparative Workscape In Other Provinces

Workers were asked to compare their experience in other provinces to Nova Scotia in a number of areas.

TABLE 3	Not as good in NS	The same as NS	Better in NS	Not sure
Benefits (dental, medical etc) are.....	25%	44%	17%	13%
The Safety standards are.....	27%	46%	16%	11%
Regular Pay is.....	68%	19%	5%	8%
Overtime pay is	52%	24%	16%	8%
General working conditions are.....	30%	46%	11%	13%

Table 3 reflects the opinions of benefits and salaries between Nova Scotia and other Provinces, and indicates that Nova Scotia is considered better by a minority of workers, on benefits, safety standards and overtime pay. However the largest issue is that Nova Scotia is not as good for regular wages, followed by overtime wages.

The largest percentage consider Nova Scotia about the same as other provinces on benefits, safety standards and general working conditions. The only difference between journeypersons and apprentices is that apprentices are much more likely to believe Nova Scotia is not as good for regular pay (89% vs 48% believing that Nova Scotia is not as good). This indicates that apprentices currently have a more negative perspective on their future in Nova Scotia than the journeypersons.

It should be noted that in each of the three categories of Benefits, Safety Standards, and General Working Conditions about 60% (61%, 62% and 57% respectively) of respondents believed that Nova Scotia was as good as or better than their experience in other Provinces. This suggests that total compensation (regular pay that can be earned plus overtime) is the more serious negative factor in considering Nova Scotia as a work location¹⁹.

6.2.6. Advantages and Drawbacks of their Experience with Mobility

The construction workers were asked what the main advantages and drawbacks were of working out of province.

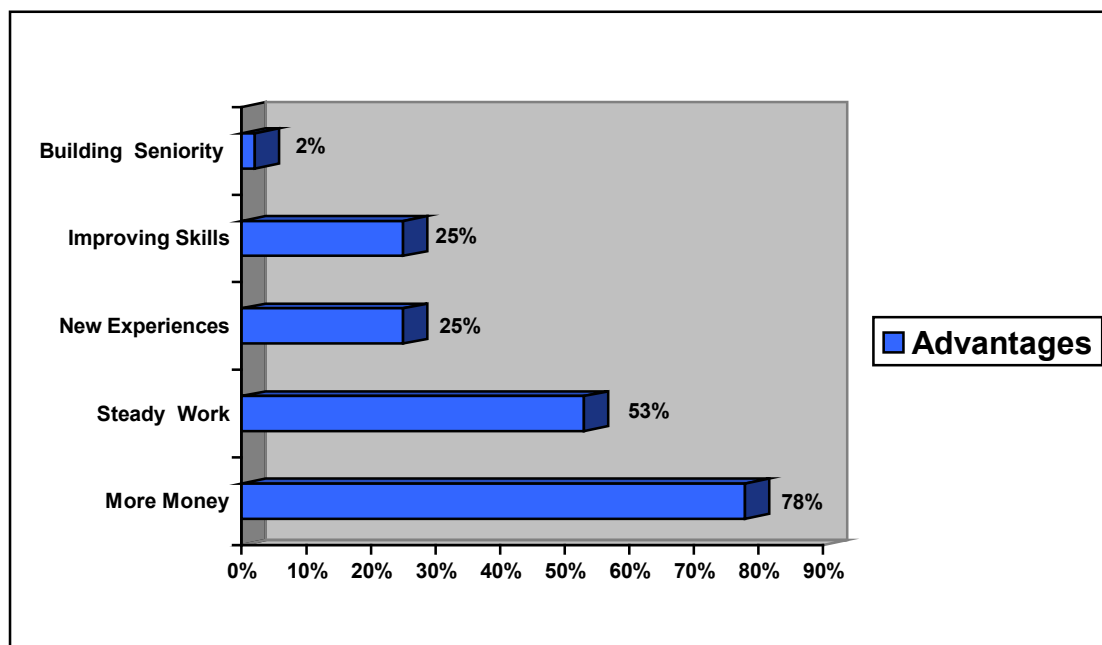


Figure #6 Advantages of Working in Another Province

¹⁹ Note however that the responses in Table 4 give a different view of the importance of benefits.

Figure 6 indicates that the main reason for working away from home was the amount of money they could make due to both steady work and longer work weeks. The average work week in 2008 was 49 hours with a median of 45 hours. This is similar for both journeypersons and apprentices. The range of hours worked per week was 39 to 84 hours. The average and the median hours indicate the hours at the high end of the range were not the norm.

The norm as indicated by the median was greater than a 40 hour work week by 12.5% and the average was greater than a 40 hour work week by 22.5%. Thus the norm for 2008 fell between 12.5% and 22.5% greater than a 40 hour work week. This is based on an 'employment' level of 94% of respondents for 2008, as only 6% reported that they weren't working in construction in 2008. This was similar for both the journeypersons and the apprentices.

A key factor underlying the benefit of higher compensation in other Provinces, is the availability of consistently steady work. These respondents are happy to work a regular work week, for the benefit of remaining at home, as long as the work is year-round, consistent and stable. When they are living in work camps in another province, long days are not an issue as it makes the time pass.

Perceptions of the advantages are similar between the journeypersons and the apprentices, except that the apprentices are more likely to report the benefit of building and improving skills. This reflects their focus on building their hours up, and also reflects the probability that apprentices are less likely to have dependant families.

Table 4 Drawbacks of Working in Another Province	
Issue	% Responding
Costs Erode The Added Money Made	11%
Stress of Long Job Hours	21%
Cost are not Tax Deductible	32%
Stress from Travelling	30%
Miss Community Involvement	39%
Miss Friends	43%
Stress on Family	71%
Missing Family	84%

Table 4 shows that the main reported drawbacks to working away are family related. The opinions on the drawbacks were similar among the journeypersons and the apprentices on all but 'missing friends' where the apprentices were much more likely than the journeypersons to cite this drawback (54% vs 31%).

6.2.7. Ease of Finding Work in Canada

The construction respondents were asked to rate the present ease of finding employment in the construction sector in several regions throughout Canada. Cape Breton and mainland Nova Scotia were broken out separately. Cape

Breton is considered the most difficult place to get a job in Canada and Alberta is considered the easiest place to find work²⁰.

Table 5 Awareness and Difficulty of Finding Work in Canada, %'s											
	BC	Sask	Ont	Man	Alberta	NB	PEI	Quebec	NL	NS ²¹	CB
Very Difficult	23%	10%	22%	24%	16%	24%	44%	46%	42%	44%	61%
Don't Know	40%	36%	30%	39%	17%	24%	41%	35%	28%	8%	17%

Table 5 illustrates that construction workers have the greatest awareness of work opportunities in Nova Scotia (Cape Breton and mainland Nova Scotia), Alberta and Saskatchewan showed the lowest difficulty and have been the focus of job seeking as a result of the past few years of construction activity and labor shortages in those Provinces.

Awareness of work opportunities is lowest in British Columbia, PEI, and Manitoba, followed by Quebec and Saskatchewan. There is moderate awareness of work opportunities in Ontario and Newfoundland. Awareness of opportunities in a particular province is partially a function of known centres of construction activity, but the majority of information that construction workers received on employment opportunities in other provinces was through the union hiring halls, which were cited as a source by 77% of the respondents.

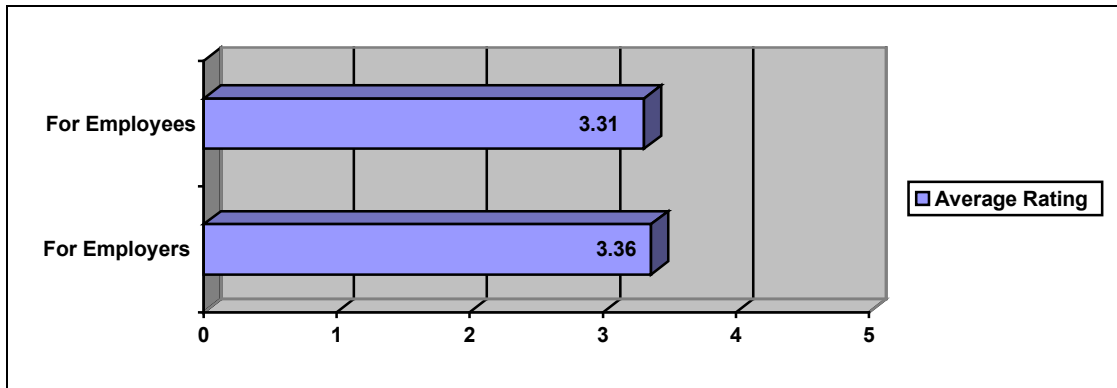
The journeypersons were more likely than the apprentices to report an area as very difficult to find work in, while the apprentices were more likely to report these areas as easy to find work in or only somewhat difficult. There were no differences in the percentages of journeypersons or apprentices who said they didn't know if an area was difficult, indicating that that both groups had a distinct opinion of the ease or difficulty of finding work throughout Canada.

6.2.8. Examining Increased Mobility

Given their experiences traveling to find work and the reality that mobility among provinces is increasing and is being standardized with the Seal certifications, the workers were asked to rate the extent that increased mobility would be good or bad for both workers and for employers.

²⁰ Interviews and recent reports (see for example the notes in Section 5.3) indicate that all areas have become more difficult to find work in 2009.

²¹ Survey responses were received separately for mainland Nova Scotia and Cape Breton



Figure#7 Extent that Increased Mobility Will be Good or Bad for Employees and Employers, as rated by Employees

Figure 7 illustrates that, on a 5-point scale where 1 is 'very bad' and 5 is 'very good', the workers believe that increased mobility will be neither very good nor very bad for workers and employers as both scores averaged in the '3' range i.e. somewhat better than neutral. Mobility is considered of similar neutral benefit for both employers and workers, as the average ratings are almost identical. There was little difference between journeymen and apprentices.

A sample of verbatim comments is included to provide insight into worker opinions on the potential benefits and drawbacks of increased mobility. For greater clarity, the comments have been grouped to illustrate the issues and themes that are on the minds of workers.

6.2.9. Potential Benefits of Increased Mobility

Some comments on the benefits of worker mobility included:

Steady work

"We have to be mobile or we will not be working

The only work there is for us

This way everyone gets a chance to work

If it means steady work it's a plus

Easier to get steady work and keep working year round

Being willing to move around may ensure more steady work for some, who can't find it in their hometowns.

The ability to have a workforce that can lend a hand to other provinces who may need more workers is a good thing..... why should Canada look overseas for workers when the man power is here.... Think Canada First

To have a job for longer periods of time

Keeps you employed"

Skill Building / Higher Value

"Broader view of different construction sites and ways of working.

When travelling to other parts of the country to obtain gainful employment new skills and methods of completing known tasks are acquired.

It may make a better work force, as different provinces have different rules. If there is no work here, have to go anywhere. In Cape Breton, there are few jobs, so experience is limited. When you travel, you learn more about different jobs

Workers that are willing to drive or stay anywhere are more valuable to employers."

Cash Flow to Nova Scotia

“Work away but money comes back

Lots of economic benefits - people get back to work.

Make an income to support family easier

For people that can't get work close to home but want to continue to live in their current location, it helps in maintaining a permanent home and a steady income.

Bigger wages, more benefits, more opportunities, family can live comfortably stress free

The more people that work out of province, the more money that's sent back to that province for their families. So in turn, more money for the province of NS.

Talented tradespeople are able to keep working year round and not have to draw from employment insurance.

Gives the workers more opportunity to make a better living for themselves than what is provided here, in NS.”

6.2.10. Potential Drawbacks of Increased Mobility

Some comments on the drawbacks of worker mobility included:

Strain on Families

“Problems with being away from family & friends and if young people are continually away, at some time we will lose our youth

Being away from friends and family.

Hard on families

Stress on family

In order for workers to get work they must be willing to work away from home which creates unstable families”

Loss of Skilled Trades to Other Provinces

“Higher skilled trades people could be sought after to move or transfer to other provinces leaving local employers with a less experienced workforce

When you have transient workers they can be difficult to hold onto and control

Some will relocate permanently

(There will) not be enough workers to sustain projects at home”

Travel Costs

“The distance and how much does everything cost to get started

Out of pocket traveling costs

Absolutely no help from government. If the Gov. would help out, more workers would stay away longer and pay the Government more taxes”

Inconsistent Practises

“As a supporter of organized labour I firmly believe in recognizing the geographical autonomy of the various Locals of the I.B.E.W. The only problem that may come up would possibly be an out of province employer expecting to be able to bypass normal, accepted hiring hall procedures.

Loss of skilled workers, If they've been working in the oilfields they may expect more money when they return and in some cases will get it because of different experiences but those of us that stay in our home communities won't get the same increase in pay.”

Worker Supply Issues

“Not enough experienced workers left in area when work becomes available

As a first year plumbing apprentice, the mobile workforce creates a problem for me when work slows or stops for journeymen away and they return home for work. This can potentially bump the apprentice out of work or have him/her waiting along time for work because of the increase of persons returning to their particular region. With this said the problem would then be too

many trades people for the region to support. Causing financial hardship for those trades persons who stayed in their particular region to work and be around their families. As a proud father of two young children, it is important to me to stay in my region and see my children grow into productive adults. I know this is not every parents prerogative, but it only makes sense to me to be in my region to parent my children. My hope is to be back to work very soon in my region.

*Lack of skilled certified journey persons to train the apprentices that are unwilling to move
Might lose my job as I am just a new apprentice
Apprentice workers not getting their hours”*

More Focus on Generating Work in Nova Scotia

“We shouldn't have to leave NS to get work. There should be more projects than just paving highways, what about the old hospitals? It takes way too long for things to start in NS, way way too much red tape for construction. Alberta has a better attitude towards progress, which is to just get it done.

If there is too long of a time from home ... people will rather live where they are working and not take the money home to Nova Scotia We do need more projects in Nova Scotia ... End of Story... everyone would rather work from their own province vs travelling anytime....

That our own province is not being developed and that Family will be spilt apart and strong families is what Nova Scotia needs”

Wage Disparity

“NS will lose their workers because no one wants to be under paid like we are in NS

Talented tradespeople are not in province when needed and (this results in) reduction of wages based on quality of work being done by less skilled tradespeople when others are out of province”

Many comments were made that mobility provides steady work and a living that they otherwise would not have. There are concerns about lack of focus on generating work in Nova Scotia, loss of skills and reduced ability to build skills in Nova Scotia. This combination may exert further downward pressure on wage levels if the quality of work is lower or is perceived to be lower in Nova Scotia, among those who stayed in Nova Scotia and didn't learn the skills offered by the bigger projects elsewhere. There are also concerns about the stress on families-children and marriages.

If mobility is to be an effective tool for generating employment, skills and cash flow for Nova Scotia - these concerns will need to be addressed. A key issue is how to make mobility easier on families. Possibly a support organization modelled after the Military Family Resource Centres that exist to support military families during deployments.

6.2.11. Views on Retention Strategies

A set of retention strategies were identified and grouped into three categories:

1. Hours and Working Conditions
2. Training
3. Compensation

Workers were asked to rate the impact that introducing these changes would have on their decision to stay in Nova Scotia. They were also invited to suggest their own 'changes' once they had rated these options.

Table 6 Hours and Working Conditions	No impact at all on my decision to stay in Nova Scotia	Some impact on my decision to stay in Nova Scotia	Strong impact on my decision to stay in Nova Scotia	Don't Know	Rating (does not include the Don't Knows)
Changes to Hours and Working Conditions					2.12/3
If shifts were flexible and you could choose to work 4-10s or 5-8s on Nova Scotia job sites.	33%	21%	39%	7%	2.07
If you chose 4-10s, you could also choose to work whichever 4 days you want to work during the week.	36%	21%	33%	11%	1.96
If over time hours were available in Nova Scotia	18%	11%	64%	7%	2.50
If workers are able to schedule shifts among themselves as long as the work week is covered	46%	14%	31%	9%	1.83
If a 40- hour work week for the entire year was offered based on doing maintenance and as- needed repair, fabrication or prep work between construction projects	22%	21%	45%	12%	2.26
If safety standards were improved	32%	26%	35%	7%	2.03
If there was better recognition of work done well	24%	21%	43%	12%	2.21

Table 6 provides the percentage responses for each option in relation to the impact on their decision. The Rating column at the right presents a summary average rating for each option in order to provide an impact ranking of the options, from low (1) to high (3). There is also an overall average measure for each of the three main categories. The largest percentage that contributed to the rating for an option is highlighted if it is 40% or more of the respondents²².

The highest overall rating score (2.5/3) is for the availability of overtime hours, followed by a 40- hour work week for the entire year (2.26/3). Overtime would have a strong impact on almost 2/3 of the workers. Employees indicated that they would like a steady 40 hour work week year round, but were realistic and recognized that some overtime was necessary during peak work periods, and made up for some slack times during the year.

The two lowest overall scores (1.96 and 1.83) relate to the aspect of choice for workers on which days they work and the ability to schedule their own shifts.

²² A cut-off percentage of 40% is used to allow for the selection of percentages that are above the 33 1/3 percentile of the three levels of impact (No, Some, Strong) or the 25% percentile if Don't Knows are considered. This positions 40% as a reasonably strong level of interest.

This indicates the belief that supervisor scheduling will be more effective than allowing workers to plan their shifts.

The other options draw neutral scores. The comments below indicate that key issues are lack of work and lack of opportunities for apprentice development. There are strong opinions on hours in relation to steady work and overtime.

