

## **Turning the Keys to Success in the Short-handed Labour Market**

**By Kim Peters** - General Manager of [working.com](http://working.com)

As workers become an increasingly scarce commodity all across Canada over the next decade, the challenge of overcoming the labour shortage will be an intricate and daunting task for businesses and recruiters. Companies' ability to market themselves effectively to targeted potential employees will be the secret to this success. In order for this successful shift to occur, the Canadian business mindset must begin to transform and focus resources and efforts as much on attracting employees as it does on the development of products and services.

According to Dr. Linda Duxbury, a professor at Sprott School of Business at Carlton University, the labour force grew by 226,000 a year for the last 25 years, and will grow by 123,000 a year this decade. But after that, things will take a sharp turn, and by 2010, the workforce drops to 42,000 a year and by 2016 annual growth will be near zero. Within the next decade, for every two retirees there will be less than one person to take their place.

It's a stunning reversal from previous decades where concerns of high unemployment guided business planning and recruitment strategizing that took for granted an ongoing and growing labour pool.

This will be the challenge of a lifetime for many Canadians and one that we must begin to face immediately. Experts predict it will be another five years before the full effects of the labour crunch are felt, so time remains for public policy to be shaped to meet the challenge and for recruiters and businesses to change the way they pursue the labour market in a short-handed economy.

In order to understand what is needed, it is crucial to understand how the labour shortage will come to exist. As birthrates in Canada begin to lower, the result will be a sharp reduction in the growth of the national work force. At the same time as this is occurring, the baby boomer segment will begin to retire, perpetuating the labour crunch. All the while, economists predict a long-term commodities boom that will result in increasing numbers of new jobs. By 2016, there will be a general shortage of workers, catapulting the nation into a short-handed economy and subsequently beginning its impact on economic growth figures.

David Foot, professor of economics at the University of Toronto and co-author of the *Boom, Bust & Echo*, has explored this phenomenon in great detail and believes that as baby boomers begin to exit the workforce, their children, the "echo" generation as dubbed by Mr. Foot, are entering the work force en masse to replace their parents into the future. He suggests that the most appropriate strategy is the movement of workers from regions of employment that maintain plenty of echo-generation labour such as Ontario or the East Coast, to areas of worker shortage.

The key, he suggests, is to offer strong incentives such as good wages and benefits, and long-term contracts for employees to move. He indicates that only with the right decision-making and specific planning to adapt the way in which companies operate in relation to fluctuating work force sizes can Canada maintain one of the fastest growing economies in the developed world during this time of labour instability and demographic pressures.

The key to success in this changing era of employment is to significantly alter the general assumptions made by Canadian businesses of how the system must operate. Now will be the time to convince businesses that the most important and basic steps, such as providing training and paying for apprenticeship programs, will determine their success in recruiting.

Possibly even more importantly, businesses must alter the way they present themselves to potential employees. Days of sending out a general job description and receiving an inbox full of respondents will fade away in the coming years. In order to adapt to this increasingly tight labour market, businesses, employers and recruiters must begin to change the recruitment approach to a marketing mindset. A business's ability to market itself effectively and its opportunities will be the greatest marker of its success to fill positions and ultimately keep the organization running at potential.

The successful marketing approach incorporates both the development of an overall job package that includes incentives to attract the right person to the employment opportunity, combined with an effective employment branding strategy to get the message out to that individual.

When it comes to incentives, businesses must move beyond recruiting assumptions made during the time of a full labour pool. Researching the ideal candidate and understanding the needs of the new workforce will guide the choice of incentives. As the ratio of jobs to employees changes, so too will the needs and expectations of candidates. Larger training budgets, flexible benefits and work hours, bonuses, mini-raises, and opportunities to work remotely are just a few of the incentives that have begun to set the stage of expectations for this new workforce.

An organization's ability to successfully market itself is as crucial to the recruitment process as the incentive package. Employment branding is the strategic approach of attaching a brand, be it a visual, emotional, rational or cultural image, to your organization and job opportunity. Your employment brand is the impression you make on employees and job-seekers, and marketing an employment brand is the same as marketing any other brand.

Success in this short-handed economy will be determined by a business's ability to find and keep employees and a company's brand among potential workers is just as important as its image among customers.

The secrets to effective employment branding are: knowing the competition; marketing an employment “edge” by selling a company and job opportunity in the most effective way possible; maximizing the effective use of various media, including television, out-of-home, print, online job sites, online advertising; and tracking results so the strategy can be fine-tuned as the market continues to change.

Employers and recruiters who are able to successfully master employment branding will remain the more attractive organizations to work for in the coming years. As the labour shortages will inevitably grow across the nation, organizations must begin to position themselves now with a marketing approach to reach the ultimate competitive advantage - a strong employee base.

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