

# The Challenge and Opportunity of Economic Development *through* Workforce Development

## Grand Erie Workforce Planning Board and Partners

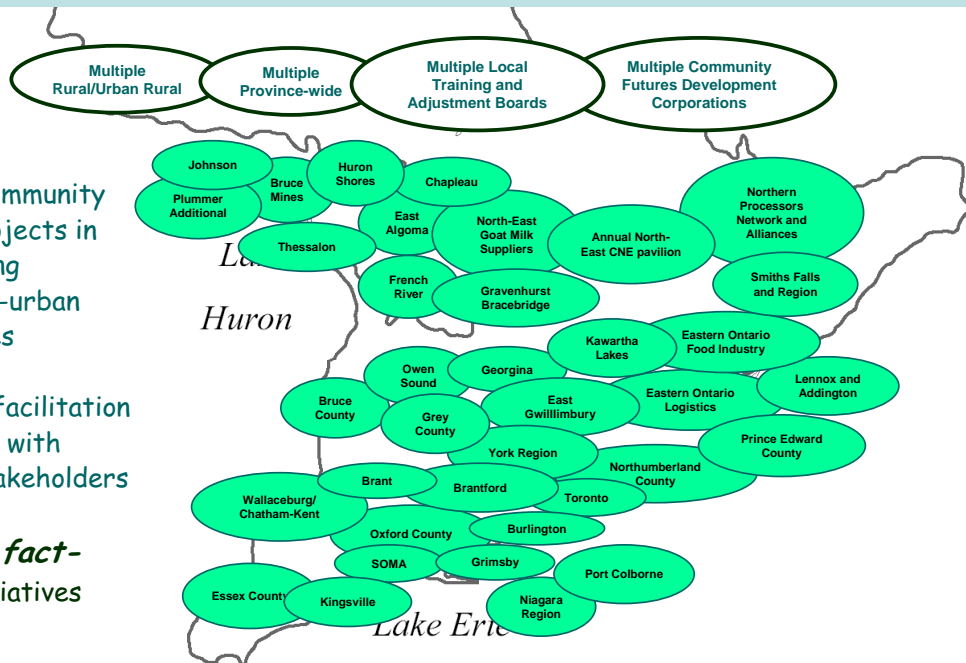
November 17, 2011



November 17 2011 1

### WCM Consulting

- Multiple Community EcoDev Projects in transitioning rural/rural-urban communities
- Extensive facilitation experience with diverse Stakeholders
- Pragmatic, *fact-driven* initiatives



November 17 2011 2

**Viewer Discretion is Advised**

**“WCM are not 'blue-sky, bright sunshine, fluffy cloud' consultants.**

**You tell us what we *need* to hear, not what we *want* to hear”**

*Mayor Randy Hope*

*Chatham-Kent*

*December 2008*



November 17 2011 3

## **Presentation Outline**

- **The *RAPIDLY* Changing Economic Landscape**
- **Workforce Development Imperative**
- **Courses of Action?**