The journeypersons and apprentices were similar in their responses to these hour and working condition options on all but one option. Journeypersons were more likely than the apprentices to say that the opportunity to choose which 4 days they would work in a week would have no impact on their decision to stay in Nova Scotia.(47% vs 28%)

6.2.12. Comments on Hours and Working Conditions

More Industrial Projects Needed

"No need to change working hours just need more industrial jobs in Nova Scotia to keep workers in Nova Scotia(overtime)

Work and hours are not the problem but getting the work for our work force is what is wrong; our work force compared to any other province is as capable if not better

I would just like to have the opportunity to work in Nova Scotia

Just get some construction work for the trades

Need more employment in construction in Nova Scotia

We need projects and work here in Nova Scotia to keep men here, its hard to answer questions when there is no work

Get work in Cape Breton or mainland N.S

We need more industry to have steady work.

First thing first, get more jobs here to keep us working."

Hours and Overtime

"It is my opinion that more work is done during a 4-10's schedule than a 5-8's

A reward of overtime to help financially would be welcomed.

Offer overtime pay and more weekly hours for more money and hours towards apprentice and employment insurance.

There is, in my personal opinion, no need for any changes in hours of work. Historically, any proposed changes to hours of work in the construction sector has been more about lower wages than any implied benefit for workers.

If I could find a job within my trade in Nova Scotia which insured me at least 40 hours a week, I would stay in Nova Scotia and be content.

No suggestion - most people are happy to work 40 hours, instead of a lot of over-time

Flexible shifts don't matter to me. I have worked long days (23hr day one time). As long as there is work I really don't care.

I think choosing which days you wanted to work for 4-10s would not be needed.

If overtime hours were available in Nova Scotia then I want in on it.

I think workers shouldn't schedule shifts amongst themselves.

If there was a 40 hour work week for an entire year then I would be really happy.

I think it is hard to improve safety anymore. Its basically all common sense now.

Number one rule is safety - the company should ensure safety is in place.

The overtime changes that were pushed through a couple of years ago that were in favour of the road builders association. Overtime needs were totally against the workers of NS. Each person now is giving away OT hours at straight time up until 55/week. That is a farce.

It would be nice if there was more opportunity to work overtime on projects Too many jobs are ironed out to be 40 hrs a week.... I remember last year I was working with guys in Alberta who were from New Brunswick.... they lived about 30 mins away from a job that the union

had.... but there was NO overtime incentive... So the logical thing to do was to stay working in Alberta and earn more money.... Then there was a rumour that New Brunswick was considering bringing people from overseas to help complete the project.... Pay for certification and the like.... Total Bull %#\$@ !!!!! why not pay more to get the job done... Over time on the jobs should be made into the contracts ... It helps the workers out financially and that money goes back into the community and not overseas.

A minimum of 40 hours and family benefits (Medical etc.)

Defined schedule

My concern is consistent employment within my community and/or near to my home.

Continue shift 2 days on, 2 days off, but could work on off days (if wanted to) to get overtime. This is common in shipyards."

Conditions

"Working conditions and safety standards are very good in Nova Scotia

I believe N.S. safety standards are on par or better than most other provinces

As to working conditions; safety on even large industrial projects has proven time and again to be more about keeping paperwork in order rather than pro-actively supporting a safety mindset. Even though there are always going to be some on any jobsite who will raise frivolous problems, often perfectly rational suggestions get brushed aside in the focus on immediate production gains as opposed to long term gains in both safety and production. In the trade this is quite commonly referred to as "paying lip service to safety". It is quite common for workers who speak up about safety issues to find themselves on the first layoff no matter how good their work record for quality and production may be.

Number one rule is safety - the company should ensure safety is in place."

Improvements to Apprentice Program

"The horse is already out of the barn. The Province screwed up big time when they all but cancelled the Apprentice programs against the building trades advice years ago.

I would strongly consider staying here in NS if there were more journey persons that I could log hours under and work 40+ hours a week year round. The main reason I leave for work is lack of stable work and a severe lack of a journeyman to log hours under

Basically as an apprentice I would like to see the ratio of apprentices to journeymen changed from 1:1, to maybe 1 Journeyman to 2 apprentices. There are not enough apprentices being pushed through the programs and there is going to be a major problem in getting skilled labour in the near future. As I'm usually told when looking for work they want a journeyman instead of an apprentice. Make it more attractive for an employer to hire apprentices, tax breaks, some kind of incentive."

Recognition/Fairness

"Employers should realize construction workers in N.S. are giving 100%.

Me personally I know when I did a good job. I like when my work gets criticized so it makes me do better work.

Take the politics out of the construction trades. There are too many internal groups fostering advantages for each other, leaving an unfair playing field for the employers and trades persons just starting out. It is a continuous competition to get jobs and stay employed because this exists. One person can say one negative thing about you and your chances decrease dramatically to stay employed. If you are new to the industry like myself, it is a tall tail to get into a clique (for lack of a better term) of trades persons and stay working. I wish I would have known this before retraining for the trades. The government was quick to advertise a shortage of trades persons, but did nothing to inform the public of the internal workings of the persons in the trades. My hope is these thoughts can help you along the way to a better environment for people starting out in the trades."

Table 7 Training	No impact at all on my decision to stay in Nova Scotia	Some impact on my decision to stay in Nova Scotia	Strong impact on my decision to stay in Nova Scotia	Don't Know	Rating (does not include the Don't Knows)
Training Options					2.22/3
If you could go to training classes 1 day per week, during work hours, paid entirely by your employer as long as you agree to stay with the company for the duration of the training	20%	30%	46%	4%	2.27
If the employer committed to 4 years of apprenticeship training if the apprentice stays with the company for 2 more years as a journeyman to train other apprentices	20%	22%	50%	7%	2.32
If career- track training was made available to build supervisory skills	22%	30%	38%	10%	2.18
If career- track training was made available to learn project management skills	21%	30%	37%	12%	2.18
If career- track training was made available to learn new construction technologies	15%	30%	45%	11%	2.33
If training was made available through Internet online courses on computer that you could do whenever it is convenient for you	29%	29%	33%	10%	2.05
If training was made available through classes where you go to an actual classroom or training location	18%	33%	40%	9%	2.24

Table 7 demonstrates that training generates a stronger response overall with an average rating of 2.22 compared to 2.12 overall for changes in hours and working conditions. The highest rating score (2.33) is for career track training with 45% of the workers interested in learning new construction technologies. There is no difference between the journeymen and the apprentices on this option.

Almost tied for highest overall rating score is for employers to commit to apprentices if apprentices commit to staying on as journeymen. Interestingly both journeymen and apprentices were inclined to stay in Nova Scotia if this occurred.

The score for training classes one day per week (2.27) and classroom training (2.24) indicate the importance of training as a retention strategy. Apprentices were much more likely than journeymen (54% vs 32%) to say that training one day a week would have a strong impact on their decision to stay in Nova Scotia.

There is a higher response for training offered in class compared to online. This indicates that hands-on, 'real time' training delivered through the classroom is preferred to the virtual learning environment offered by online learning.

The comments below indicate that training availability and training of apprentices are key issues. Opinions are divided on training delivery methods, but hands-on training edges out online/distance training.

6.2.13. Their Comments on Training Options

Availability of Training Courses

"As far as training goes we have no problem getting into safety courses when they become available, our Business Agent is excellent on making any course that is needed available to anyone who needs it.

There should be the same courses offered in Cape Breton as there is in Nova Scotia

There is training available for me but not in my place of residence. Yarmouth Nova Scotia. Bring a class down here.

If apprenticeship training was made available in Cape Breton

More classes. Only around 15 people are accepted every few months and you wonder why the journeyman to apprentice ratio is so one sided.

Maybe offer some sort of award for getting the red seal.

The ability to train more than one trade at a time (easily without having to cancel the other trade) due to the fact that in rural areas work availability is low and the ability to find consistent employment is difficult."

Importance of Training / Upgrading

"It should be mandatory to have one to two weeks training for all trades people per year, regardless of age, but it must be quality training

I am ready to retire, but training for younger employees would be a definite asset to all

The big thing - need work. People can train, but if there is no work, training is a waste of time. I don't need more training, because I have red-seal certification.

All people should have a chance to train someone as this builds your confidence

These are all good ideas if contractor could see the benefit"

Apprentice Training Issues

"Mentoring program for apprentices

No more block training. Module training is the s@#_s. Apprentices speed-learn and remember nothing. I took 10 months pre-app. training where we did what we learned (applied) education. This is the way 2 go.

The school is necessary but on the job training/mentoring is vital to an apprentice by a qualified journey person one-on-one , not apprentices looking to each other for knowledge/assistance

Getting more people into trades would be great, as I don't want to work until I am 70. Train more apprentices.

All of the above-a journeyman's greatest asset is to pass knowledge to the apprentices

Its been my experience that a lack of red seals in mainland ns is what's driving the just out of college apprentices out of province. They leave in search of journey persons who can teach them and log hours under

A big problem in my community is a lot of employers do not want employees to further advance themselves cause then they have to adjust their wages and benefits accordingly. They do not want apprentices to become journeymen to be future competition.

There is absolutely no need for the apprenticeship training diaries/checklist booklet in NS. We apprentices just want to get the training, then get to work, ASAP. We grasp training and on the job experience a lot quicker and more efficiently than our older worker counterparts."

Cost of Training

“Job specific training should be offered without bias. If this training is to be completed during normally accepted working hours then employers should be required to pay at the usual rates. In the case of a course being taught after normal working hours some form of compensation should be provided in the form of travel and if warranted child care expenses.

I have just spent approx. \$1000 and 10 weeks to get the courses needed to write the IP. EI would not give me funding under apprenticeship funding. You need to get the government to pay for apprenticeship classes.

Training in our trade related areas should be available at more than one establishment in the province, so that we don't have to incur living expenses to further our training.”

Type of Training (Online, Classroom, On the Job)

“Training online is available for some of the plumbing courses but you miss out on a lot of valuable knowledge that the teacher can share with you.

Myself as apprentice Electrician, I can go online to do my group courses and I love it. I can sign up and complete the modules in between jobs making it very convenient for me because I can save money on rent and related costs incurred by staying in Halifax or Sydney. But if you can't do this with your trade, you should be able to go to the nearest NSCC and do the group modules instead of traveling to Halifax or Sydney only.

Online training is nice.... but I have to say that I would rather to be taking it at the campus.... for example.. I'm taking my C block online.... I really tried to get into the campus course... but there was too many on the list and I could not get in... There should be more than 1 course per year available at Marconi Campus in Cape Breton.. This Situation the way it is reallllllllllllll Blows!!!!!!!

Wider range of online training needed for all trades, not just a select few

The teachers need to be more up to date and more hands on, I know I'm not the only person to think this way, but our training is a joke. There needs to be a lot of improvement in class and on job sites for better training of apprentices and journeymen.

more on job training

Hands-On training is better than books.”

Table 8 Compensation	No impact at all on my decision to stay in Nova Scotia	Some impact on my decision to stay in Nova Scotia	Strong impact on my decision to stay in Nova Scotia	Don't Know	Rating (does not include the Don't Knows)
Compensation Options					2.37/3
If a core wage was provided by the company plus automatic profit –sharing when the company makes a profit	19%	28%	46%	7%	2.29
If there was an opportunity to buy shares in the Nova Scotia company you work for and receive dividends from the company	23%	31%	36%	10%	2.14
If you were given a performance bonus based on your productivity each year by the company that you work for.	14%	24%	57%	4%	2.46
If you were provided with a health benefits plan that includes medical and	16%	20%	61%	3%	2.46

dental coverage, where your employer shares the premium with you.					
If you were provided with a contribution to a pension plan by the company you work for.	13%	21%	62%	4%	2.51
How much of an impact on your decision does the hourly wage rate in Nova Scotia, compared to other provinces, have on your decision to stay in Nova Scotia?	21%	23%	53%	2%	2.33

Table 8 shows that the compensation options generated the highest overall score (2.37/3) as might be expected. The strongest impacts, for over 60% of the workers were pension and health benefits including medical and dental coverage, where the employer shares the premium with them. Between journeypersons and apprentices, the apprentices were much more likely to say that pension and benefits would have a strong impact on their decision to stay in Nova Scotia (73% vs 47%)

Consideration of the high level of interest in health and pension benefits raises the following questions as to why these options would generate two of the strongest impacts among a high percentage of workers:

1. What coverage or benefits are they currently receiving, if any?
2. Are they dissatisfied with the amount of coverage they are presently receiving through the collective agreement? What about open-shop?
3. Are they not receiving coverage or benefits year round due to the intermittent nature of their work status?
4. Are they receiving year round coverage (medical, dental) or full contributions (pension) but consider the premiums to be too high in general or too high in relation to the amount and nature of the coverage that they get?
5. Is it none of these, but instead a lack of communication with workers by the company or by the union as to the current role of the employers in contributing to health and pension plan benefits for workers?

Answers to these questions will assist in determining how to proceed with this finding. Note that in Table 1 of section 6.2.5 almost two thirds of respondents stated that benefits in Nova Scotia were as good as or better than comparable benefits in other Provinces. This suggests that this may be a Canada-wide issue.

Also highly placed are receiving a performance bonus from their employer and matching the hourly rate in Nova Scotia to other provinces (or narrowing the gap) - both will exert a strong impact for over 50% of the workers. There was no difference in opinion between the journeypersons and the apprentices.

Also notable is that 46% of workers would respond to a core wage with automatic profit sharing when the company makes a profit (which can be seen as a bonus based on company rather than individual performance). The apprentices were

more likely than the journeypersons to feel this would have a strong impact on their decision to stay in Nova Scotia (54% vs 32%).

It is evident that the workers are receptive to a variety of ways to build an attractive compensation package. While wages alone are not the only option for doing so, wage disparity between provinces is a highly visible measure for comparison, when considering where to work. As such, wage disparity is a major issue to be addressed, but will require more project work to be generated in Nova Scotia, in order to support higher wages. A practical solution may be to decrease the gap between wages by building in performance rewards to enable higher productivity to fund higher compensation. This option, paired with the desire to work at home in Nova Scotia may be sufficient to address the remaining wage gap.

The comments below also indicate that compensation needs to be fair for the degree of responsibility taken and the quality of the work performed. Compensation needs to be free of potential abuse or misuse. Tax credits on work expenses are another area for consideration that can assist compensation.

6.2.14. Their Comments on Compensation Options

Wage Disparity

“Wages in Alberta are at least \$10 per hour more than in Nova Scotia, if they could bring the wages more to par then more people would stay and work in Nova Scotia. But Nova Scotia doesn't have any big industrial jobs to support this.

Got to make the pay rates the same right across the country. You can't have lower paying jobs in NS and people in AB making more for the same work. People are going to chase the money. That's the biggest reason for people leaving their province to work out here. It's the money and security of knowing that you can provide a very good living for your family if, and only if, you leave your home and family. This really isn't a hard concept to realize. If the rates were the same then the people would come back home to work!

The amount of money people get paid in Nova Scotia for trades is not too bad but when you could go somewhere else and get paid 10-15+ more an hour. it is very tempting.

The pay rate is ridiculous in NS. Every hour I work straight time in AB equals 1.5 here. For each week of 40 hrs in AB pay is equal to 60 hrs in NS. Pay is good in AB, especially when you can actually work 52 weeks a year, as opposed to 10 in NS.

Wages to be unified across Canada

Its a sign of the times.... why should workers in Nova Scotia have to earn less money than other provinces..???? I started out as an apprentice 4 yrs ago and worked for 2 yrs for my boss at the time earning \$7.50 Hr... No wonder I went to Alberta.... There should be a standard minimum pay for apprentices set by the province.... Too many employers .. Especially for Residential work take advantage of their workers and pay them next to minimum wage.

Just because we are not Fort McMurray, doesn't mean our employees should be paid any differently. We do realize that some aspects of living in NS cost less than living out west, however there are quite a few high costs of living associated with living here, in NS. Food is over-priced, homes are still over-priced for their condition, property taxes are outrageous, and gas prices are a lot higher.”

Wage Improvements

“A higher wage is good. No performance bonus because you end up with back stabbers on the job

Depends on the individual. Hourly wage rates have to have COLA. Need 2 people in a house working.

Wage rates are very poor in NS however it is up to the employers to address this to entice more workers to stay

The wage rates in Nova Scotia need to go up across the board. We are taxed to death on everything, maybe reduce or remove the HST off of the tools and personal equipment used for everyday work that the worker has to pay for themselves besides claiming tools/equipment on income tax. Also I like the idea of owning shares in a company, it can give employees a sense of pride in their company, the productivity most likely will pick up, take a look at the workers that bought their mill back in BC for example, they now truly care about what happens on the site.

Wage increase, you can pay a dentist who fixes your teeth well with no hesitation. Why not pay someone who builds or fixes your family home well. We go to school for 4 years and they put in an extra 2. Not much difference for being paid 4 times as much.

Sounds more like a pipe dream. Most companies seem to have followed government examples by clawing back wages and/or benefits. Prime example casual /part time workers.

A higher hourly wage is always good”

Benefit Compensation

“Pension plan a problem for construction workers when they work for 5 different companies. It is not going to happen.

Better legislation to allow workman's compensation benefits.

I am pretty sure we have some sort of medical plan. Merit.

I would go in on a pension plan. It would be good”.

Merit- Based Compensation

“On a personal level , I am red & gold seal certified , to my knowledge my jobs have been under hours and under budget, my reputation with all on site construction companies is in good standing and yet I went out west for compensation, at 48 years of age I risked that reputation because a job well done is only worth a pat on the back to an employer if you are lucky , what about the qualified worker ? It trickles down- a well compensated foreman can be a better leader/teacher. Since bill C-45 came into effect there is more risk/responsibility to the foreman/supervisor. Where is the compensation?

