



NOTES: Kelowna Chamber Labour Roundtable July 25, 2024

In the summer of 2024, three sector-specific Roundtable discussions were held by the Kelowna Chamber focusing on Labour, Crime and Housing. Small groups shared and listened as the Chamber took the pulse on these important issues, both to prepare for our annual November Policy Development Forum and to assist the Board in listening to the business community.

The Labour Roundtable was moderated by Caroline Gilchrist, Chair, Business Administration Department, Okanagan School of Business.

A list of attendees and submitted questions is attached.

What we heard. . .

There were common themes, as expected, as we operate in a relatively compact community in the Okanagan.

A few key message areas stood out and are worthy of increased advocacy by the Chamber.

New ideas for policy directions were discussed and were noted.

We highlight some key points, followed by longer notes.

Labour issues:

1. Skilled trades – lack of qualified prospects
2. Credential recognition for immigrants
3. Cost of living – deterrent to hiring, retention
4. Employers: focus on being ‘employer of choice’ – prospective employees are in the driver’s seat
5. Hybrid/work from home here to stay; seen as employer benefit
6. Future perk: four-day work week – if not available – benefits to make up for that
7. Turnover at favoured companies averaging 15%
8. Starting wage averaging \$19.50 with periodic increases (every six months) at top employers
9. Getting the right person in the door increasingly difficult
10. Recruitment cycle has lengthened
11. Restaurateurs profit margin has dropped leaving little for emergencies
12. Provincial mandated sick days (5) federal (14) means last minute staffing gaps

Barriers:

1. Lack of transportation: generally; late night/early morning; Vernon-Kelowna. Many entry level and student/immigrant workers do not have cars.
 - a. Ebikes are now an alternative for some; however, rail trail does not connect Vernon to Kelowna
2. Stigma on trades as a career choice remains – despite average income currently \$111,000/year. Many at \$200K
3. Criminal activity downtown negatively impacts workers, especially late shifts/lack of transportation.
4. Government's decrease in total number of granted permanent resident status
5. Shortage of municipal planning staff slows down housing starts which depresses new resident numbers
6. Lack of childcare in all sectors
7. Language skills
8. Housing availability
9. Credential acceptance

Extended comments

Indeed™ hiring platform likely will evolve to an HR agency.

Candidates are now judging employers, not the other way around.

70% of market positions – are employed. Employers need to more aggressively reach out to this passive market to hire, not just focus on unemployed; set up a system. Be an **Employer of Choice** even when you aren't currently hiring.

It's important to respond to all applicants; you never know when you may need them again; and it's positive PR for your organization if you want to be an employer of choice.

One big challenge in hiring/retention: **cost of living**, particularly for entry level.

People moving out of province creates not just labour challenges, but internal challenges for firms where they are already employed. Growing trend, especially to Alberta.

Host/support **hiring events**. Get higher paying employers onsite, i.e., Internal Health, to help fill the room.

WorkBC (government funded) interacts with 1,000 clients/year. Companies should utilize their services, hiring lists.

Job listings are growing and are being filled more slowly; often a year to fill a position.

Company expansion: Companies in growth mode need to expand their HR departments at the outset. Remote work increasingly effective; even though unavailable for client facing positions. Learning and mastering video culture – not just the tech side, i.e., pushing the right buttons – is very

important. Schedule meetings with remote staff as a full unit, i.e., quarterly, necessary for connectivity.

Important to be ready for expanded hiring challenges when your company expands, or adds new geographic centres. Most, even very large organizations, don't gear up to cover this need.

What about **four-day work weeks**? Definitely coming, as a natural evolution of remote work culture. Will help with retention, higher quality employees, employer of choice profile.

Average turnover: 15% in companies attending. Many new employees stay less than 1-2 years. After that, they generally remain. Count-on-able periodic raises are key to keep new employees, entry level, even \$.50/hour every six months for two years.

Important to **integrate university**, other post-secondary recruitment and retention programs. Allows students to work, get experience, join company full time on graduation, and employer to promote from within.