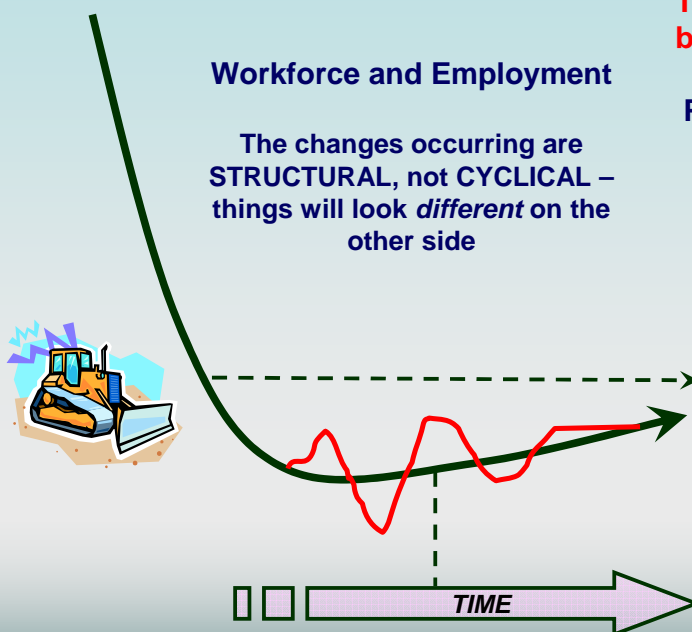
November 17 2011 4

# The *RAPIDLY* Changing Economic Landscape



November 17 2011 5

***"There is a bulldozer of change sweeping the planet; you can become part of the bulldozer or part of the road"***



**There will be a future but what will it look like?**

**Probable characteristics :**

***Requiring higher levels of education***

***Requiring higher levels of certifiable skills***

***Requiring broader range of certifiable skills***

***Requiring adaptability and flexibility***

***"Those who turn Challenge into Opportunity, Win"***



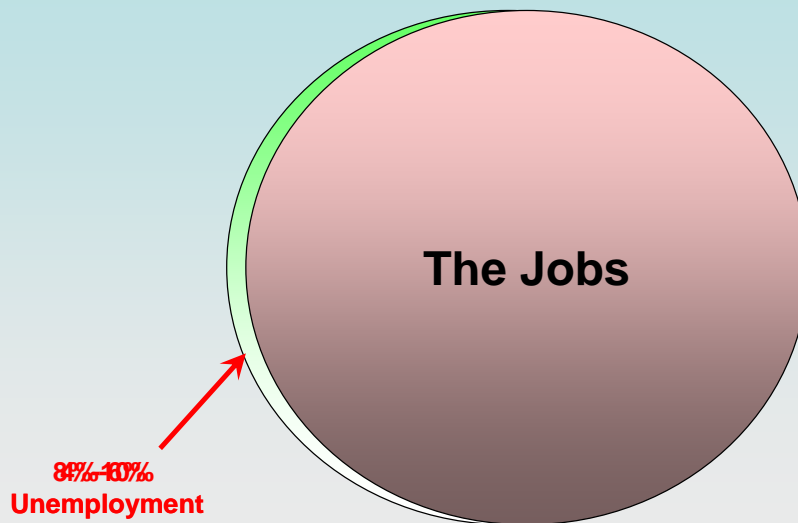
November 17 2011 6

## Comparing the early 90's with circa 2011...

Early 90s	Circa 2011
<ul style="list-style-type: none"> <li>• Recession in effect</li> </ul>	<ul style="list-style-type: none"> <li>• Recession in effect</li> </ul>
<ul style="list-style-type: none"> <li>• Canadian dollar at US \$0.85 to \$0.88</li> <li>• Boosted to meet NAFTA requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Canadian dollar at US \$0.80 to \$1.00</li> <li>• High due to oil price and low U.S. dollar</li> </ul>
<ul style="list-style-type: none"> <li>• Elimination of tariff border means that multinational subsidiaries are no longer needed</li> <li>• Estimates of over 300,000 such jobs lost</li> <li>• Primarily a U.S.-Canada-Mexico issue</li> </ul>	<ul style="list-style-type: none"> <li>• BRIC countries (reasonably) want to grow their own economy</li> <li>• New capabilities enable BRIC to supply globally at lower cost</li> <li>• North America against BRIC?</li> </ul>
<b>RESTRUCTURING FORCES</b>	
<ul style="list-style-type: none"> <li>• 'Auto Pact' (1965) saved the Ontario auto-industry</li> <li>• Large-scale plants had already been built, benefitting from economy of scale</li> </ul>	<ul style="list-style-type: none"> <li>• Big 3 not immune to impacts</li> </ul>
<b>RESTRUCTURING FORCES</b>	
<p><b>Recessions and currency excursions alone cause <i>cyclical</i> change BUT, in the 'perfect storm', they permit other forces to cause <i>structural</i> change</b></p>	



## The 'Subtle Shift'



**The Jobs WILL NOT shift back to overlap the Workforce**  
**The challenge is to shift the Workforce to overlap the Jobs**

***This is DEMAND DRIVEN***



## Changing beliefs

### *In the OLD economy, people believed that:*

Being a cheap place to do business was the key.



Attracting companies was the key.



A high-quality physical environment was a luxury that stood in the way of attracting cost-conscious businesses.



Regions won because they held a fixed competitive advantage in some resource or skill.



Economic development was government-led.



People went to jobs



### *In the NEW economy, people believe that:*

Being a place rich in ideas and talent is the key.

Attracting educated people is a key.

Physical and cultural amenities are key in attracting knowledge workers.

Regions prosper if organizations and individuals have the ability to learn and adapt.

Only BOLD partnerships among business, government, and non-profit sector can bring about change.

Jobs will come to people...for those with the desirable skills.