Faster ways to get it, (bonus) and that's for those that deserve it. It should be around 80% of your present wages.

Greedy wages are not okay.

I think profit sharing would be good but it should be based on how well you worked. The owners of the companies are in it to make money.

If there were shares that I could buy in a company then it would have to be one hell of a company to be coming out of Nova Scotia.

Performance bonus would be great. I think that your journey person should fill out a form saying how well you work and your knowledge of what you are working on.”

Guidance to Employers

“There should be a book given to every company saying this is the wage you have to pay your employees depending on their experience.

Rates that employers charge the customer should be regulated. Some employers charge very little just to get work but meanwhile have no overhead and pay their employees very little while the employers that treat their employees good (vehicles, tools and descent pay) can't get work because their rates are now too high.”

Generate Work in Nova Scotia

“Find work in our trades to keep us here to find out about the compensation offered

Wages here are pretty good; although wages there (Alberta) are higher, but so also is the cost of living. Doing okay here, making good money; just need the work.”

6.2.15. Opinions on Solutions Affecting Mobility and Retention

As a final summary question, the construction workers were asked their final thoughts on mobility and retention issues. These comments indicate their belief that the main solution is industrial sector development - more project work and improved industry operations.

Availability of Work in Nova Scotia

“Steady work year round. More industrial jobs such as, oil refineries, smelters, pulp mills have to become more available in Nova Scotia before workers decide to stay here.

If trades people have no work you will lose them to other provinces. There is little to no industrial or commercial work in this province. Let’s get on with these energy projects before this province loses all their skilled trades to other provinces.

Nova Scotia is by far the province I wish to reside in, but in order to keep skilled trades people like myself from leaving for greener pastures, the government must do more to attract industry and development to the province.

Lack of new construction would be the major issue. Promises of new projects that never seem to come. I would have to say in my opinion, the majority of trades people who are working away would love the opportunity to work in Nova Scotia, eastern Canada for that matter would be great. No one wants to be away from family and friends but do it out of necessity.

If there is work in my trade I will be happy to stay here but I have to travel to find jobs in my trade when there is nothing home.

We need more industrial jobs and plants here in NS. We should have one in every county.

If there was more work back in Nova Scotia I would stay there and work. But there is more experience out in Alberta. Bigger projects, many to choose from.

If don’t have work, can’t stay here. Government needs to bring the work here.

We in the construction industry need more work in the area that we live in. We should be able to claim more of our travelling expenses.

Cut some of the red tape that held up some major projects in the province, The Keltic petrochemicals site in Goldboro is a prime example, that was held up for years by a lot of redundant environmental crap. The Provincial assessment was almost the same as the Federal one, Gov. spokesmen have even come out and said there was no real need for the 2 levels of assessment. It was approved but now the economy took the dive we may not see it. I could have completed my apprenticeship right here in Nova Scotia on that project alone and maybe a permanent job at the end of construction. When projects like this say they would like to setup shop here, we should do everything to work with them and not against them, the Problem lies with gov. on this and others but there isn’t enough space here to get into that. Too much of the “wait and see attitude”.

Simply put, the only issue involves availability of work.”

Certification and Training Issues

“The red seal exam - if someone gets a 68% two times - give them a provincial ticket - stop making them go back to training, write the exam, back to training and so on. Many people get into this profession and are good at what they do - the exam is a political loop hole that should be addressed. Most are not the academic type and alternative methods of assessment should be looked at.

The apprenticeship program is not working to the best service of the apprentices- there is little incentive for small business owners to hire and train an apprentice.

In rural areas the amount of work available for apprentices is minimal and when laid off it is difficult to find an employer who is willing to hire an apprentice because they don’t know how long they’ll be there for.

If at this point the apprentice could switch to a different apprenticed trade it would give them more ability to find consistent work. For example an apprentice electrician could move to his/her mechanical apprenticeship and seek employment”

Local Industry Operating Improvements

“Better wages, more overtime and respect of workers needed in Nova Scotia!

Old corrupt management and hiring practices in NS are staggering. It is time for some fresh blood in the whole system. I can't understand how our offshore resources are being funneled away to other provinces and countries and we cannot benefit from them. I cannot understand how millions of dollars are being spent on highways, and nothing else, which basically benefits unskilled labourers that work for nothing for the NS roadbuilders assoc. Why doesn't the province stop pushing our natural gas away and refine it here in NS? Why doesn't every house and town in the province have access to this natural gas BEFORE it goes to the US/NB/QC? Why are our public buildings being patched together year after year instead of being replaced? NS is seen as a joke to the rest of Canada. It is saddening how we are perceived because of what we have given away, and how we get railroaded by large companies. Terrible.

The politics around keeping a job here in Halifax needs to be corrected. Great trades persons are being left out of work because of someone who has power within a group to do so. A persons skill level and ability is being forgotten and it turns into who you know! Instead of what you know!

Employers who believe that employees should be so thankful that they have a job that they should be willing to provide any safety equipment needed besides safety boots, a reliable truck to carry tools and supplies from job to job, nor to provide any tools other than personal hand tools.

I can make more money in another province (Newfoundland/Alberta) without the responsibilities of being a foreman in N.S. There are performance bonuses and on site safety bonuses and attendance bonuses that do not exist here. That being said I have always taken great pride in every job I have done and I believe it shows , I treat the men that work for me as an asset because I know what a good crew means to any job , maybe our companies could adjust their point of view . I know how important the bottom line is but think about it, we are losing people, good people, that we cannot afford to lose

Higher Pay and recognition of a job well done, lower taxes, more work for apprentices and new employees/students, education for older workers on how they can become better trainers instead of a block in a young workers' career progression, More base vacation time, min start allowance of 3 weeks paid vacation, more safety courses available to workers on a constant basis, Lower Provincial exam fees, A complete review of the Power Engineering exam process and emphasis on the extreme unnecessary difficulty apprentices and younger workers have with trying to pass these ridiculous exams that are out-dated and not in tune with the actual job requirements, More perks from companies that employ workers in this province.”

6.3. Summary of Findings - Employees

Summary of Findings from the Employee Survey	
1.	<p>The important issues for employees are:</p> <ul style="list-style-type: none"> • The Compensation package, particularly the compensation for steady, reliable work, and overtime availability • The benefits package offered, particularly pension, health and medical coverage • Individual recognition, performance bonuses and/or company profit sharing • Availability of training options, both technical and career track, including

	training during work hours
2.	Over the past two years, the main destination for mobile workers was Alberta. However while still the best option for mobile workers, all provinces are considered difficult in the current economy. Cape Breton is the region considered the hardest of all to find work in.
3.	Apprentices can make as much on average, outside Nova Scotia as journeymen can make in Nova Scotia, based on 2008 income reports.
4.	Construction workers note that industrial sector development is the main solution necessary to providing sufficient local work. Having steady work available is the primary vehicle for building retention of workers in Nova Scotia. A complementary issue is wage parity as this is a highly visible cue for dissatisfaction in Nova Scotia. Reducing the wage gap with benefits and performance bonuses (to drive productivity and profitability to finance the bonuses) paired with the desire to work at home in NS may be the most practical solution.
5.	Apprentice training is a big issue. Suggestions included changing the journeyman to apprentice ratio from 1:1 to 1:2, to compensate for the shortfall in journeymen. Providing tax or other incentives to employers to hire apprentices was also noted.
6.	The mobility of journeymen generates the mobility of apprentices who leave to find the training they need to advance to journeyman status. The availability of journeymen is a progression issue for apprentices and a succession issue for the Nova Scotia construction industry.
7.	Retention of workers within specific companies will be driven primarily by which companies have the work, and secondarily by which companies offer the best work place, training and compensation packages. Retention strategies at the individual company level will serve as competitive recruiting and retention tools. Thus there are two levels of retention consideration-provincial and company-level.

6.4. Employer Response

In response to the Department of Labour and Workforce Development mail-out invitation to participate in the employer survey, 29 responses have been received, of which 22 respondents, or 76%, responded to every question in the survey (the remainder responding to only some of the questions). With the addition of the 6 in-person interviews that were conducted this totals 35 employers who have contributed their perspectives to this study.

6.4.1. Company Profiles and Perceptions

The online survey reflects a range of company sizes as shown in this table:

Company Size ²³	Number of Respondents ²⁴
Small	3
Medium	12
Large	13

The median number of workers per company is 21 and the average number is 208, indicating an upward skew due to 4 employer companies with over 500 workers in 2008 (1 at 700, 1 at 800, 1 at 1000 and 1 at 1800 workers).

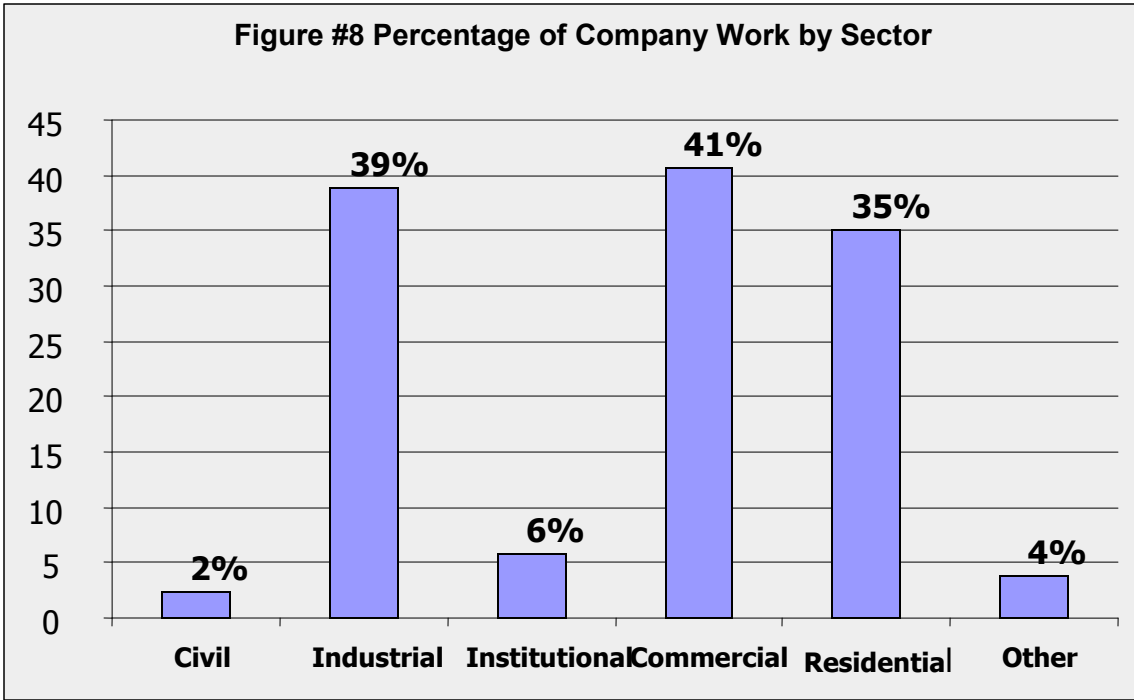
Employers surveyed were asked about change in workforce size over the three years prior to 2008. Workforce size has remained stable over this period for over half (57%) of the employers. Of the 43% who experienced change in workforce size, the largest percentage, 25%, indicated that their workforce had been grown over the period, while 11% said their workforce had shrunk, and 7% indicated variability in workforce size without a clear trend over the period. This indicates that overall the workforce has remained the same or grown from 2005 to 2008.

However it should be noted that 44% of these companies also do work outside Nova Scotia, and make references to the volume of work that they have as reason for maintaining or growing their workforce. All but two of the companies were headquartered in Nova Scotia. The two others were headquartered in Toronto and Montreal, respectively.

Respondents included company executives (president, vice president, HR, comptroller), operations managers, maintenance managers, training managers, owners and a union organizer. Their companies had been in operation for an average of 43 years (median of 44 years), ranging from 4 years to 104 years.

²³ See the chart in section 4.3 Business Size for definitions

²⁴ One employer did not respond with this information.



For the employer survey respondents, Figure 8 indicates the percentage that operate in each of the major construction sectors. Of the companies responding to the survey, the majority worked in multiple sectors (only 6 did not). The 6 single sector companies included 4 who exclusively worked in the industrial sector and 2 who worked exclusively in the residential sector. Thus the majority of respondents showed evidence of crossover among the sectors.

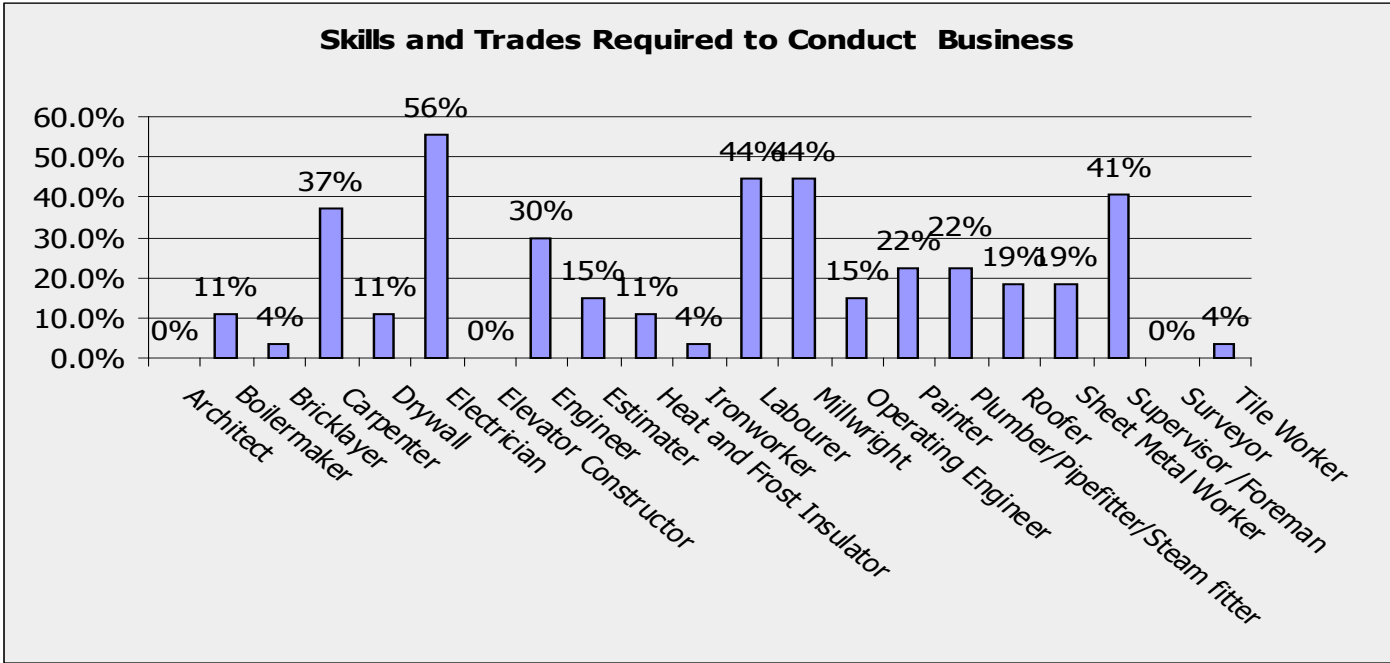


Figure #13 types of workers needed by the employers.

Degree of Difficulty Finding and Keeping Workers

How to read this chart: The scale numbers at the bottom of the chart refer to the number of employers who answered for each occupation listed. For example, 8 employers reported that electricians were hard to find, but only 5 reported that electricians were hard to keep (retain).

■ Hard to find
□ Hard to keep

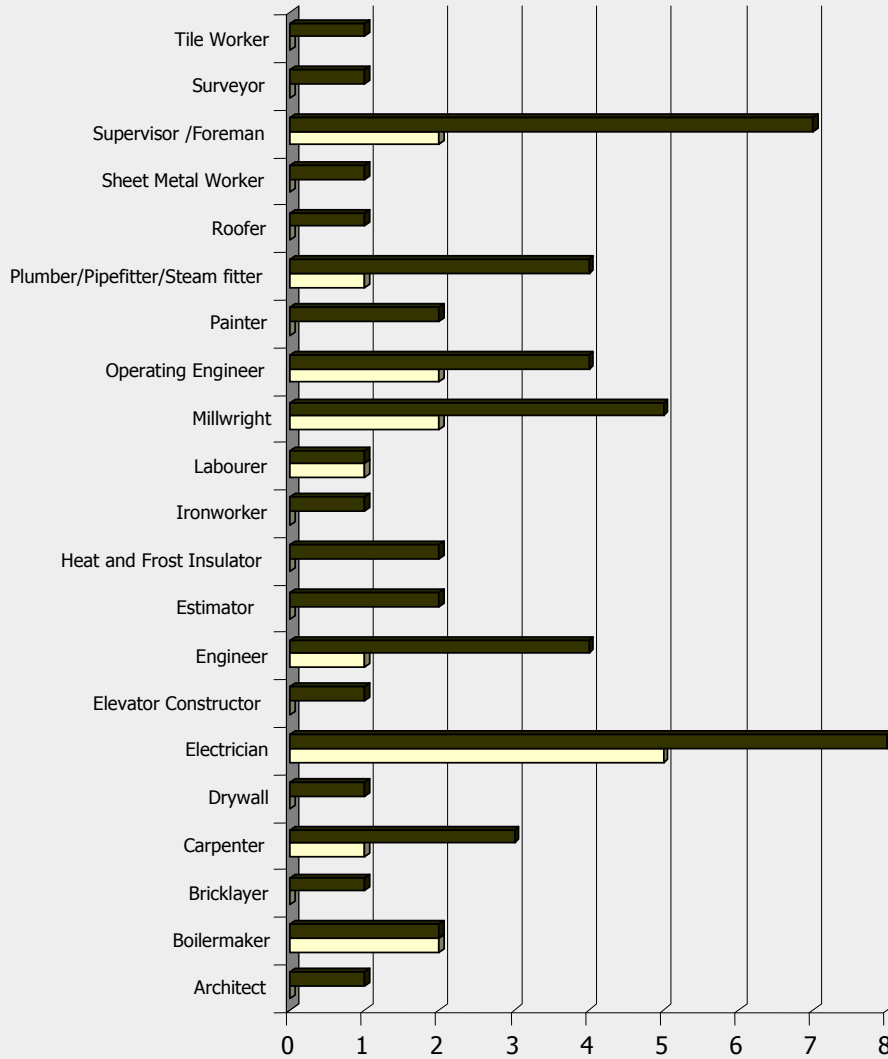


Figure #14 Degree of Difficulty in finding and keeping Skilled Workers

Key skills are electricians, labourers, millwrights and supervisor/foremen. Figure 14 illustrates which trades are hardest to find and which are hardest to retain, by number of respondents. Electricians and supervisor/foremen are the hardest to find, but once found, supervisor/foremen are easier to retain, compared to electricians. Boiler makers are the only skill that is equally hard to find and to keep. It is notable that all trades are considered hard to find and that finding these skills is more of an issue than retention, according to the lower incidence of blue retention difficulty bars compared to the red attraction difficulty bars.

