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### **Wanted: More skilled labour, and quick**

**Firms are struggling to attract new workers as skills shortage looms, SHIRLEY WON writes**

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The sight of Ford Motor Co.'s sprawling minivan plant from David Pike's office window can easily bring a smile or a scowl to his face.

He is grateful the Oakville, Ont.-based auto maker is a major customer for his employer, **Polywheels Manufacturing Ltd.**, a supplier of gas-tank covers and skid plates.

But Ford is also symbolic of giant manufacturers with deep pockets that can woo skilled workers who are in short supply in the booming Canadian economy.

"I have a hell of a time attracting robotics technicians," barks Mr. Pike, director of human resources at Polywheels.

"Our business is growing . . . I have been actively looking for two or three [of them] for the last year and a half. . . .

"We are not a glamorous high-tech plant, and there are larger employers like Ford and Magna who can simply afford to pay more.

"If they work at my plant, they'll get \$20 an hour, but across the street, they are paying about \$33 an hour."

Many Canadian manufacturers face a tough time finding skilled workers as the front-end of the baby boomers near retirement over the coming years; global competition heats up for highly trained immigrant workers; and fewer younger people become attracted to the sector.

The challenge in finding skilled labour is aggravated by the fact that the latest employment report from Statistics Canada last Friday indicates the jobless rate fell last month to a 30-year low of 6.6 per cent.

"It's not a crisis yet, but it will certainly be a significant problem over the next five to eight years," said Jason Myers, economist for the Canadian Manufacturers & Exporters. "Over the next 10 years, we expect something like over half a million people to retire from manufacturing jobs in Canada."

Federal Immigration Minister Joe Volpe has said that Ottawa is working on plans to overhaul immigration rules to bring skilled workers into Canada more quickly. And he expects to unveil a proposal to cabinet in the coming weeks.

A recent CME survey indicates that about 41 per cent of its members are having difficulties finding

people with the needed skills. "It is having a real impact on constraining their ability to improve their productivity," Mr. Myers added.

The pending wave of retirement by boomers is being aggravated by fewer young people going into the manufacturing world because it conjures up a negative image, he said. "They see it in 4D -- declining, dangerous, depressing and dirty."

With federal rules still pending to lure more skilled immigrants, Canadian manufacturers are turning to other strategies to deal with their problem, including partnering with educational institutions to churn out the needed workers.

Polywheels was among 20 companies who contributed a total \$1.5-million to help Sheridan College Institute of Technology and Advanced Learning build a state-of-the-art facility with robotics equipment to train workers in advanced manufacturing techniques.

The \$7-million Centre for Advance Manufacturing and Design Technologies, which opened last month in Brampton, Ont., offers Canada's first advanced manufacturing management certification program.

As he waits for newly minted skilled workers, Mr. Pike spends time keeping his existing 320 employees from jumping ship. He tries to create more of a "family environment" at the plant, where visible minorities represent 60 per cent of staff. And he conducts focus groups every six months to find sources of frustrations.

He recently found a way to accommodate six production line employees who are Muslim and needed to pray during the holy month of Ramadan. "The key worship time is the afternoon as the sun goes down," Mr. Pike said. "The sun keeps moving so they keep changing their [prayer] times, and we are trying to run a plant."

The solution was to put this group, whose shift started at 3 p.m., on one machine instead of disrupting several production lines, and allow the workers to keep moving their "lunch" time so they could pray, he said. "So we'll be flexible."

The shortage of skilled tradespeople has also prompted Pazmac Enterprises Ltd. of Langley, B.C., to focus on retaining employees. It provides perks such as an on-site gym, a swimming pool and personal trainers to its 38 workers who are mainly machinists.

"Wages don't always cut it with employees," said Steve Scarlett, president of Pazmac, a contract manufacturer to the defence, oil and gas and aircraft industries. "We try to give them benefits that they wouldn't find anywhere else."

There were lots of European tradesmen looking for work in the 1970s, but now they are nearing retirement, and "it's just more difficult to get people," Mr. Scarlett lamented. "So we've started an in-house training program, and figured how to keep them."

CIBC World Markets economist Avery Shenfeld suggested the skills shortage could ease as layoffs increase in some sectors, such as clothing and forestry, because of pressures from Asian competition or a strong Canadian dollar.

"We are down more than 100,000 manufacturing jobs [this year compared to 2004]," Mr. Shenfeld said. "I don't know the extent to which the industries losing jobs have the right skills for the industries doing the hiring. . . . Over the next decade, we may lose additional manufacturing facilities to places overseas."

Ward Creasey, plant manager at Whitewater Composites Ltd. in Kelowna, B.C. has had a rough time over the past two years hiring composite technicians or labourers with a manufacturing background who can be trained to make fibreglass.

"Some days, you just hope that somebody shows up with a heartbeat," he said. "Right now we have 130 [workers] on the floor, and I could probably put 160 to work."

Whitewater, which makes fibreglass parts used in water slides and architectural fascia for gas bars, was forced recently to spend about \$10,000 to send three workers to Britain for three days of special training. The plant is a union shop with benefits and wages ranging from \$14.50 to \$20 per hour.

Because it could not find enough workers last year and was late with certain deliveries, it was slapped with stiff financial penalties by some U.S. customers. "It really hit into our margin and profitability not being able to deliver on time."

He can't afford to get caught again, and is now looking to send some work offshore to places such as Thailand, Bahrain or India. "Once we send the moulds offshore, the work is gone out of Canada," he said. "It's not a great feeling."

#### **Skilled worker shortage**

The Canadian Manufacturers & Exporters surveyed their members about the difficulties in finding workers in various categories. Here is a sample of some of the skills shortages faced across the country.

#### **Plant Managers**

Attract: 13%

Retain: 11%

#### **Tool & Die Maker**

Attract: 8%

Retain: 5%

#### **Equipment Operators**

Attract: 15%

Retain: 10%

**Welders**

Attract: 12%

Retain: 8%

**Machinists**

Attract: 10%

Retain: 9%

**Electricians**

Attract: 13%

Retain: 8%

SOURCE: CME's 2004 Management Issues Survey of 834 companies in 2004.

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