November 17 2011 9

**“...the nation that  
out-educates us today, will  
out-compete us tomorrow...”**

**Barack Obama**  
*August 5 2009, Wakarusa, Indiana*



November 17 2011 10

# Workforce Development Imperative



November 17 2011 11

## Socioeconomic Prosperity

**Economic Prosperity**  
*fuels*  
Social Well-being

Although these two forces are inseparably linked,  
**Economic Prosperity** is 'first amongst equals'.  
Without this, Social Well-being will suffer greatly.

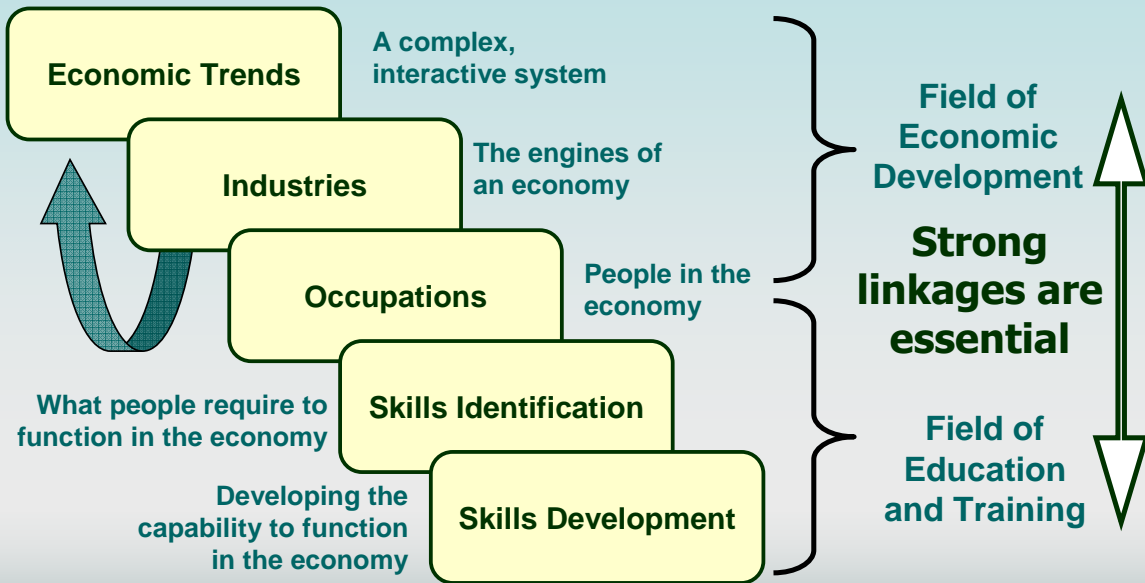
*The more that these two fabrics are interwoven,  
the stronger will be the resulting cloth.*