6.4.2. Employer Responses: Mobility

Mobility is defined as traveling 100 kilometers or more one way, or sleeping over for one or more nights to work on a construction project. Mobility can occur within a Province or between jurisdictions (i.e. Province to Province, or Country to Country).

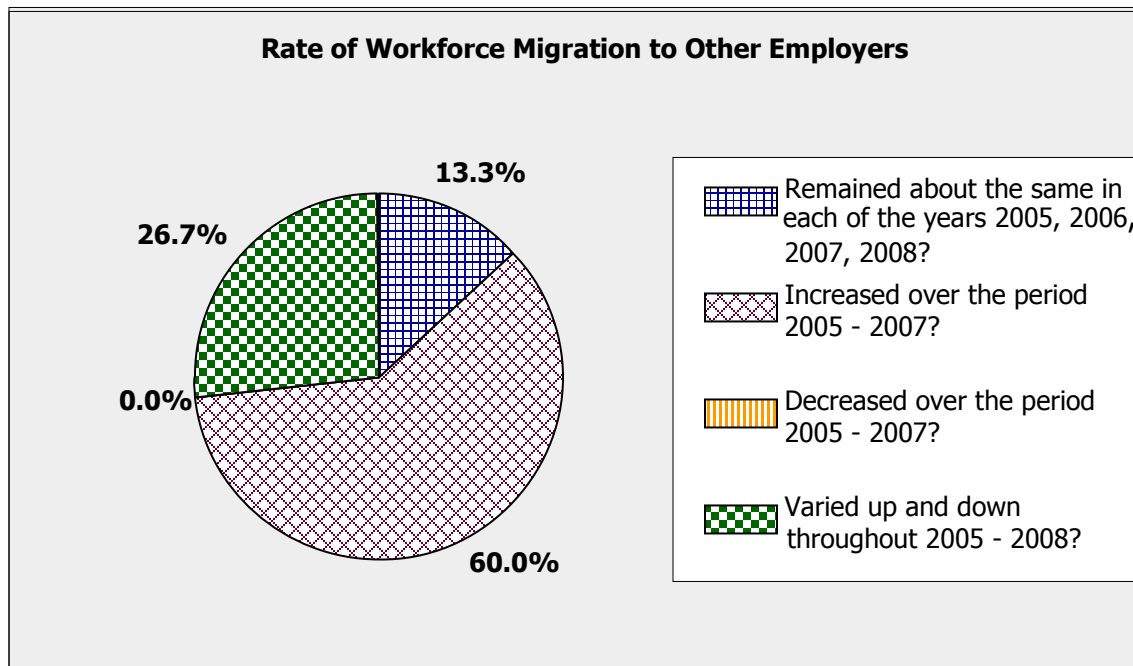


Figure #15

Over half (56%) of the employers experienced workforce migration away from their place of normal employment to sites outside Nova Scotia. The Figure 15 shows that migration increased over the period from 2005 to 2007 for 60% of the employers. This suggests that given the stability of their workforce, many were either effectively replacing lost workers or had more than they needed. Mobility is clearly a fact of life in the industry as no one reported that mobility had decreased over the 2005-2007 period.

The core reason given by employers for worker mobility was money - the search for higher wages out West. However comments indicate that workers want to return for family reasons, and one employer noted, *“Most really want to be home and when there is work and security they do come home . They are*

hearing that things will get better in Nova Scotia and New Brunswick and NFLD and this is getting them hot to come home.”

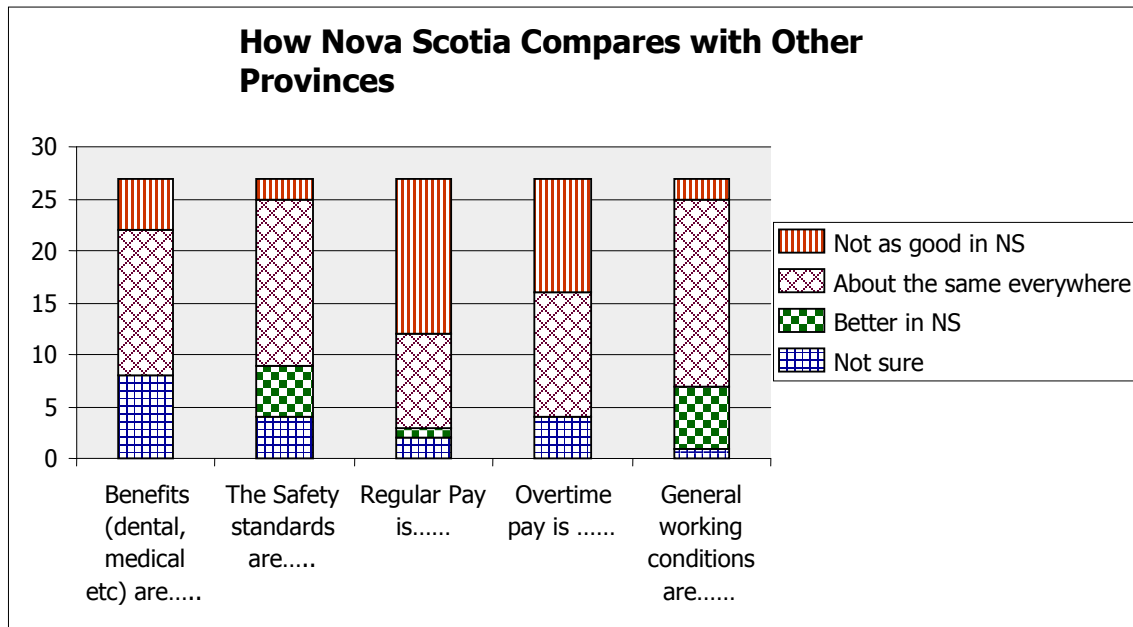


Figure #16 Comparing Nova Scotia with Other Provinces

Figure 16 presents the employers’ view of how conditions in other provinces compare to Nova Scotia. General working conditions, safety standards and benefits are considered about the same in other provinces. Some of the employers consider the safety standards and the general working conditions to be better in Nova Scotia. The key disparity is regular pay, which is not as good in Nova Scotia. Overtime is also noted as not as good in Nova Scotia.

Employers were asked to rate the extent to which they thought mobility was good in three scenarios, using a 1-5 scale where 1 is ‘very bad’ and 5 is ‘very good’. The scenarios follow and the ratings are illustrated on the chart below.

- Rating **A** - the extent they think that mobility of workers from province to province **throughout Canada** is good or bad for workers
- Rating **B** - the extent they think mobility of workers **within the Province** is good or bad for workers
- Rating **C** - the extent they consider mobility a good or bad thing **for their company**

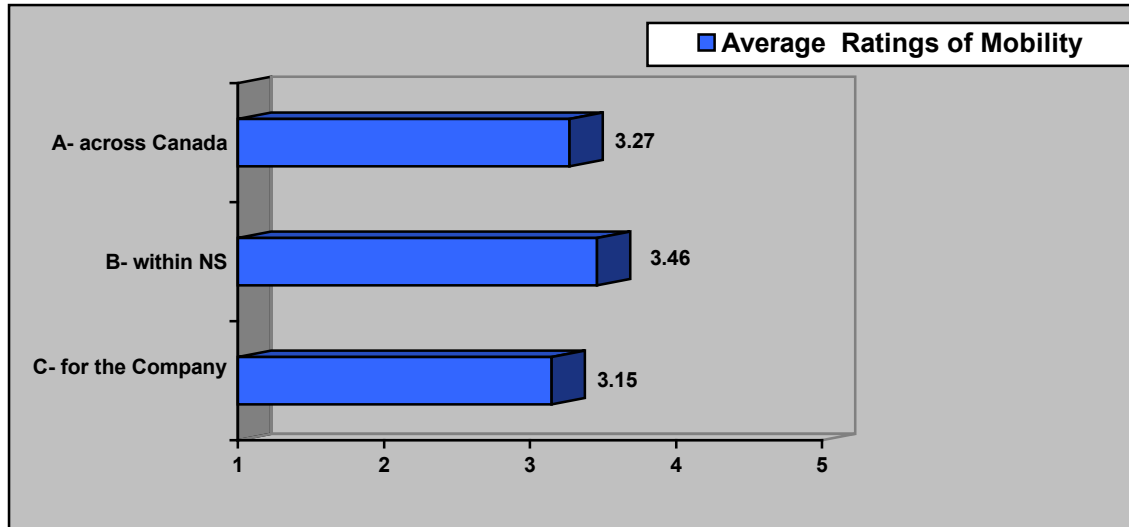


Figure #17 Employers view of labour mobility

Figure 17 shows that all three ratings are in the “3-zone” which is somewhat above average, neither “very good” nor “very bad”. The lowest rating is for how mobility affects the company, indicating that employers see mobility as slightly better for employees than for employers. There is also an indication that they see travelling outside Nova Scotia as more difficult for the employees, than travelling within Nova Scotia for work. Employers were asked to expand on what they saw as the potential benefits and barriers to themselves as employers of a mobile workforce. Comparative comments indicate that their concerns related to mobility exceed the potential benefits of mobility. This indicates that employers do not see mobility as helpful to them, despite the neutral to positive rating.

Table 5

Benefits	Barriers
If we have work to do in other areas we can use our own guys instead of hiring someone else.	I do not see any benefits as we then need to train new workers to the way we do business
The ability to work in other provinces when things are slow here at home.	Employees get used to large salaries and low productivity of construction boom projects thus making them not as productive when they return,
Opens up other areas to work and a larger work force	Sometimes people travel but neglect to advise our office. In cases such as this it makes dispatching for the local area difficult if you are wasting time calling persons who are not in NS and not available for work.
With a strong reputation, we will be able to attract more individuals from a mobile workforce.	Western provinces wage rates draw NS workers and we cannot compete with the rates.
Repairing/fabricating when people can't bring their job to our location.	You do not know if the new workers are willing to work, if they miss a lot of time or if they have the skills I am looking for.
Benefits	Barriers
Neither good or bad or little benefits	People can leave easier as they are used to travelling
More skills transfer.	Hard to get them to work at short notice.

	More of our employees will be tempted to seek other employment.
	Being used by another company and not available to me when needed.
	It could take some of our steady workers if the funding is high. Money talks and bull walks.
	Retention can become a problem if it is easy to move around and locate new employment
	When the weather is bad the worker who lives a distance away does not want to travel for safety reasons but still wants to get paid for the day.
	This survey seems to be a waste of time -there are labour laws in this province that are ignored by government forcing people to leave
	You end up with people who know there is no interest in their future by a company that will not make a commitment to them

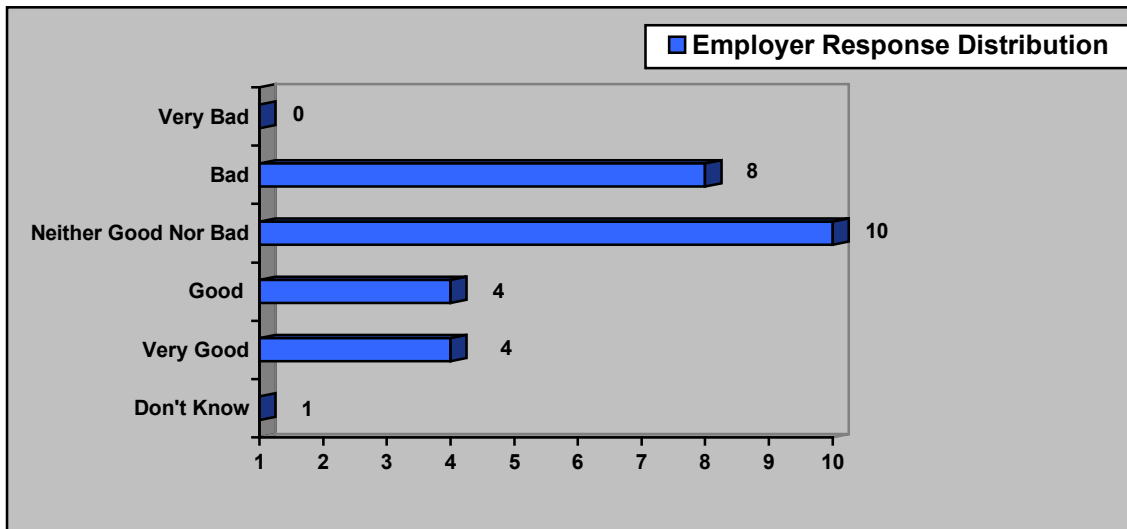


Figure #18

Figure 18 reflects the distribution of surveyed employers represented in the rating on mobility of Figure 17. Two employers did not answer this question.

It is reasonable to conclude that there is a very mixed response to the subject of mobility among employers.

6.4.3. Retention Strategies

Employers were asked to rate their response to the same retention strategies that were tested among the employees. The purpose was to provide dual perspectives on the retention strategies - what entices employees and what is acceptable to employers. Prior to rating the listed strategies – employers were asked if they had effective strategies, they were already using. Over half have retention strategies they consider to be effective.

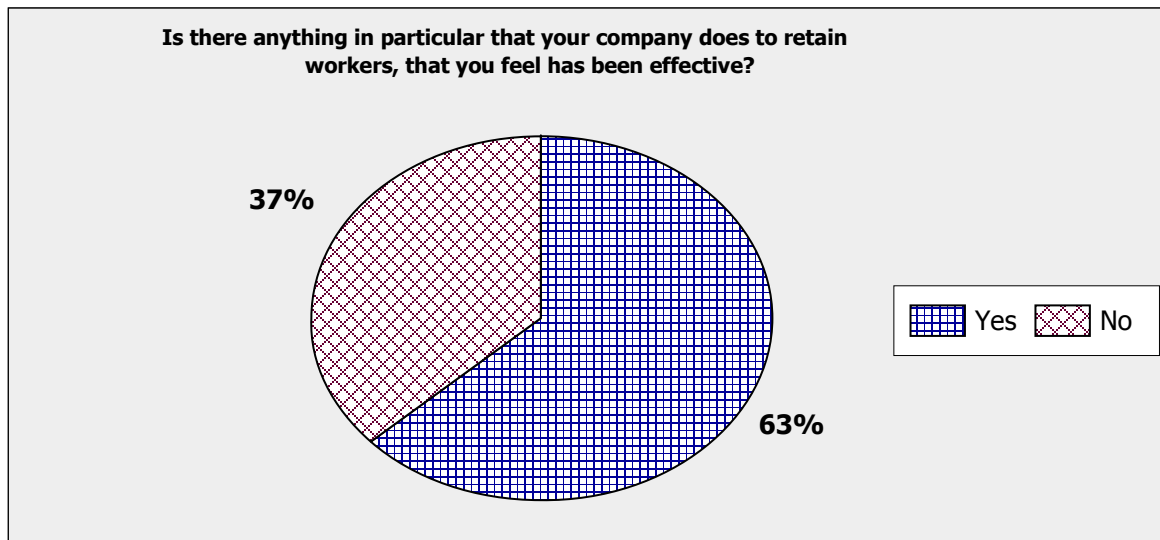


Figure #19 Employer Retention Strategies

Current employer strategies include the following:

- *We have a Christmas bonus at the end of the year. This is based on a point system that depends on the quality of work and their redo's. The better job, and less redo's the more Christmas bonus is received.*
- *Better money and pension plan*
- *Wage rates and benefits higher then local rate*
- *Graduated wage rates. Graduated benefits including RRSP, vacations, sick benefits*
- *Provide better money and better benefits*
- *Pension plan, medical plan, safety programs*
- *Good pay and benefits. Good company management.*
- *Ensuring they are paying the best money that is reasonable. Emphasis in treating employees very well.*
- *Good paid benefits and vacation time off up to 6 weeks and 4 personal days a year. Wages 20% above the local area. A stress free work place*
- *Over the past few years, we have tried to make our employees feel as if they have a bit of independence, with a bit of supervision. Employees like that, if they take pride in their work and I think that 9 out of ten people have that attitude. Other than that, you need to pay a bit higher than the trade will allow.*
- *Better Wages or at least on par. Medical and Dental Plan. Contributory Pension Plan. Use of Company vehicles*
- *Competitive wages, consistent work hours, medical benefits, limited overtime or weekend work*
- *Excellent benefit package for employees.*
- *Only hire certified people*
- *Have good working relationship with employees, treat them with respect etc. pay comparable to other companies*

These comments indicate that improved overall wages and compensation is the key form of retention strategy, plus benefits and respect/working conditions.

