

Sectoral Planning Committee Strategic Planning Session
Human Resources Sector Study:
Construction Industry on Prince Edward Island

29/30 June 2004

WORKSHOP REPORT

IN ATTENDANCE

Bob Charlton	HRSDC: Regional Manager, Employment Programs & Services
Birt MacKinnon	Province of PEI: Director, Community & Labour Development
Gary Dunning	HRSDC
Samuel Ileso	HRSDC: Information & Economic Services
Lynn McNally	HRSDC: Information & Economic Services
Rick Callaghan	Province of PEI: Community & Labour Development
Brian McMillan	Holland College: Vice-President - Programs
Jenna Boone	Holland College: Program Manager - Engineering, Trades & Technology
Craig Norton	Province of PEI: Manager - Apprenticeship Training
Jean Allain	Chair of Board of Directors, CAPEI
Phillip McInnis	General Manager, CAPEI
Grant MacLeod	AHBTB Board & Education Training Trust Fund, Sherwood Timbrmart
Peter Brown	Bayside Wood Products Inc
Steve McQuaid	Atlantic Evaluation Group Inc
Mary Kenny	Atlantic Home Building & Renovation Sector Council
Doug Mac Donald	PRAXIS Research & Consulting Inc
Rick Williams	PRAXIS Research & Consulting Inc

1. PURPOSE OF WORKSHOP

The Strategic Planning Workshop was held in Charlottetown PEI on June 29th-30th 2004. The general purpose was for industry and government partners to review the findings from the research carried out by the Atlantic Home Building & Renovation Sector Council (AHB&RSC) and PRAXIS Research over the previous year, and to develop strategic directions for follow-up to the research.

The objectives of the research were:

1. To develop an up-to-date profile of the PEI construction industry and its workforce.
2. To analyze labour supply and demand in the PEI construction industry.
3. To study and assess skilled labour shortages and surpluses.
4. To create a profile of training needs and availability.
5. To document emerging trends.

The research activities included the following:

- ▲ Survey of employers;
- ▲ Survey of EI claimants;
- ▲ Focus groups;
- ▲ Key informant interviews;
- ▲ Secondary data analysis;
- ▲ Training and Apprenticeship report;
- ▲ Demand and supply projections; and
- ▲ EI and vacancy data analysis.

The specific goals of the Strategic Planning Workshop were:

1. To present HR Study findings and policy considerations;
2. For participants to review and critique or validate findings;
3. For participants to discuss policy considerations and develop a set of recommended policies;
4. To focus on a process for moving forward; and
5. To develop an action plan.

The agenda for the Workshop is attached as Appendix I.

2. COMMENTS AND QUESTIONS ON THE RESEARCH REPORT

After a presentation of the principal research findings by Doug Mac Donald (see the summary of the principal findings of the research as presented to the Workshop, in Appendix II), the participants identified the following concerns and issues.

- ▲ The unionized workforce is not represented in this meeting. There is a need to have their input before finalizing the strategic plan.

- ▲ In follow-up research, it would be important to generate information on the numbers of apprenticeship trainees and graduates who leave the Island.
- ▲ One planning priority would be to identify ways to ensure that local ICI contractors are qualified and able to get a larger share of ICI work on the Island.
- ▲ With regard to possible recommendations for trades training at the high school level, would there be any real demand for high school graduates with trades certificates? Employers tell us that Holland College graduates are not “job ready” and lack employable skills, so would high school grads with less advanced qualifications be able to compete for jobs?
- ▲ The biggest issue regarding high school students is that there is no career counseling or information about trades. The system should do a better job of preparing young people for the work world and deal more effectively with attitudes, work ethic, and a basic understanding of what’s involved in making one’s living in the work world.
- ▲ There is a real “disconnect” between high schools and the trades labour market. We need to elevate the image of the construction industry and trades occupations.
- ▲ There is a vicious cycle with low wage jobs, low productivity and low competitiveness of the industry. This is exacerbated by the underground economy. The alternative is a *positive cycle* involving higher wages, increasing skills and expanded use of skill-demanding technologies. Employers will invest in training and skills development to generate returns on their investments in higher wages and new technologies.
- ▲ Has the project generated “hard evidence” of skills shortages? No. The research shows that the issue is more complex than simply filling empty slots with trainees.
 - There are shortages of experienced workers with the skills that employers need, while there are surpluses of less skilled workers.
 - Pumping out more skilled workers from training programs will not solve this problem if wages are too low due to competition with the underground economy.
 - Conclusion: the skills shortages issue has to be addressed on a number of levels through changes in training system, in regulation of underground activity and in the ways employers and employees behave. It is a complex process that will take time and will require industry leadership.
- ▲ Small businesses in the construction sector increasingly have to compete with large national and international corporations that invest a lot in training, labour force development and lobbying government.