More on **long recruitment times**: It is a big problem, even for large firms, to get the right person in the door. In some desperation, they compromise: moving from holding out for the best person, to taking someone who might not have made the cut in the past. Then, after training, and six months, twelve months, they acknowledge the person isn't a good fit. In a really large concern, sometimes the person can be moved to another area – creating a problem again in filling the original position. And sometimes, and more often in smaller firms, the person simply has to go, because they will never fit, and they begin poisoning the atmosphere for other employees, to the detriment of the firm overall.

Benefit packages are important at all levels of employment, and can help with retention, and attraction. Ensure your package is not only competitive, but will attract strong candidates, or lure them away from other employers.

Transportation – and the lack of it – is an enormous factor, not given enough attention especially by municipal elected officials and civil servants. Lack of late night and early morning connections mean danger and lack of ability for people without cars to take shift work, or to turn up for a shift if they have car problems. Students and immigrants, and entry level workers seldom have cars at their disposal all the time. Transit in Kelowna is sorely lacking in all areas, at all hours. Much more advocacy is needed to increase spending – even through property tax increases – to address and correct this shortfall which has major impact on employment. Employers could then offer tangible benefits in partial subsidies of transit passes. The lack of transit is acute not only inside Kelowna, but from outlying municipalities where it costs somewhat less to live and employees want to commute to and from Kelowna: Vernon, West Kelowna, Peachland.

Trades: there is a high demand in Vernon as well as Kelowna for tradespeople. OC has increased its training classes, including culinary training. The stigma against choosing trades as a career continues; one antidote has proven successful: inviting parents of high school students to information sessions on campus to see the quality and potential firsthand. There are 2100 students across the valley enrolled at OC in trades. More communication is needed with prospective students. Average wage for trades: \$111K/year. Many at \$200K. Another issue is upgrading trades training levels, i.e., in the construction industry. Years 3 and 4, when the more sophisticated

information is taught, needs to be better supported. The provincial government has not increased the financial support for trades for more than 15 years, and now, closer to 20. It is a real problem, especially given the increases in salary for instructors and the cost of lumber and steel. This gap could be addressed through advocacy, e.g., wherein the Chamber joins with post-secondary institutions to more aggressively petition the government for adjusted funding.

F&B: In the world of food and beverage service, labour is a continuing struggle. While hybrid work is a reality now, many F&B jobs are customer facing. Cost of doing business is the biggest issue, with profit margins dropping from 8%-10% ten years ago to 2%-3% now, leaving no margin for unforeseen needs or growth. There is still a stigma around someone saying “I’m a cook” or “I’m a waiter”. The other two big issues are downtown crime, and late-night transportation (2am). Unforeseen expenditures include property tax increases, fire-related (evacuation) loss of business.

Newcomers/immigrants are an important part of the valley labour mix. Life and labour skills are taught by various organizations, but many immigrants are not employable on arrival due to lack of English skills.

In one **large organization** where skills are a requirement for 80% of their 1200 jobs, they see highest turnover in the first 3 years of employment. Their average turnover is 15% and average annual salary is \$80,000. While active in communicating their “employer of choice” status, they also have set up onsite childcare, and a subsidized café; they work hard at college/university partnerships. Much more provincial financial support in Ontario than in B.C. for building training centres. In B.C., demand far outstrips spaces. The recruitment cycle is much longer than it used to be; six months for a tech position. Wellness programs are important. Accuracy on their jobs is important; some new hires leave as they don’t adhere to the accuracy culture. The company also maintains 20 bedrooms nearby (university area) for new employees/arrivals while they find a place. Immigrants have different, more accepting standards of living quarters than born-in-Canada Canadians.

Many immigrants and B.C. residents want to move to **Calgary** for the lower cost of living and good job market.

“The federal government,” in the strong words from the Roundtable, **“has screwed up immigration; government says labour shortages are caused by lack of housing; they’re not. It’s an immigration issue. Housing still works on supply and demand.”**

Credentials and **credential recognition** continue to be a problem, both interprovincially and internationally.