The tables that follow present employer response to a set of solutions categorized as strategies related to:

- hours and working conditions
- training options
- compensation

The employers were asked how effective they thought each strategy would be, how easy or difficult it would be to implement each strategy and whether they currently offer each strategy. Their responses are summarized verbally and numerically, and the dominant answer is highlighted.

Hours and Working Conditions for Increased Retention

Table 6 Employer Perspective	A. How effective would this be?	B. How easy or difficult to offer?	C. Currently Offer This?	D. Receptivity Rating
Changes to Hours and Working Conditions				
1. If shifts were flexible and workers could choose to work 4-10s or 5-8s on Nova Scotia job sites.	Effective (15%) Somewhat (65%) Ineffective (19%)	Easy (42%) Difficult (58%)	Yes (42%) No (58%)	Med
2. If workers chose 4-10s, they could also choose to work whichever 4 days they wanted to work during the week.	Effective(0) Somewhat (36%) Ineffective (64%)	Easy (8%) Difficult (92%)	Yes (8%) No (92%)	Low
3. Making over-time hours available in Nova Scotia, as this is a key reason for working away	Effective (20%) Somewhat (48%) Ineffective (32%)	Easy (36%) Difficult (64%)	Yes (54%) No (46%)	Med
4. If workers are able to schedule shifts among themselves as long as the work week is covered	Effective (4%) Somewhat (38%) Ineffective(58%)	Easy (8%) Difficult (92%)	Yes (4%) No (96%)	Low
5. Offering a 40-hour work week for the entire year based on doing maintenance and as- needed repair, fabrication or prep work between construction projects, to give steady work	Effective (52%) Somewhat (26%) Ineffective (22%)	Easy (52%) Difficult (48%)	Yes (54%) No (46%)	High
6. More or better recognition of work done well	Effective (67%) Somewhat (33%) Ineffective(0)	Easy (100%) Difficult (0%)	Yes (92%) No (8%)	High
7. Demonstrating your interest in helping your workers by assisting them to find work elsewhere during downtimes at you company.	Effective (22%) Somewhat (52%) Ineffective (26%)	Easy (35%) Difficult (65%)	Yes (48%) No (52%)	Low

In Table 6 a High, Medium and Low Receptivity Level ranking for each response item has been provided based on the employers combined view of effectiveness, ease or difficulty of implementation, and whether the item is currently being implemented.

This summary shows that the most effective and easiest strategy is providing recognition and most of the employers believe they are already doing this.

The most ineffective and difficult strategies to execute are allowing workers to choose their 4 days of work and allowing workers to schedule themselves. Not surprisingly, over 90% of employers do not offer this option. Given their opinions on the effectiveness and the ease of executing these options, the employers are unlikely to be receptive to this suggestion.

Of the remaining strategies, there are significant levels of difficulty perceived. Over half of the employers offer a 40 hour work week year round, consider this effective and easy to execute. This may serve as an example and endorsement of this option for the other employers who don't offer this option because they believe it to be ineffective or difficult to execute. This could be a key area to focus on to address employer concerns over mobility. *Working with employers to identify ways to keep key employees employed throughout the year is an area where the Nova Scotia Construction Sector Council could provide important counsel to employers.*

Offering a choice of 4-10s or 5-8s is considered only somewhat effective by almost 2/3 of the employers and difficult to execute by almost 60% of employers. Less than half of employers offer this option and receptivity among others can be expected to be low as only 15% think it is an effective solution for retention.

Making overtime hours available is considered difficult and only somewhat effective as is helping employees find work in other places during slow times in Nova Scotia.

To augment the ratings, employers were asked to give their opinions on issues related to working conditions for their tradespeople and their management people.

Table 7 Comments on Improving Working Conditions for Tradespeople	Comments on Improving Working Conditions for Management
Our company is only open for business from Monday to Friday 8pm to 5pm	Trades people coming to work as scheduled.
Hours needed	Less hours
Steady work needed	Flex time
10 hour days.	More people
Our Hours are tied to a Union so we are controlled by their hours.	Lack of motivation from trades people to work.
Getting rid of non compliant contractors	PRODUCTIVITY
No weekend or nights but that is not practical.	
No motivation to continue working once they have enough hours for EI.	
Our work is mainly short jobs and shut-down	

scenarios where time is of the essence. This is a barrier to improving working hours as we have no control over hours of work for the most part.	
Too many different trades	
Everybody needs to get on the same page as to wages, travel pay {how many kms. or time before this comes into effect}	
Have contractors licensed [Electrical]	
Competing contractors who hire non qualified workers	

Table 7 presents some of the verbatim comments and indicates that retention of tradespeople generates more comment than retention of management level people, and issues are different for both groups. Management employees are presented as frustrated in dealing with tradespeople, while tradespeople are considered to be causing problems. This opinion of tradespeople may influence employer receptivity to making changes if they don't believe that tradespeople are going to respond appropriately to changes that represent a cost to the employer. *This suggests more communication is needed between tradespeople and employers/management to increase two-way respect between these two groups.*

Training for Increased Retention using the same process

Table 8 Employer Perspective	A. How effective would this be?	B. How easy or difficult to offer?	C. Currently Offer This?	D. Receptivity Rating
Training Options				
1. If workers could go to training classes 1 day per week, during work hours, paid entirely by you, the employer, as long as workers agree to stay with the company for the duration of the training	Effective (17%) Somewhat (43%) Ineffective (39%)	Easy (17%) Difficult (83%)	Yes (9%) No (91%)	Low
2. Committing to 4 years of apprenticeship training if the apprentice stays with the company for 2 more years as a journeyman to train other apprentices	Effective (54%) Somewhat (38%) Ineffective (8%)	Easy (62%) Difficult (38%)	Yes (46%) No (54%)	Med
3. Making career- track training available to build supervisory skills for your people	Effective (25%) Somewhat (71%) Ineffective (4%)	Easy (67%) Difficult (33%)	Yes (54%) No (46%)	High
4. Making career- track training available to build project management skills for your people	Effective (37%) Somewhat (63%) Ineffective (4%)	Easy (54%) Difficult (46%)	Yes (46%) No (54%)	Med
5. If career- track training was made available your people to learn new construction technologies	Effective (37%) Somewhat (63%)	Easy (62%) Difficult (38%)	Yes (39%) No (61%)	Med

	Ineffective (0%)			
6. Helping to make training available to your people through Internet online courses that workers could do whenever it is convenient for them. This could include encouraging them to participate or making computer access available to them if they don't have it.	Effective (42%) Somewhat (42%) Ineffective (17%)	Easy (58%) Difficult (42%)	Yes (58%) No (42%)	High
7. Making training available through classes where workers go to an actual classroom or training location during slow work times	Effective (54%) Somewhat (46%) Ineffective (0%)	Easy (67%) Difficult (33%)	Yes (62%) No (38%)	High

Training in the classroom is considered the most effective training option and is one of the easiest to deliver for almost 70% of employers, and just over 60% of employers offer this. *The example and experience of those employers who offer or make available classroom training and who find this effective for retention should be leveraged to help other employers consider classroom training as a retention tool.*

Employers are divided as to the level of effectiveness of online training, with 42% considering this very effective and 42% considering this somewhat effective. It is not considered as easy to execute as classroom training, but is being used by almost 60% of employers. On line training may be more effective for certain types of training. For more hands-on learning of trade-related skills and technologies, classroom learning is considered better by the employees. However supervisory and project management skills may be as effectively delivered on-line.

Committing to 4 years of apprentice training if the apprentice stays with the company was considered effective by over half the employers and easy to do by over 60% of the employers. However, less than half the employers do this now. *This is an option that offers some potential for retention with more widespread execution by employers.*

Paying employees to go to class 1 day a week was considered somewhat effective, but difficult to do by over 80%. Less than 10% of companies offer this option. As this is only believed to be somewhat effective for retention and as the perceived difficulty of execution is high, this is not likely to be an option to which employers will be readily receptive.

While relatively easy to do, making career-track training available for building supervisory skills, project management skills and new construction technologies was considered to be only somewhat effective for retention. Currently just over half the employers make supervisory training available and less than half make project management and new construction technology training available. The

issue may be fear of training people who then leave the company to go to local or distant competitors²⁵.

Employers were again asked to give their opinions on training for their tradespeople and their management people.

Table 9 Comments on Training for Tradespeople	Comments on Training for Management
Money available for training	More options
Tracking and follow up by Apprenticeship Dept	Off-site training
Better pay supplement while training	More courses and times
Flexible training hours-better pay when off	People skills
Closer contact as to when a slow time is coming up to schedule training	Belief that it would be of benefit.
More in-class training	People skills, following through, writing rules that are practical, knowing the goal and following it.
Better classroom buildings and more equipment on the campus. Take a look at your current millwright campus NSITs. I have sent one of my apprentices last year and I am upset over the feedback about the facility and the machinery for hands on training. I am a journeyman red seal Millwright. Took my trade in Alberta NAIT back in 1987. I understand the difference in resources between the two areas, but the feedback from NSIT is disappointing.	Finding time and place
Job experience is the best training	There is little or no Trade related [Electrical] Training for management
Readily available at a convenient location	Time, money.
There is limited space available for trades people to obtain training. Since demand is so high offering more sessions at the Community colleges for apprenticeship training would be an improvement	Finding the training
More courses in work related trades	Find the training and knowing you have chosen good training before you go through it and find out it was not worth it.
If training were available in our areas instead of having to send our apprentices to other areas	
Lack of funding from HRSDC is an issue. Work has been slow in our local and our training fund is based on contributions through working hours. If there are no hours - there are no monies remitted. This is where HRSDC should be subsidizing training for all Nova Scotians. Our geography is a barrier. Our membership covers all of NS and it is difficult to get training to those members who live in more remote areas of the province.	
Some Apprentices do not take training serious	
We need the trades people and struggle with shortages while they are training.	

²⁵ The perception of training as a risky investment with an uncertain return in retention can be addressed as a dual investment in retention and succession.

Lately there seems to be more app. electrical coming from school than is needed in the local workforce	
Not enough space available for all employees to get into courses	
It is hard to find training that teaches learnings that relate to what they should know.	

The verbatim comments in Table 9 indicate that availability of training time and training funds, and access to training in all areas of the province as well as access to the required types of training are key issues for employers. These issues apply to both trade and management training. The only additional comment for management is around training in people skills. *These comments indicate that training represents a significant time and cost investment for employers and they need to feel that the investment will provide a return for them.*

Compensation for Increased Retention

Table 10 Employer Perspective	A. How effective would this be?	B. How easy or difficult to offer?	C. Currently Offered	D. Receptivity Rating
Compensation				
1. Your company offers a core wage plus automatic profit –sharing when the company makes a profit	Effective (19%) Somewhat (62%) Ineffective (19%)	Easy (33%) Difficult (67%)	Yes (19%) No (81%)	Low
2. Your company offers the opportunity to buy shares in the company and workers would receive dividends from the company	Effective (6%) Somewhat (53%) Ineffective (41%)	Easy (33%) Difficult (67%)	Yes (15%) No (85%)	Low
3. Your company provides a performance bonus based on the worker’s productivity each year.	Effective (32%) Somewhat (53%) Ineffective (16%)	Easy (68%) Difficult (32%)	Yes (48%) No (52%)	Med
4. Your company provides a health benefits plan that includes medical and dental coverage, where the employer shares the premium with the worker.	Effective (57%) Somewhat (43%) Ineffective (0%)	Easy (76%) Difficult (24%)	Yes (82%) No (18%)	High
5. Your company provides a contribution to a pension plan for the worker.	Effective (53%) Somewhat (42%) Ineffective (5%)	Easy (75%) Difficult (25%)	Yes (68%) No (32%)	High
6. Your company matches the hourly rates that workers are getting in other provinces, to counter the effects of greater wage awareness resulting from mobility	Effective (30%) Somewhat (50%) Ineffective (20%)	Easy (14%) Difficult (86%)	Yes (14%) No (86%)	Low

The health benefits plan is considered one of the two most effective retention tools at almost 60% of employers rating it as very effective, and one of the two easiest to execute strategies in the view of over 3/4 of the employers. Over 80% of employers are already offering a health plan. It is notable therefore that only 57% consider it very effective, while 43% consider the plan to be somewhat effective. This may suggest that the employees do not feel the plan is as good as it could be and therefore it is not serving as a strong enough retention tool.

A similar situation exists with the pension plan. Over half the employers consider this a very effective retention tool and 75% consider it easy to deliver. Almost 70% offer a pension plan, which is significantly less than the percentage of employers that are offering health benefits (82%). Pensions serve as another indicator of interest in the wellbeing of the employee, and meet the employee interest in a stable income stream which is the fundamental feature of a pension plan. However, as the percentage who believe that health benefit plans and pension plans are effective is much lower than the percentage who are offering these plans - this suggests that *the details of both types of plans must be examined to determine if the expenditures in these areas are generating a sufficient benefit for both the employer and the employee.*

There is an important comparison here with employee findings. Over 60% of employees said that they wanted both pension and health benefits (see table 4 Compensation in section 6.2) as a high priority, and their availability would be an important part of their decision to stay in Nova Scotia. As this is rated easy to implement by employers, it should continue to be a focus of attention in developing a retention strategy.

All of the other compensation options are considered to be somewhat effective retention tools by over half the employers. All but the provision of an annual performance bonus for productivity are considered difficult to execute. Almost 70% believe a performance bonus would be easy to offer, but less than half currently offer a bonus. *This is an area that could present a feasible means of motivating and rewarding employees as it is tied to company performance. This may offer a solution to the issue of matching wages offered in other provinces, which is considered difficult by 86% of the employers.*

A core wage plus profit sharing is considered more effective (on a 'somewhat effective' basis) than share purchases offering dividends, but both options are considered difficult to do by over 2/3 of the employers.

Comments on compensation included:

Table 11 Comments on Compensation for Tradespeople	Comments on Compensation for Management
Good wages and benefits supplied by all employers.....not just a few	Profit sharing
One rate across Canada	Incentives package
Standard wage across the province.	Increasing the limit of disability compensation to all employees

	over the \$40,000 pay threshold
Allow expenses of traveling to be tax deductible.	Customers not willing to pay the rate
We would love to offer more money but hard to compete in a much smaller market	Profitability concerns
Get rid of unskilled people working in trades along with the moonlighters	
Cost and profit is a barrier	
May be difficult to compete with increased costs	
A set rate by all employers and then they could set up some incentives that would help keep them with your company	
Customers not willing to pay higher rates	
Within the apprenticeship program the instructors advise on union wages and push joining the union or demanding wages beyond the going rate of the industry and the skill level of the apprentice	

Comments indicate that paying higher wages and salaries is not supported by their financial situations. However there is recognition that wage disparity across the country and across the province is an issue for retaining employees. Presenting compensation as a total package including health, pension and training benefits, and bonuses for productivity may enable lower wages to be acceptable if steady work becomes the focus of retention efforts. This may require new thinking around collaboration and cooperation among companies in Nova Scotia to jointly pursue the objective of keeping people employed year round.

6.4.4. Succession

The final topic examined with the employers was succession planning, which includes two focuses:

- Ownership of the Business: What will happen when the owner(s) retire or decide to sell the business?
- Key Personnel Succession: What will happen if key personnel who have substantial knowledge and skills decide to leave or retire?