**Social Well-being**  
*ensures*  
a Productive Workforce

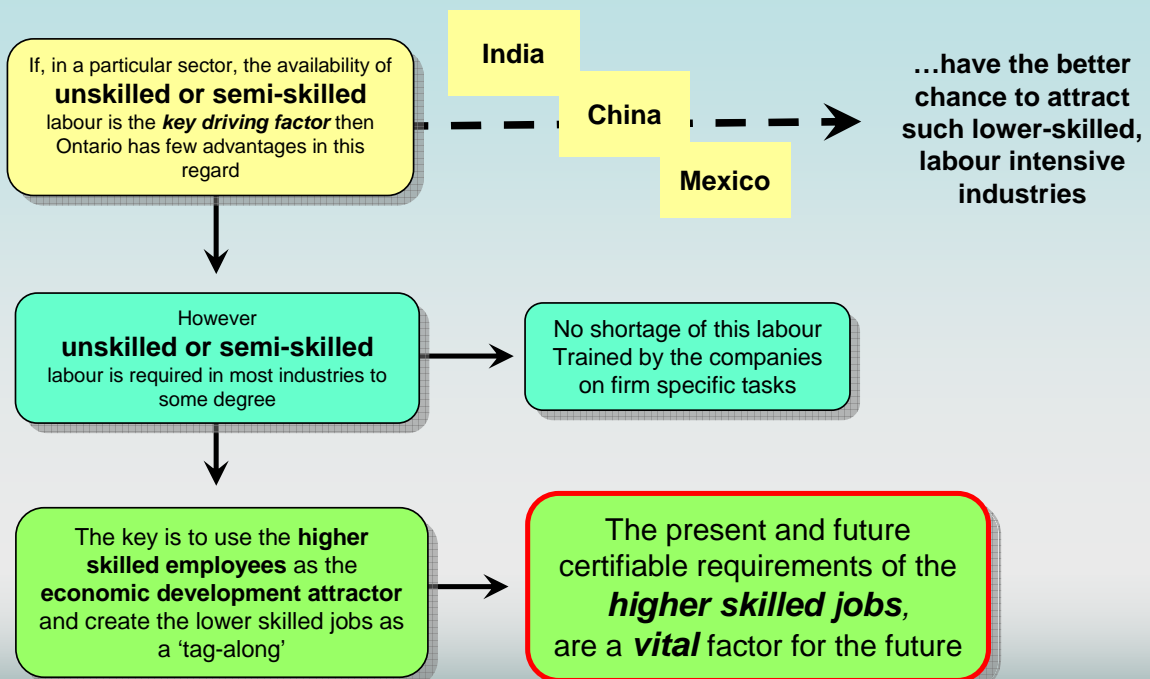


November 17 2011 12

## Connecting Workforce Development to the Economy



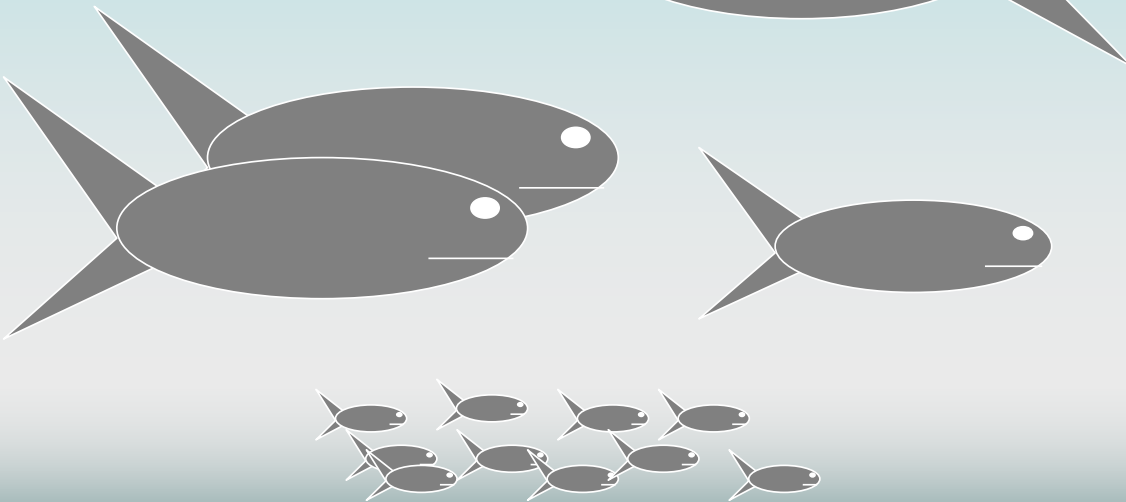
## Skilled versus general labour, as an attractor factor



## Is 'Available Labour' an Attractor Factor?

What attracts the

○ BIG FISH?



## Labour as an 'attractor factor'

- It is tempting (and very human) to think that we *must* be able to find jobs for 'experientially skilled people'
  - In practice, their obvious capabilities may not be the best mechanism by which to satisfy that need
- All jurisdictions claim to have a skilled workforce
  - That is only a necessary *but not sufficient* condition to attract industries.
- Unless there are existing industries already in place and thriving (a cluster), there is no visible 'proof of propaganda' that the area is a good place in which to locate a business.

## Existing skills or future skills?

- **Knowing current worker skills is less critical than knowing the *required future skills*.**
  - No matter what the current skills may be, workers will require skills for the new jobs.
  - The potential 'gap' between current and future skills must be assessed on a *worker by worker* basis to determine the training required.
- **What may be determined is the nature of the future skills required, *if guidance is available from industry***



## Observations - 1

- **Most firms claim to be stable**
  - To admit decline would be unusual 'until the day it happens'
- **Where possible, firms *had* been investing in equipment, leveraging on the value of the Canadian dollar high**
  - Essential in the long term to remain competitive and grow
  - In the short term, does not increase, *and may decrease*, the need for people
- **Some out-sourcing is underway**
  - Reduce and delay cash-outflow
  - Improve cost competitive position