A sector council may be a way for a sector made up of small employers to organize itself to compete with big companies in all those areas.

3. DEVELOPMENT OF A SECTOR COUNCIL

The next topic on the agenda was the development of a sector council or councils for the construction industry on PEI. There was consensus among Workshop participants on the moving quickly to accomplish this goal. The following was described as the current stage in the general process of developing industry sector councils in PEI:

- ▲ The sector council umbrella organization for PEI has been set up and incorporated.
 - It currently has an acting Executive Director.
 - It is currently recruiting and selecting a permanent Executive Director who should be in place before the end of August.
- ▲ 11 PEI industry sectors are interested in forming sector council like organizations and 5 or 6 are ready to go ahead immediately.
- ▲ In moving towards the formation of councils, there is a need to have effective representation of employees as well as employers, and this can be difficult to achieve.
- ▲ The goal for the construction sector is to have a sector council or councils up and running by the end of October 2004. The following were identified as strategic issues in the process.
- ▲ The new Executive Director for the provincial umbrella organization will be able to support and facilitate planning and decision-making.
- ▲ The residential sector is ready now to move ahead quickly, while the ICI sector has not fully explored the option and consulted with its members to establish a policy direction.
 - CAPEI and ACIC need to be more fully briefed on the sector council option, to review findings from the research study, and to decide on their best approach.
- ▲ Construction technology occupations have an association but are not up to speed on these issues and options, and will need to be brought into the process.
- ▲ There clearly are common issues that cut across different sectors within construction industry, but there are also distinct sector issues and concerns, and a history of residential construction and ICI working independently within their own spheres.
- ▲ Some government agencies and training institutions see the benefit of a unified council as a single voice for the industry to facilitate communication, consultation and partnering activities.

After discussion, the following process for the development of a sector council or councils for the PEI construction industry was agreed upon:

1. The Board of Directors of CAPEI will hold a planning session by mid-September to review findings from the HR Study, to learn about the sector council option, and to decide on its preferred approach to establishing a council.
2. A full meeting of industry groups will be held before the end of September to discuss and seek agreement on the most effective approach to setting up a sector council or councils for the construction industry.
 - a. Phillip McInnis will consult with ACIC to bring them into the process and facilitate their participation at the meeting.
 - b. Jenna Boone will brief the construction technologists group about the meeting and invite their participation.
 - c. This meeting should be for industry groups to work out the best approach. Government and training agencies will attend as observers and resource persons.

4. STRATEGIC PRIORITIES FOR THE SECTOR COUNCIL(S)

The participants of the Workshop reviewed key areas of strategic concern arising from the HR Study, and identified the following action priorities to be addressed by the industry sector council(s) in future.