The limit of **20 hours a week for students** (work hours) is being raised to 24 hours/week in September of 2024. This is helpful, although still too little. They may work full-time in school breaks. Many employers still don’t recognize the value of older foreign students: they are often well trained even though they are going to school to obtain local credentials; they are more flexible in adapting to living spaces, i.e., basement apartments. Transportation is a huge problem for this cohort, as noted. Employers and educators do have reporting requirements for visa reporting on valid study permits. And, as noted, getting PR (permanent resident) status is harder than ever. The tests are harder and longer, and the **total number of PRs available has been reduced**. This reduction negatively impacts the hiring pool and means losing the benefits of training temporary staff who are unable to stay in Canada and move to permanent staff status.

With WorkBC, note that they offer a **wage subsidy program** up to 12 weeks; language access courses. Childcare very difficult for immigrant cohort, and those going back to school. Employers could help with these issues if they have onsite facilities and more economic certainty.

Issues in the **construction industry** mimic much of the above. Additional issues include the continuing churn of planners, CAOs and other similar positions among municipalities and districts, resulting in lower productivity, and other problems resulting from poaching. Together with the increased workloads brought about by new provincial legislation affecting planning departments, this results in a **slowdown in permitting and completed housing**. An additional problem is **safety** on the construction site, particularly for micro-sized builders; more training is needed, but so is time for small builders to focus on the issue. Finally, immigration helps, but builders need **'cultural competency'** allowing them to think in an international mindset, i.e., 'how can we help our builders train this individual to work here and work competently as part of our team'.

Property taxes, by comparison to many municipalities, are low in Kelowna. If raised, they could provide additional transit funding and help solve a range of these problems. Elected officials won't promote this platform, so it is up to organizations, and/or private enterprise to come together to advocate for this change.

BlueSky solutions: Companies could be encouraged to **build up**, i.e., on top of the new Canadian Tire at Hwy. 33 or at Costco. **One new employee** at \$80K year (at the Chamber or other) could make the connections and advocate for meaningful changes in transportation, taxation, childcare.

Government mandated **sick days** are an ongoing problem for smaller, 'last minute' notice employers, i.e., homecare. Employers are asking for proof, i.e. doctor's notes, but it takes 2-3 weeks to get a doctor's appointment.

Credentials are important; government **loans for further training** in one's field would be helpful.

No one mentioned the **Employer Health Tax**. Perhaps the last increase in the baseline for taxation was helpful?

Caroline Miller
Policy & Government Relations Advisor
Kelowna Chamber of Commerce
July 30, 2024

Labour Roundtable – Submitted Participant Questions

1. Does anyone else have to hire all over the province – if so, are you finding any regions that are easier or more difficult for attracting skilled staff
2. New employees' commitment to employer; what the effect of "passive recruiting" through platforms like LinkedIn is having on transient staff.
3. When you need to recruit new employees does your company have a standardized recruitment & onboarding process and how do you protect that investment?
4. How can OC work with businesses in the room to encourage a wider group of people to consider trades as a career?
5. What could be done to significantly lower the cost of living in the Okanagan?
6. What could be done to influence government to reverse course on their immigration constraints?
7. Are employers aware of OC's off-campus work permits for international students?

Labour Roundtable - Attendees

1. Amy Zeng, Owner/Operator, Qualicare Home Care
2. Brent Durec, Chair, Okanagan Chefs Federation/Sysco Canada
3. Daniel Winer, Executive Director, Canadian Homebuilders Association Central Okanagan
4. Gordon Shuster, Director, International Education, Okanagan College
5. Grant Stevens, Chief Corporate Services Officer, KF Aero
6. Kevin Vanstone, Store Manager, Costco Kelowna
7. Latif Kacuri, Employment Specialist, Kelowna Community Resources
8. Malcom Dunn, Regional Manager, Commercial Services, Beem Credit Union
9. Natalie Maxey, Regional Manager, WorkBC
10. Paul O'Keefe, Business Development Manager, Riverstone Management
11. Samantha Pritchard, WorkBC
12. Sara Cousins, Manager, Trades Programs, OC
13. Caroline Gilchrist, Chair, Okanagan School of Business, Okanagan College; member, Kelowna Chamber Policy Advisory Committee – Moderator
14. Caroline Miller, Policy & Government Relations Advisor, Kelowna Chamber