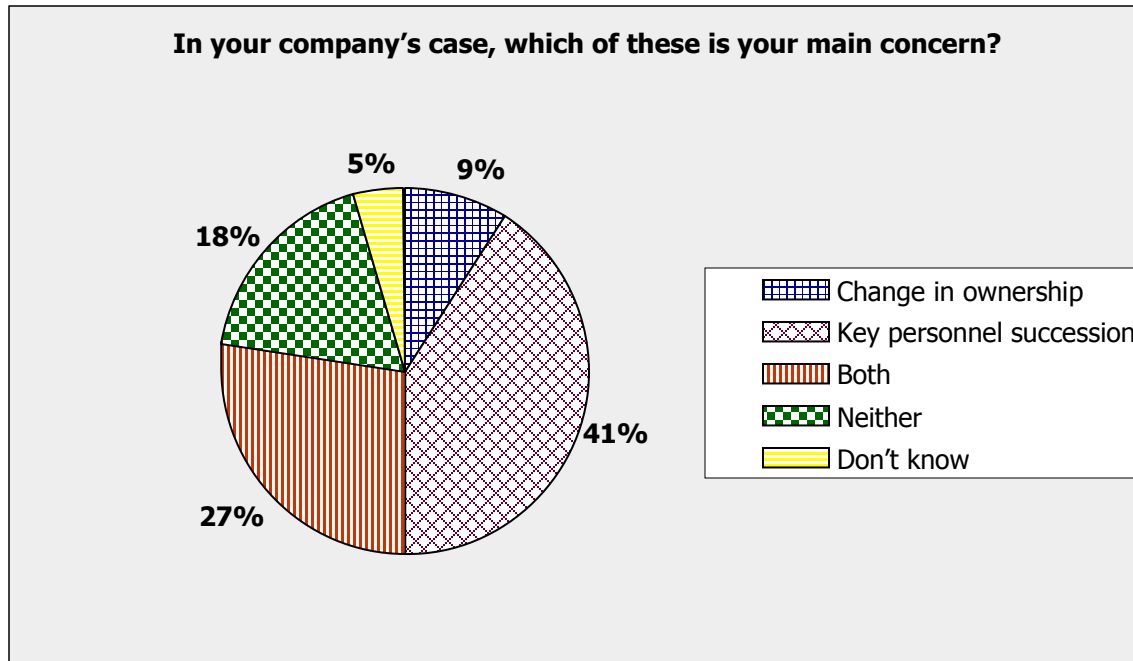


Figure #20 Employer's concerns with Succession

Figure 20 shows that the succession of key personnel is the dominant concern among the employers (41%). For an additional 27% of employers their main concern was both key personnel succession and change in ownership of the business. Nearly 10% were concerned only with succession of the business. Almost 20% were unconcerned with either of these succession issues, while all but 5% had an opinion on this subject. *This data indicates that succession of key personnel is a primary concern for 68% of the employers.*²⁶

²⁶ The findings with regard to succession planning in this and the next chart are consistent with those of a survey by the Canadian Federation of Independent Business (CFIB). See Section 7.5.2

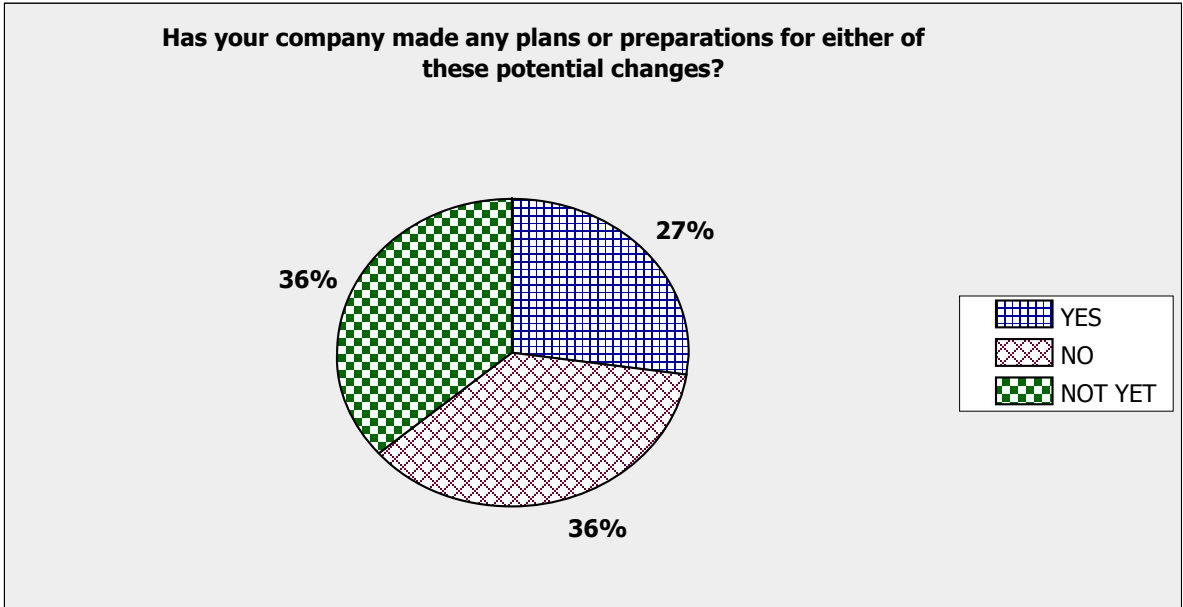


Figure #21 Employer’s Succession Planning

Figure 21 shows that despite the concern over succession in some form by 77% of the employers, only 27% had made any plans or preparations to address their concerns. These plans included mainly training of existing and new personnel. *This indicates the need to raise the subject of succession planning with employers to address both loss of skill through mobility as well as retirements.* One employer did note that “a succession plan is in place with new ownership being trained and groomed for the future”.

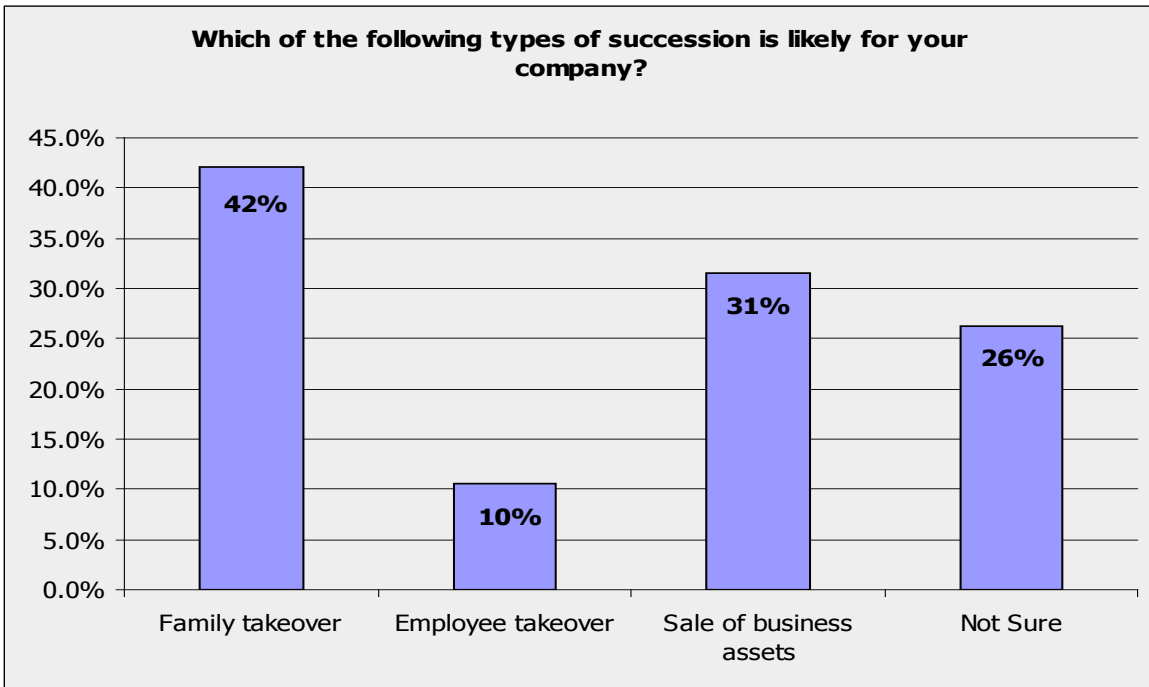


Figure #22

Figure 22 shows that about 25% of the employers were not sure what form the succession of their company would take. Of the rest, family takeover predominated at 42% followed at a distance by the sale of business assets at 31% of employers. The least likely scenario was an anticipated employee takeover.

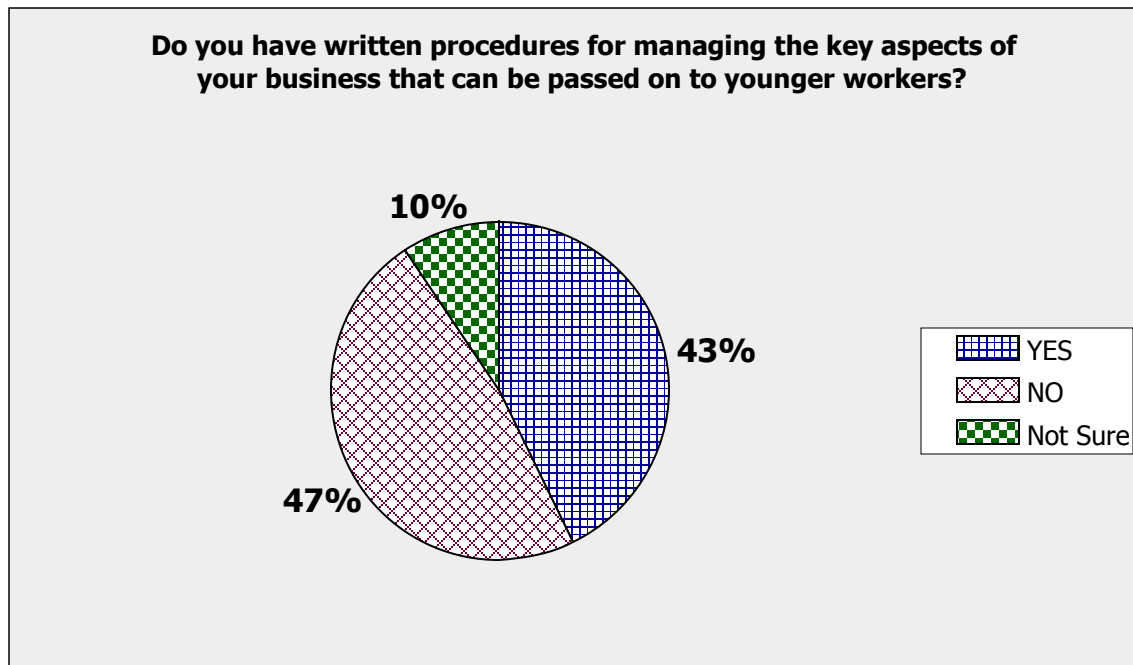


Figure #23 Availability of documented procedures

One important aspect of succession planning is documented operating procedures for the company. As Figure 23 indicates, less than half of the employers have written management procedures that can be passed on to younger or other workers in the event of an unexpected emergency or in preparation for a planned change.

This is a concern as only 24% believe their workers have sufficient leadership skills (i.e. foreman, supervisor, estimator, administrator, manager, etc.) to take over the business if necessary. Almost half (47%) believe their people have some of the leadership skills they need, while 14% report their people absolutely do not have the skills they need and another 14% don't know. This indicates that *raising the profile of succession planning is a necessary initiative for the Nova Scotia Construction Sector Council.*

The employers were asked what, in their opinion, could or should be done to better prepare people for leadership. Their suggestions include:

- *Let them take a leadership role*
- *Leadership training should be given earlier. We make it available to younger members which helps them as they grow into foreman and supervisory roles through their career.*
- *Mentoring, training courses*

- *They must be comfortable with themselves before they can be comfortable with others. Clear your life of any garbage and take lots of good management and supervision courses . You're only as good as the people you work with.*
- *Some people are just natural leaders the knack is finding them and working with them to groom them as leaders. Some will step up and others will not. Training helps with this but sometimes just working with and gaining the respect of their fellow workers is the best training around.*
- *Having a good understanding of their trade*
- *Have leadership classes*

These comments focus on mentorship and training by doing/on the job, augmented with courses. Development of a succession program that includes these three components combines:

- the example of leadership (mentoring and channelling),
- the experience of leadership (being given and taking responsibility in a controlled and monitored environment)
- the exposure to leadership methods including people management and business management in courses.

Employers can further strengthen this program by developing written procedures that capture necessary information for their business as well as proprietary or competitive strategies for acquiring business.

The employers were asked, if they were planning to sell their business, how long in advance of the planned sale would they expect to start preparing. Almost all of them did not know the answer to this question. Of the 6 who provided an answer to this question the average was about 2 years in advance²⁷. This further indicates the need to make succession planning a focus for employers.

²⁷ Interviews with companies that have successfully implemented a succession plan suggest that it often takes significantly longer than two years in practice.

6.4.5. Relative Importance of Succession, Retention and Mobility to Employers

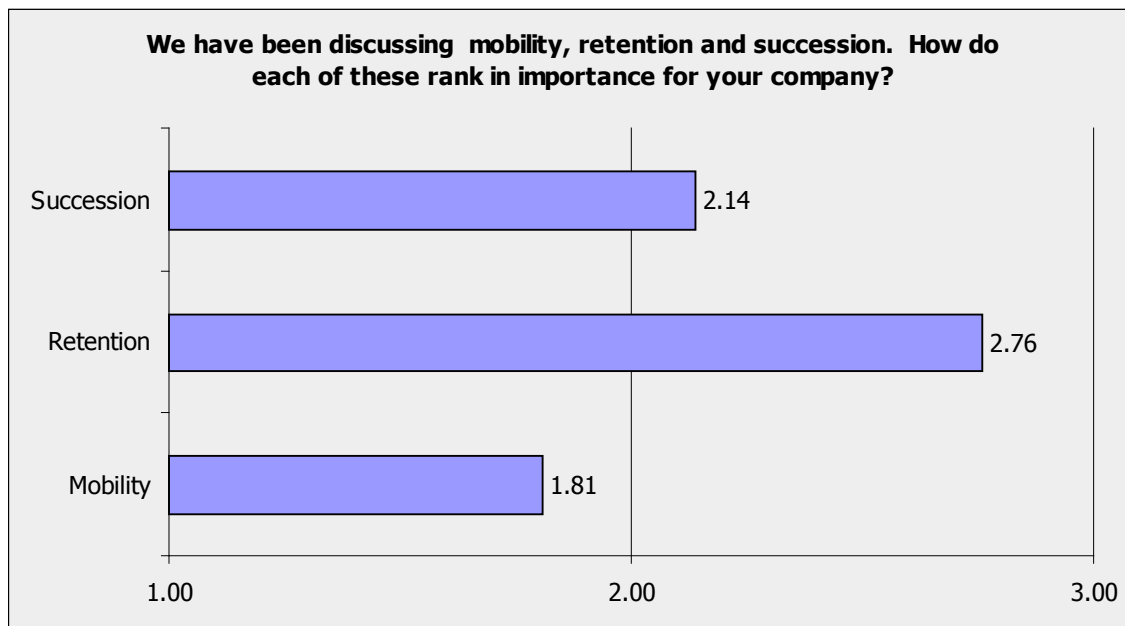


Figure #24

Figure 24 profiles the importance of each of the key subjects of this study. The 1 on the scale represents "least important", the 2 represents "somewhat important" and the 3 represents "extremely important". The average rating is highest for retention at 2.76 out of 3. This indicates that retention is their dominant concern, of the three issues rated. This is followed by succession. Mobility is also a concern but a lesser one.

In the early charts of this employer data section, it was noted that their main issue was the attraction of specific skills versus retention. Therefore retention as their main issue, compared to succession and mobility, very likely includes attracting people as well as concerns for retaining them in the future, since retention is not an immediate problem.

The focus on retention and the present economic climate coincide to offer an opportunity to work with employers on strategies and programs targeting retention for when the economy recovers. As retention and succession are functionally inter-related - this is also an opportunity to address both of these areas to prepare for the intermediate term (retention) as well as the long term (succession).

6.5. Summary of Findings - Employers

Summary of Findings from the Employer Survey	
1.	Employers state that both employee retention and succession planning are important to them.
2.	Employers comment that effective and highly rated approaches to employee retention are: <ul style="list-style-type: none"> • Offering a 40 hour work week year round • Providing good Medical, Dental and Pension Benefits • Giving recognition for work well done, as well as performance bonuses • Supporting career track and technical training
3.	On balance, employers are positive regarding the effects of labour mobility
4.	Less than half of companies state that they have written procedures in place for managing and operating the business
5.	Less than one third of companies state that they have a succession plan in place, although a much higher proportion had a concern with succession, particularly with respect to key personnel succession

6.6. Aligning Employee and Employer Findings

There is strong alignment between the key findings related to retention planning that are identified by both employees and employers:

- Both are concerned with a steady year round work situation with reasonable compensation²⁸
- Both recognized pension and medical benefits²⁹ as critical
- Both identified the value of employee recognition and bonus plans
- Both saw career and technical training as priorities
- Both showed an interest in and willingness to cooperate on flexible work hours e.g. a 4x10 work week.

These findings from the surveys and interviews, together with other more detailed observations, provided key input to the recommendations of this report.

Observations related to mobility in the surveys and interviews, made by both employers and employees, and employers' responses on succession planning, were also major guidance to the recommendations on those subjects.

²⁸ This finding was very strongly represented in employees' interviews and written responses, and indicated as important in both employers' and employees' survey responses.

²⁹ Note that employees also stated that benefits in Nova Scotia were as good as or better than those in other Provinces.

7. Findings from Interviews and Research

7.1. Introduction

Primary research for his study included the detailed employer and employee surveys described in the previous section, and additionally a number of:

- Employer interviews
- Interviews with individual employees
- Interviews with other key informants

Secondary research focused on literature surveys and reviews, which was used to guide the questionnaire scope and formats.

These findings are consolidated into the three key areas that were the subject matters for the research:

- Labour Mobility
- Labour Retention
- Succession Planning

Section 7.2 below addresses the topic of employment structure in the construction industry that underpins all of these findings. The following sections separately summarize the Mobility, Retention and Succession findings. A final topic of other findings and observations presents a summary of information encountered during the surveys or research which, although tangential to the core subject matter, nevertheless had some relevance to it.

7.2. Employment Structure in the Construction Industry

Employment structure in the construction industry varies greatly with business size, business focus and industry sector. However, it can be stated that construction firms tend to have employees in the following three categories:

Salaried Staff: This is typically a small (sometimes very small) full-time group of managers, and often business owners and/or partners. It can also include administrators, human resource staff, draftsmen, engineers, estimators, quantity surveyors, contract managers, salespeople, depending very much on the type of firm. It is common to find one individual in more than one of these roles; in small businesses the owner often carries out most or all of them.

Core Tradespeople: Most companies have a core group of tradespeople including foremen, journeypersons, and perhaps some apprentices that are with the company year round, or virtually year round. Although these teams will move from job site to job site, and contract to contract, the employer will typically try to retain them on a permanent basis. Although numbers vary greatly, it would be fairly typical to find that around half of a company's average roster of employees fall into this category.