1. BUILDING THE LABOUR FORCE

- ▲ Industry should work with schools and the Department of Education, to develop programs to orient young people to the work world.
- ▲ Industry and government partners should develop mandatory licensing of contractors to control underground activity.
- ▲ Industry and government partners should develop compulsory certification for carpenters (parallel to current rules for electricians, plumbers).
- ▲ Industry should advocate for the extension of the National Building Code to cover all of PEI
 - There is a need for enhanced enforcement and inspections.
 - There should be self-policing for licensed professional builders and those with warranty coverage.
- ▲ Industry and training sector partners should develop and implement a master builder program on a voluntary basis to provide incentives for contractors/builders to upgrade their knowledge and skills, become more professional and offer better jobs to employees.
 - There would be incentives to participate in the program, in terms of self-policing, lower insurance costs, and an ability to market themselves to customers.

- ▲ The sector council(s) should conduct a public awareness campaign on issues of the underground economy and the benefits of using professional contractors/builders.
- ▲ The sector council(s) should develop relationships with the banking, financial and insurance industries to involve them in licensing schemes, efforts to control underground activity, etc.

2. TRAINING AND CERTIFICATION

- ▲ The sector council(s) should explore and evaluate options, and develop a comprehensive strategy, for programs at the junior and senior high school levels to promote positive awareness of the sector and interest in professional trades careers. Program options might include:
 - Youth apprenticeship;
 - Co-op programs;
 - Career counseling;
 - Career marketing.
- ▲ The sector council(s) should develop a formal agreement with Holland College for recognition of the sector council(s) as the legitimate industry voice with regard to program evaluation and development and industry liaison.
- ▲ The sector council(s) should work with Holland College to introduce recognition of trades specializations (e.g., foundations, framing, interior and exterior finishing), and modularization of training and certification.

3. APPRENTICESHIP:

- ▲ The sector council(s) should work with the Apprenticeship Board to explore and develop options for recognition of trades specializations through modular training and new ways to provide recognition of acquired competencies.

5. OVERALL STRATEGIC GOALS FOR THE SECTOR COUNCIL(S):

The participants at the Workshop reached consensus on the following global objectives for the new sector council approach.

- ▲ The new sector council(s) should promote greater integration of the training system with the workplace.
- ▲ The new sector council(s) should promote improved education and training in areas of “soft skills”, i.e. attitudes, employability, job and life skills.
- ▲ The new sector council(s) should represent the industry and lobby with government at the federal and provincial levels to develop new initiatives and supports for on-the-job training targeting the already employed labour force.

- ▲ The new sector council(s) should advocate for the sector and represent it in discussions with governments about ongoing reform of the EI system.
- ▲ The new sector council(s) should work towards the development of an improved labour market information (LMI) system to meet the needs of the industry in PEI. In this activity there is a need for linkages with other sectoral initiatives and government programs at local, regional and national levels.

Appendix I

Working Group Meeting & Strategic Planning Session Human Resources Sector Study: Construction Industry on Prince Edward Island

29/30 June 2004

AGENDA

TUESDAY, JUNE 29TH, 2004

- 1000 Introductions
- 1010 Review of Workshop Objectives and Agenda
- 1020 Project Overview and summary of Key Findings and Policy Considerations
- 1200 Discussion over Working Lunch
- 1300 Continued discussion and feedback on Key Findings and Policy Considerations
- 1400 Review of Key Findings and Policy Considerations, and Consensus-Building around Interpretation and Conclusions
- ▲ Review Key Findings; identify and record areas of consensus, areas of disagreement and areas where additional research is required
 - ▲ Review Policy Considerations; identify and record areas of consensus, areas of disagreement and areas where additional research is required
- 1600 Adjourn

WEDNESDAY, JUNE 30TH, 2004

- 830 Develop an Action Plan to address areas of consensus on Policy Considerations
- Identification of roles and responsibilities
- Industry
 - Government
 - Training institutions
 - Other stakeholders
- Identify and prioritize follow-up Research and Activities, and Next Steps
- 1100 Review Workshop Outcomes
- 1200 Adjourn

Appendix II

Working Group Meeting & Strategic Planning Session
Human Resources Sector Study:
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Key Findings



Adobe Acrobat Document