Other Workers: These employees will include journeypersons, apprentices, labourers and other workers that are engaged for a particular job or contract, and released when completed. Workers in this category may again represent around half of a company's workforce; this varies greatly from company to company. These workers may be hired through the union local as they are required, or in the open-shop sector through a roster maintained by the Merit Contractors Associations, or through other recruitment means.

Another scenario includes construction companies that also have a manufacturing or fabrication facility. Employees in this part of the operation may or may not be union workers, and distinct from those involved in field erecting and construction of the finished product. Again, there is a great deal of variation from company to company.

7.3. Labour Mobility Findings

7.3.1. The General Situation

The National Construction Sector Council study "Working Mobile" cited in Section 2 of this report succinctly summarizes the general situation regarding mobile work in the construction industry:

*'Although working mobile is a "natural consequence" that most acknowledge comes with the heavy construction industry, there is clearly a sense of resignation to it. Especially for those who come from areas of the country where there is inadequate construction work to keep them working steady.'*³⁰

Mobile working "goes with the territory" of working in the construction industry. Workers often have to travel to another Province to find work, and many construction workers working on projects in their home province for local employers find themselves actually to be involved in mobile working. Mobile working has a long history in the industry, and faced with either economic necessity or employer requirements workers accept working away from home.

What matters is the appropriate ways in which both employers and employees can accommodate the need for a degree of mobility, to the benefit of each and the industry as a whole.

7.3.2. Labour Mobility Impact on Employers and Industry

Construction industry workers have left Nova Scotia to work in major industrial projects in Western Canada in large numbers over the four years and more prior to 2008^{31,32}. Although this has had a major impact on employees, particularly

³⁰ Working Mobile: Labour Mobility in Canada's Industrial Construction Sector, Construction Sector Council, 2005

³¹ Labour Market Brief, Nova Scotia Region, Service Canada, November 2007

³² "The extent of past movements of the CSC trades and occupations out of Atlantic Canada to the West is apparent in the data from 2001 to 2007." National Construction Sector Council, Construction Looking Forward, Atlantic Canada, Labour Markets from 2009 to 2017.

those that have worked away from home for extensive periods, employers have not reported that it has had a significant effect on their business. They have not indicated that it has given rise to difficulty in recruiting, with the exception of certain specific skills that are in short supply (see figure 15 in section 6.4.1).

Some unions that were interviewed reported more than three-quarters of their members working outside of the province, although such a high proportion is not the norm. More typical would be one fifth to one quarter of the membership, still significant numbers.

This all suggests that at least in the recent past the major consequence of labour outmigration has been one of picking up the slack in the workforce, rather than depleting employers of workers that they needed to fulfill their business obligations.

The economic downturn has led to significant numbers of these migrating workers returning³³. This cohort of returning workers will undoubtedly help to offset a shortage caused by projected retirements and increased investment in construction in the region that is now expected.

7.3.3. The legislative and regulatory context

The construction industry has for a long time recognized the reality, and the need for, labour mobility through a reasonably high level of recognition of trades qualification standards that are adopted nationally. The “Red Seal”³⁴ journeyman certification in many trades is fairly well accepted. This means that the Construction Industry is more advanced than some industries in reducing barriers to mobility.

These barriers are anticipated to be further reduced by the draft amendments to Chapter 7 of the Agreement on Internal Trade (AIT)³⁵. The effect of these proposed amendments, when implemented, can be summarized as follows. The regulating authority in a jurisdiction (in the case of Nova Scotia, the Department of Labour and Workforce Development) can only reject a trade certification from another jurisdiction where it can demonstrate that a specific component of a trade certification from the other jurisdiction does not meet a specific local requirement. Only that specific component can be rejected, and the jurisdiction must show how it could be met.

³³ “Weakening construction conditions in the rest of Canada are already freeing up skilled trades and prompting a return to Atlantic Canada”, National Construction Sector Council, Construction Looking Forward, Atlantic Canada, Labour Markets from 2009 to 2017.

³⁴ The Interprovincial Standards Red Seal Program was established more than 45 years ago to provide greater ease for mobility of skilled workers throughout Canada. The program is administered in each province and territory under the guidance of the Canadian Council of Directors of Apprenticeship (CCDA). Each province and territory has an appointed Director of Apprenticeship for this purpose. <http://www.red-seal.ca/> gives further information.

³⁵ Forum of Labour Market Ministers (FLMM): Revised Text for Chapter 7 (Labour Mobility) of the Agreement on Internal Trade (AIT), August 2008

Proposed changes to the Agreement on Internal Trade eliminate previous residency rules, and also allow for the transfer of Apprenticeship Agreements between Provinces.

The effect of this will be a continued lowering of barriers to mobility, as it falls on the regulatory authority to prove that a standard cannot be met. It should be noted that the AIT explicitly recognizes the Inter-Provincial Standards “Red Seal” as the general nationally accepted standard for journeypersons across Canada.

Employers and the industry generally should recognize that labour mobility can be expected to increase when the current economic downturn ends. Employers who recognize and accommodate this reality by implementing effective employee retention programs will find themselves better positioned in the marketplace with a stronger workforce.

7.3.4. Barriers to Labour Mobility

While barriers to labour mobility are being lowered, they have not been entirely eliminated. The most commonly raised issue that the study encountered was that of the “Provincial Ticket”. Prior to the mid 1990’s apprentices taking their final examination to achieve journeyperson status, and those who did not achieve the grade necessary for their “Red Seal” or “Inter-Provincial Ticket”, could be issued a “Provincial Ticket”. This level of certification allowed the worker to practice as a journeyperson within the Province of Nova Scotia, but was not recognized nationally. “Provincial Tickets” are no longer issued by the Department of Labour and Workforce Development.

However there are a large number of primarily older workers who have this level of certification only and who are therefore limited in their ability to work outside of the Province. This barrier to mobility remains for what is at least for the present a significant section of the construction workforce. Older workers report that the examination process for this upgrade can be challenging as they have been out of the practice of writing examinations for many years. Many of them have requested a more practical evaluation method as an alternative upgrade path.

Nova Scotia has a number of compulsory certified trades, but has no wish to put competent workers out of a job for lack of certification. In some cases (some older workers, ESL workers, those with severe exam anxiety) the existing Interprovincial Exam might not be an appropriate certification test. Nova Scotia Community College (NSCC) has been contracted to develop and pilot an alternative (practical) examination for each of these trades. The exams will belong to and be administered by Apprenticeship Training and Skill Development Division of the Department of Labour and Workforce Development.

In addition, British Columbia has a project underway to discover if a practical examination could be shown to meet the standards for the award of a Red Seal, and a committee convened by the Canadian Council of Directors of

Apprenticeship (CCDA)³⁶ is monitoring the progress of the project, now in its pilot phase.

Union members can seek opportunities in other jurisdictions through their union contacts; non-union workers in the “open-shop” sector do not have this channel available to them. They must use other, sometimes less accessible means, such as local job advertising. The Merit organizations across Canada do provide some assistance with this, but have less structure and facilities than those available to union members.

Some workers noted that while, in general, unions in other Provinces will recognize and cooperate with their own local, in terms of such matters as benefits, recognition of seniority etc., some are less helpful. This varies from union to union (and sometimes from local to local). It can be reasonably expected that where cooperation is limited, this barrier may increase with an economic downturn. This is likely to result in pressures by union members for employment in their own Province, restricting employment opportunities for workers from out of Province.

7.4. Labour Retention

7.4.1. Retention Situation Overview

Labour retention – how to encourage key employees to stay within a firm, within an industry or within a Province – has become an important concern for both the construction industry and many other industries³⁷. In industries, including construction, that are increasingly dependent on the skills and knowledge of an experienced workforce, retaining those skilled employees is an important factor in the success and survival of the enterprise. Findings from employers, employees, published literature and other sources dealt with many common themes and issues regarding Labour Retention.

The focus of the discussion of labour retention is on retention of a firm’s Core Tradespeople and Salaried Staff as defined in Section 7.2 above. That is, construction companies will always have a relatively large proportion of their workforce who are only employed for the duration of a contract. So long as they know that these Other Workers (see Section 7.2 above) can be recruited when needed, they typically will not form part of the retention strategy although they may well be affected by it. However, it should be noted that group does form an important part of Nova Scotia’s overall construction labour pool, and retaining its presence in the Province should form part of the industry’s workforce strategy.

An important factor that all interviewed companies relayed is that there is very little turnover of Core Tradespeople and Salaried Staff in the current economic climate. Companies reported retention rates in excess of 95% and higher over the last several years, with turnover approaching zero in the last two years.

³⁶ CCDA is responsible for the management of the Interprovincial Standards Red Seal Program.

³⁷ See for example Canadian Labour and Business Centre: Employee Retention, Labour Turnover and Knowledge Transfer, Lochhead and Stephens, April 2004.

Similarly many commented on the surplus of available potential employees. This is undoubtedly at least partially due to the economic downturn and the shortage of sustainable work. This was summed up as “employees are not leaving because there is nowhere to go”.

Similarly employers reported little difficulty with recruitment. Recruitment methods and strategies were not subject matters for this study, but employers that were having difficulty with recruiting new workers could reasonably be expected to have difficulty in retaining workers that they already had. Employers mentioned that in 2006 the labour market appeared to have tightened and that they had to be more aggressive in recruitment to hire any people that they needed. This was no longer the case. It is noteworthy that the period when shortages were reported, 2006/2007, corresponds with a peak period for out-migration from Nova Scotia (see chart in section 4.4).

There is a risk of complacency. The current economic conditions are not likely to continue forever. Although all forecasts must be treated with care and reviewed in the light of the market effects of late 2007 and 2008, there are still predictions of long term growth and large capital investments in infrastructure projects in all Provinces, including Atlantic Canada³⁸. Recent publications predict that there is still a very real risk of shortages of skilled workers on the horizon³⁹. This will almost certainly require that employers give more attention to their Labour Retention (as well as Recruitment) strategies.

An equally important issue is the high rate of retirement that is predicted in the next five years. The Atlantic Provinces Economic Council predicts retirements in the construction industry to be in the range of 23% to 25% of the current workforce by 2015⁴⁰. The 2007 Labour Market Study⁴¹ for NSCSC-ICI observes that this number could be as high as 40% by 2017. Although the recent economic downturn has caused (or forced) many older workers to reconsider their retirement plans⁴², the fact remains that there is a strong likelihood that the industry will change from a labour surplus to a labour shortage. Companies that have implemented effective retention strategies will be better positioned to hold on to their skilled workers as the labour market becomes more vibrant.

Despite the view of employers that turnover is low at present, all considered labour retention to be important, especially retention of their key and more highly skilled employees. During the interviews and the surveys it was noted that many employers in companies of all sizes are paying attention to labour retention as an

³⁸ The Impact of Fiscal Stimulus in Canada's Construction Industry, National Construction Sector Council, March 2009

³⁹ The Developing Workforce Problem: Confronting Labour Shortages in the Coming Decades, McNiven and Foster, Atlantic Institute for Market Studies (AIMS), January 2009.

⁴⁰ Atlantic Provinces Economic Council (APEC) Trends and Issues analysis, Building for the Future: An Economic Profile of Atlantic Canada's Construction Industry, December 2005.

⁴¹ Labour Market Assessment, ICI Sector, Nova Scotia Construction Sector Council, March 2007

⁴² For example “Rethink Retirement” 2008 Survey by Desjardins Financial Group: (Of those surveyed) “30% don't think they'll be able to retire at their ideal age. The main reason? For two-thirds of them (66%), it's quite simply that they won't have enough money. Nearly one in three (31%) hope to delay their departure from the workforce for as long as possible.”

important part of the management of their businesses. It is encouraging that even though they are aware that not many skilled employees are likely to leave in the current labour market, they have implemented many of the policies described in the next section because they understand the benefits of offering job satisfaction, opportunities to grow, and a positive working environment.

7.4.2. Retention Strategies

Companies that have sustained a low level of employee turnover over the long term, and that have successfully retained the key skills and competencies that they need, reported a number of important strategies that have been successful. These strategies are consistent with findings from published literature that focuses on employee retention in the construction industry⁴³. Many of these focus on *greater flexibility*. The construction industry has historically been managed with a “command and control” mentality. Progressive firms have started to change this thinking, and recognize the need for leadership that includes workers in the decision making process, adjusting the workplace where possible to meet their needs.

Some of the most important strategies that are reported⁴⁴ and that were also commented on by companies that have been successful in retaining and developing their skilled workforce include:

Year Round Working: employees who are laid off during winter months may not return when the spring construction season commences. One of the most common comments recorded from workers who had left Nova Scotia to work elsewhere was the shortage of *consistent*, year round work in this Province. Employers who adapt their business in the winter months to other work may be able to support their workforce this way during the off season. One employer interviewed actually encourages workers to take short-term employment outside of Nova Scotia during the winter, guaranteeing them a job when they return in the spring. Another employer used the winter months to fabricate Jersey Barriers (traffic dividers). Employees and Employers typically regard 2000 hours of work per year as Full Time, but many employees would be satisfied with as low as 1500 hours a year if it was steady and predictable.

A tougher strategy for employers who want to ensure that their core, skilled employees have consistent year round work is to actually shrink the size of that part of the workforce to the number that they can ensure will have full-time, all-year employment. They believe that by making this difficult decision they can improve the prospects for both the company and the skilled workforce by ensuring sustainability of work and the business.

⁴³ For example see Ted Garrison, *New Construction Strategies: How To Attract And Retain Workers In The Future*, Garrison Associates 2008.

⁴⁴ Reports such as *Profitable Contractor: Retention Tools*, Dawn Ralph in *Construction News* November 2007; and *Proactive Employment Retention Requires a Person-Centered Plan*, Shawn Abraham, *Structural Group*, in *Engineering News – Construction*, September 2007.

Compensation: Compensation is important, as is flexibility in compensation. Most commentators agree that “It’s not about the money” and in the union sector compensation, in any case, is primarily the result of the collective bargaining process⁴⁵. An important part of an employer’s retention strategy is a focus on appropriate overall compensation for their key employees. Retaining these workers requires continuous assessment of local market conditions, as well as alignment of pay with promotion and advancement opportunities.

Recognition through bonus plans for a high level of personal and business accomplishment is rated highly by both specialist commentators and employee surveys (see table 4 in section 6.2). Both employers and employees have reported the importance of bonuses that reflect performance, of both the business as a whole as well as of individual contribution.

Benefits: Closely allied with compensation is the benefits package offered (in fact, from an employer’s perspective, they may be seen as one and the same thing; they are both a cost of hiring and retaining employees). Employees see value in a pension, health and other benefits package, and it is important for employers to provide a competitive offering. Employers have also responded demonstrating the importance of these benefits. It should be noted that Pension Plans, rated as having high importance to employees and employers in the survey, are undergoing an industry transformation, particularly in changing from Defined Benefit to Defined Contribution⁴⁶ (essentially a form of retirement savings plan, often with an employer contribution). This suggests that employees should be encouraged to become well informed on the subject of retirement savings and planning.

Flexible hours: adopting the four 10 hour day work week, particularly when the job site is located such that workers have to travel and stay away from home. This improves life balance for employees, while still providing a makeup day for bad weather. This was one of the most widely observed strategies, both in publications and by employers interviewed. Companies whose main work is subcontract did note that this approach to the work week is only feasible when the General Contractor will allow it. Employers must also be aware of collective agreements on this topic: some will allow flexible work hours, some will not, and some will allow flexible hours with the agreement of the workers.

Learning, Training and Advancement: There are many good reasons for employers to develop and support training and advancement for their employees. Technical (craft) training ensures that standards are maintained and enhanced, and that new products and methods are embraced.

⁴⁵ From the worker perspective it is of course all about the money generated from *steady* work

⁴⁶ See for example the report from Buck Consultants to the Nova Scotia Pension Review Panel, July 2008, which among other observations states that “Defined Benefit pension plans will die a slow death especially in the single employer private sector”.

Supervisory and management training not only demonstrate commitment to employees and the value that they bring, but also help to address the issues of succession planning (see next section). Flexibility is needed here: instead of forcing workers to go to school at night, some employers will pay selected workers to go to class a day a week.

In the long term, training can help to address two challenging issues. The first is the need to increase productivity. Productivity (and productivity increases) in the construction industry has lagged⁴⁷ other sectors, although these may have started to improve⁴⁸. Productivity is affected by workplace *management* skills: scheduling, task alignment, efficient and correct ordering and availability of materials and supplies, among others. Gains in productivity will help to address any forthcoming skills shortages as output increases. Employees typically welcome the opportunity to gain new skills and to be more effective on the job.

The second, and substantial, issue is cross-training – learning and applying more than one skill within a trade, or an additional trade. This has often been resisted, but the increasing complexity of new buildings, together with integrated design techniques such as Building Information Model (BIM)⁴⁹ means that more work practices will cross disciplinary boundaries. Progressive employees and employers will welcome these changes together with the improvement that they bring to owners in terms of the quality and cost of the finished product, as well as the expanded business and job opportunities.

Employee Participation and Communication: Communication is a basic building block of any effective retention practice⁵⁰. Kaye and Jordan-Evans provide an excellent summary of the rationale:

*Conspicuously withholding information can lead to deleterious consequences within the organization. When top leaders share information and expect other managers to share it with employees, employees tend to feel more included and their trust is reinforced, resulting in smaller dips in productivity during crises. Additionally, informed employees are sometimes able to provide solutions to otherwise unresolved problems. Information sharing includes: strategic directions, the organization's and industry's future, emerging trends that could affect career possibilities, and other cultural (and) political realities affecting the organization. These types of information help to support employee career development and advancement.*⁵¹

⁴⁷ Productivity Trends in the Construction Sector in Canada: A Case of Lagging Technical Progress, report for Canadian Mortgage and Housing Corporation (CMHC), November 2001.

⁴⁸ Construction Industry Productivity: Its History and Future, Preston Haskell, December 2004.

⁴⁹ Building Information Modeling, C. Eastman, Georgia Institute of Technology, 2007.

⁵⁰ Canadian Labour and Business Centre, report on Worker Retention for the CPSC, 2007

⁵¹ Getting Good People to Stay, B. Kay and S. Jordan-Evans, Berrett-Koehler Publishers, 1999

Employees that want to stay in an organization also want to be part of the organization. They want to be engaged in business process, understand decisions that are made, and influence them when it is appropriate.

Understanding Why Employees Leave: To retain skilled workers, employers first need to understand why they would want to leave. Again, money is rarely the issue. Although it was clear from the survey that employees did leave Nova Scotia to work in Alberta (and other Provinces) for higher pay, this was more because of the need for and availability of consistent work hours. They would not choose to leave if regular work at reasonable pay was available in Nova Scotia (see section 6 Labour Mobility Survey Findings for further details).

Other more pervasive reasons that employees leave include:

- lack of opportunities for advancement;
- skilled employees that do not understand (or do not agree with) the employers' or business owner's vision and direction for the business;
- lack of cooperation and communication in the workplace.

All of these factors can be addressed through management style, leadership, flexibility, communications, and focus on training and development that have been outlined above. However, it is vital that employers should first understand the issues that are affecting and concerning their employees as a key element in developing an effective retention plan. Exit interviews with staff that leave are an important part of this learning process.

7.5. Succession Planning

7.5.1. Succession Situation Overview

It was in the area of Succession Planning that the widest variation exists in what companies have done, what companies are doing, and what companies need to do. There are two key business contexts for succession planning:

- The need for planning in the event of change in ownership of a business, because of retirement of the current owners or other factors
- The ability to have replacements for key workers at supervisory, management, or specialist levels within the organization, because of expected retirements of incumbents, or to address their promotion out of their current roles.

The two are of course, not exclusive of one another, and many of the planning observations apply to both.

Many small and medium sized construction companies are family owned businesses, often with owners who are nearing retirement. Many were established by so-called "baby-boomers", meaning that there is a larger than normal cohort reaching retirement age. This they have in common with small and medium enterprises (SME's) generally. Small and medium-sized

construction firms can learn from the publications and specialist skills that are available to all SME's for much of their succession planning.

A similar situation arises within the business as employers look for ways to ensure that there are skills available to replace those workers that are advancing towards retirement. A specific challenge is that many small and medium sized companies have historically relied on the knowledge that is "in the heads" of these senior employees. With advances in technology and complexity of construction methods, and with the more sophisticated expectations and training of younger workers, emerges a challenging transition process: how to get this information into an orderly structure for the business to continue.

Companies were found to be positioned right across the spectrum in succession planning, from no plans at all (although a recognized need for them) to comprehensive, in-place plans at multiple levels within the organization, and with active monitoring of their maintenance and application.

7.5.2. Succession Planning – Ownership Change

Large organizations considering a change in ownership most probably will retain specialist advice, in terms of lawyers, accountants, professional business advisory services, etc. Their needs for succession planning, although based on a set of issues that are comparable with those of SME's, are much more complex in size and scale and are beyond the scope of this report. Typically such firms have human resources and accounting staff that can assist in establishing robust succession plans. In very large firms this will be driven by corporate requirements and standards.

Owners of small and medium-sized construction companies may look for options when transitioning their business:

- Sale of the enterprise
- Transition of the business to the current managers or partners
- Transfer to another family member

Again, there are many nuances – a sale, for example, could easily be, and often is, to the current management team.

In all of these cases, there is much preparation work to be done. Even small businesses that have a succession plan in place relayed that it took up to five years to successfully develop the plan and implement it. Whether the plans are to sell the business, or for a more internal transition, many of the factors are the same. New owners, whether new to the company or existing employees in a new role, will want to be sure that the business is sustainable. They will need to understand the financial stability of the enterprise, its customers and the state of

the relationships with them, work practices, loyalty and retention of the workforce, and the businesses' organization and methods⁵².

Employers that have successfully implemented succession plans have ensured that there is a trained, typically younger, management team in place ready to run the business. Owners have frequently moved themselves into advisory roles, rather than hands-on operational roles, so that a transition can take place smoothly.

It was noted from many sources that cohesive management training for the Construction industry is weak. Supervisors and well trained tradespeople commented on the difficulty in acquiring the skills necessary to run a business, and that they typically had to learn them piecemeal. It has been documented elsewhere⁵³ that technical journeyman training programs rarely provide management training, leaving a gap for both the business and the employee's opportunities for advancement. Yet highly skilled and experienced tradespeople are likely to be a valuable source of the next generation of management. This is an important issue for succession planning, as without a leadership trained in construction management the business is unlikely to flourish under the new ownership structure.

The Alberta Apprenticeship and Industry Training, Achievement in Business Competencies (Blue Seal) Program⁵⁴, has tried to fill this gap. The Blue Seal certification includes training in Accounting, Administration, Business Law, Business Mathematics, Economics, Entrepreneurship, Finance, Human Resource Management, Industrial Relations, Leadership, Management, Marketing, Project Management, Public Administration, Operations Management, Organizational Behaviour, and Supervision, that is, all of the essential skills needed to manage in the construction industry.

The Acadia Centre for Small Business and Entrepreneurship (ACSBE) conducted a study⁵⁵ for the Nova Scotia Department of Labour and Workforce Development (then the Nova Scotia Department of Education) into the Blue Seal program and made recommendations as to how acquisition of these skills could be incorporated into, or added to, the current curriculum.

The Gold Seal national certification program for construction, managed by the Canadian Construction Association and delivered in conjunction with regional Construction Associations, accredits courses for Project Managers, Estimators, Superintendents and other Supervisory Levels towards certification. Both the Better SuperVision and Leaders Building Leaders courses⁵⁶ provide credit

⁵² Succession Can Breed Success, Bruce & Picard, Canadian Federation of Independent Business (CFIB), June 2005. This paper notes that in the CFIB survey only one third of businesses have a succession plan – the majority of these plans are informal.

⁵³ Quality Management Program Assessment for the Nova Scotia Construction Sector Council – ICI, Novus Consulting, Costello Fitt, and Field Experts, March 2008.

⁵⁴ Alberta Apprenticeship and Industry Training Board, Business Credentials Program

⁵⁵ Exploring a business competencies endorsement for journeymen in Nova Scotia, ACSBE, March 2006

⁵⁶ Offered through NSCSC-ICI

towards Gold Seal Certification. The Merit Contractors Association offers comparable courses in similar topics. All of these training programs provide a valuable progression towards business management.

One important set of findings from the ACSBE study referred to above relates to their consultations with Financial Lending Institutions who noted, among other observations, that:

- “Most lenders indicated that generally their trade-related clients do not have the necessary management skills to effectively operate a business.”
- “Clients are often turned down for business start-up financing if they do not have the necessary skills to successfully manage a business.”
- “All lenders indicated that there is a definite benefit for clients to obtain management training.”

These are important considerations for company owners wishing to obtain initial or working capital to fund their businesses; they are also vital in planning for succession as new owners are likely to face similar financial demands.

Business owners planning for succession frequently need outside advice. A number of academic, not-for-profit and community support organizations provide small and medium sized businesses with succession planning; a notable example is the Canadian Association of Family Enterprises (CAFÉ)⁵⁷ who provides such guidance to family owned business; many small construction firms fall into this category. The Acadia Centre for Social Entrepreneurship (ACSBE)⁵⁸ provides some programs and services in this area. The Business Development Bank of Canada⁵⁹ offers advice to owners planning to sell their business, as does Industry Canada⁶⁰.

Many accounting firms, business consultants, lawyers and other advisors can also help with providing the specialist information that many business owners may not otherwise encounter in their day-to-day business dealings. Such subjects include business valuation, tax, intellectual property, transfer to another family member (where appropriate), and other matters.

7.5.3. Succession Planning – Internal Transition

A complete succession plan for a business recognizes that promotions and advancements within the business will take place, and are desirable for the business to prosper. The plan will address the reality that senior and skilled workers will leave, they will retire, and they will be promoted to management positions. A soundly run business will plan for these eventualities, expect them and even encourage them. *Opportunities for advancement are a critical*

⁵⁷ Canadian Association of Family Enterprises, Oakville, Ontario, <http://www.cafecanada.ca/>

⁵⁸ Acadia Centre for Social & Business Entrepreneurship (ACSBE), Acadia University, Wolfville NS, <http://www.acsbe.com/>

⁵⁹ Sell My Business, Business Development Bank of Canada, see Succession Planning at <http://www.bdc.ca/>

⁶⁰ Building a Succession Plan, Industry Canada, see SME Direct at <http://www.ic.gc.ca/>

requirement for employee retention (see Section 7.4 above); but for employees to advance there must be trained workers ready to succeed them.

A number of best practices that are being implemented, particularly in larger firms, were encountered through the interviews and research process. Smaller businesses could usefully learn from these experiences as they grow and as their internal dynamics change:

- Have job descriptions in place for all workers, job descriptions that are meaningful and maintained as the jobs change, so that new workers can understand what it is they have to do and how they are supposed to do it.
- Have written procedures for how the business is run, how estimates are prepared, how the job site is managed, how work is planned and progress is reported, how contracts are managed, so that new (and advancing employees) can acquire this knowledge quickly, correctly and completely.
- Make sure that there is a succession plan in place for each key role in the business, with an understanding of where the risks are (such as all the knowledge on many topics with one person); this plan should identify who in the organization will take over the role if the incumbent leaves or is promoted, and how the new individual will be trained to take it over.
- Keep contract files up to date, make sure that key contacts with customers (such as owners or general contractors) are documented and that the relationships are understood, so that these business-critical relationships can be managed by new senior staff when the need arises.

7.6. Other Findings and Observations

7.6.1. Apprenticeships and training

Although a detailed study of the apprenticeship and training programs were beyond the scope of this study, many comments were made on this topic by both employers and employees. A concern that was frequently raised was the excessive number of apprentices being trained for the number of jobs that exist.

Another major concern was the high drop-out rate of apprentices entering these programs. This may partially be related to the first issue (apprentices see lack of employment opportunities in their chosen field), and has notably improved with the introduction of screening and pre-apprenticeship programs.

A further concern frequently raised by employers was the adequacy of apprenticeship training. A particular concern was the completeness of training – apprentices were emerging from the program without the complete skills to do the work that was required of them. As this was not a central topic of this study, the information presented here is largely anecdotal, but warrants further investigation as it was considered important to employers.

The planning and preparation of an apprenticeship program, followed by entry into the program for trainees, through completion of the full cycle, to the achievement of their journeyman status, is a very long process, probably 6 to

up to 10 years from inception to delivery and the first wave of graduates. During this time business circumstances can (and have) changed greatly, so that maintaining training throughput that balances with the demand of the economy is extremely challenging.

The opportunity is for all stakeholders (employers, unions, trade associations, training institutions and regulatory authorities) to work together as closely as they can to maintain this balance. While a perfect match, however, will be difficult to achieve, cooperation and collaboration among the key stakeholder groups can ensure that information is present to assist with efficient planning and timely redirections of the plan to accommodate circumstances, as they arise.

Apprentices and other trainees often leave the Province, either during their apprenticeship or training, or immediately upon completion. This may be for financial reasons or to allow them to develop their skills in a variety of work environments. The following information was made available to us by the Nova Scotia Community College:⁶¹ based on their 2008 survey of 2007 graduates salary and location data for the construction trades, noting that this is a summary for all certificate and diploma graduates, not just those that register as apprentices:

Province	No.	Avg Salary	Diff. v. Average
AB	15	\$61,630	+71%
ON	3	\$49,264	+37%
NB	1	\$40,000	+11%
PE	1	\$30,000	-19%
NS	104	\$31,879	-13%
All	124	\$35,949	0%

7.6.2. Returning Workers

The economic downturn that became a dominant factor in the industry in 2008 has meant that many workers that had left Nova Scotia for Western Provinces have returned home. Large resource based projects are being dramatically reduced in size, postponed or cancelled. Alberta's construction industry alone has seen a drop from a net investment of over \$35 billion to under \$18 billion⁶² in 2008/2009.

Labour mobility patterns are undergoing a major and rapid shift. A long period of industrial growth in Western Canada led to a steady increase in migration of skilled workers from Atlantic Canada, in both construction and other industries. At least for the short term this appears to have come to an end. It is by no means certain that this returning labour force will stay in Nova Scotia if they cannot find

⁶¹ Institutional Research & Analysis, Nova Scotia Community College. The survey sample is 37% of graduates.

⁶² Source: Construction Labour Relations - Alberta

jobs in their chosen trades. One union local reports that nearly 80% of its members cannot find work; there is simply a lack of business activity in the region to employ them, and the option for them to work in Western Canada has gone or is going away.

These returning workers may well seek opportunities further afield, for example, in the US, in the middle or far east. Obtaining visas and recognition of certifications will of course represent greater challenges than in Canada. However, as several employees pointed out, “once you are working away from home and have to get on a plane to get there, it really doesn’t matter how far it is that you have to go”.

7.6.3. Economic Impact of Mobile Workers

There is limited direct information available on the social and economic impact of mobile workers. As noted in the previous section, the typical mobile worker contributes more than three quarters of their household’s income. A study conducted for the Cape Breton Region alone⁶³ show that the economic impact of all mobile workers is considerable. Over \$700 million of the region’s income of approximately \$2.8 billion was earned from outside the region. A significant part of this income was in the mobile construction sector. This cannot be extrapolated to Nova Scotia as a whole, because the demographics are not the same and in any case some of these mobile workers from Cape Breton would have been working on mainland Nova Scotia. It is however an indication that in workforce planning the community of mobile workers, who may in some cases never be employed in Nova Scotia, is an important economic contributor.

7.7. Conclusion and Pictorial View

⁶³ Study conducted by Novus Consulting Group in 2009

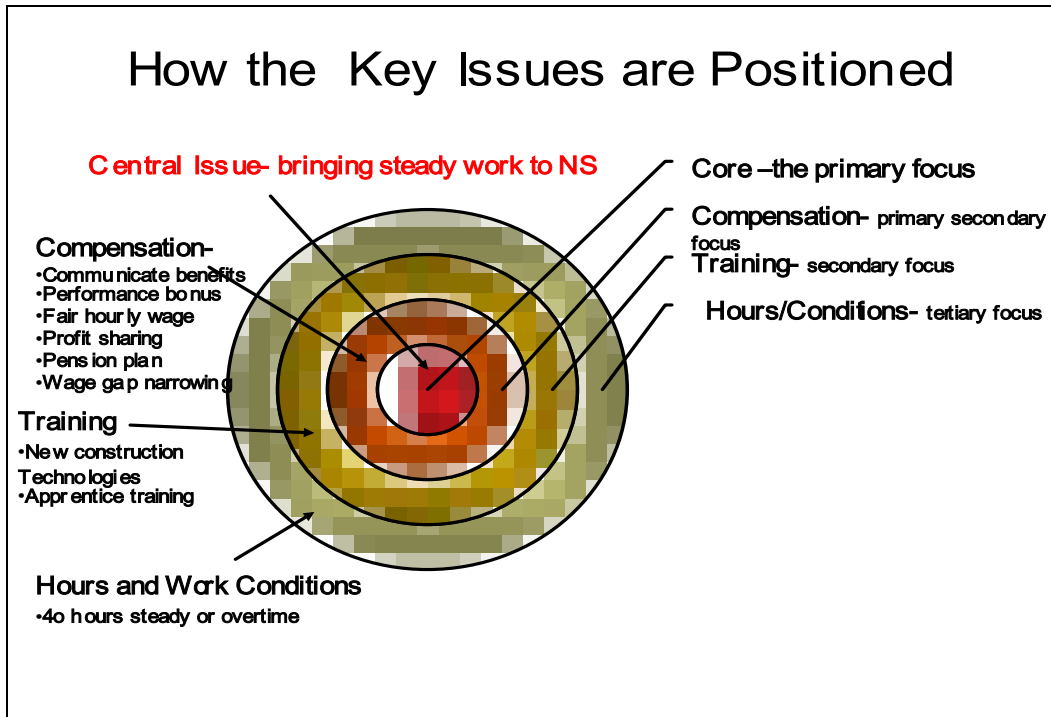


Figure #25 Key Issues in the Construction Industry

The diagram in Figure 25 represents the relative importance of the issues for retaining workers in Nova Scotia. While all will play a role in creating a retention package, the most important issues are portrayed as closest to the centre of the diagram.

At the present time the central issue or ‘hot button’ is the availability of work from large projects in Nova Scotia. Until this is addressed the retention strategies are secondary at best. In the meantime, encouraging mobility to ensure that workers are making a living and keeping their skills in use is necessary. Unions are currently assisting their members to find work elsewhere. If companies also assist the workers they want to ultimately retain, this will position them favorably when recruiting for workers.

Once there is work in Nova Scotia, the compensation package is the main issue to enhance the competitive ability of companies to recruit and retain the best workers. Wage parity or decreasing the gap in wages in Nova Scotia compared to other provinces is a key area for consideration. Although mobility assists with keeping skills in use and possibly the development of current or cutting edge skills, training will be an important strategy for maintaining quality work and productivity, and for succession planning.

Hours and work conditions are the last layer for retaining workers, who will be happy if the previous conditions are attained - steady work, reasonable compensation, the ability to improve their skills and their potential for succession and progression.

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