## Observations - 2

- Few companies are *reporting* plans for radical changes to their operations or markets
  - In a competitive world, such reporting is made rarely, since it is 'privy intelligence'
  - Consequently, the *overt* demand for particular skills remains unchanged
- Firms would expect to replace only skilled staff lost to attrition, and that will be limited
  - In such an environment, fewer staff are moving on, lacking secure opportunities – "*hold on to what I have*"
- **Consequently, little specific occupational guidance is available**

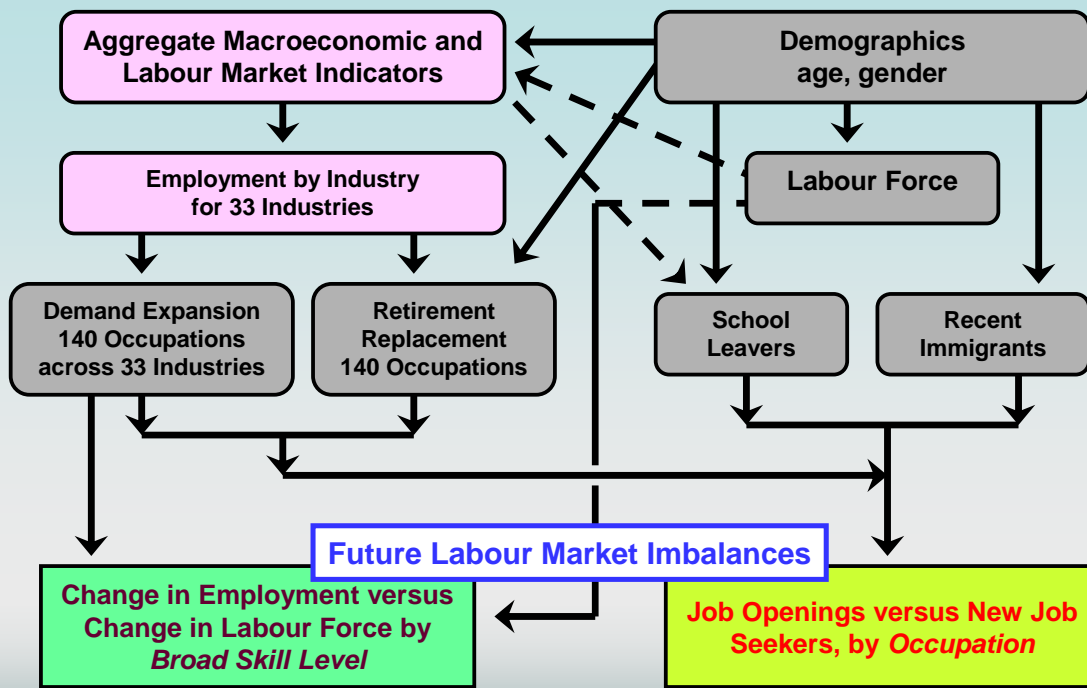


November 17 2011 19

# Half Way!



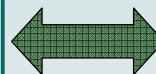
November 17 2011 20



*Not a simple question...nor a simple answer... and cannot be applied to a smaller region*

## Ontario's Workforce Shortage Coalition (2008)

“Business needs to develop a clear picture of their longer-term employment needs, and then develop partnerships with the colleges and universities to meet this demand. This means business has to become more actively involved in program partnerships.”



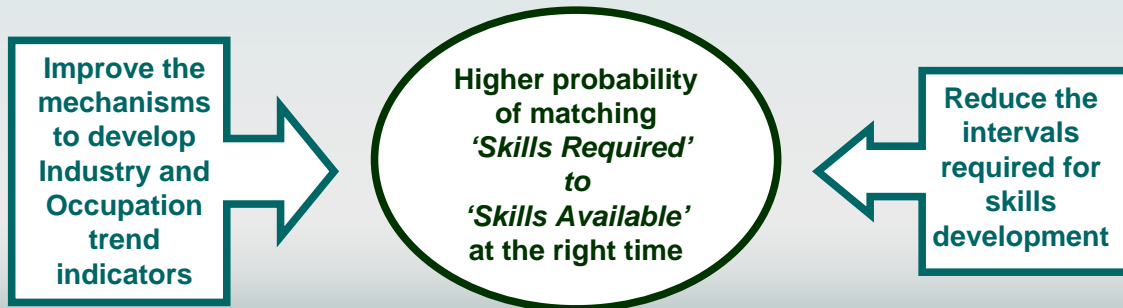
“Colleges and universities need to work together to produce graduates that have the skills necessary to help Canadian businesses and government.”

**These two statements define the real issue.**

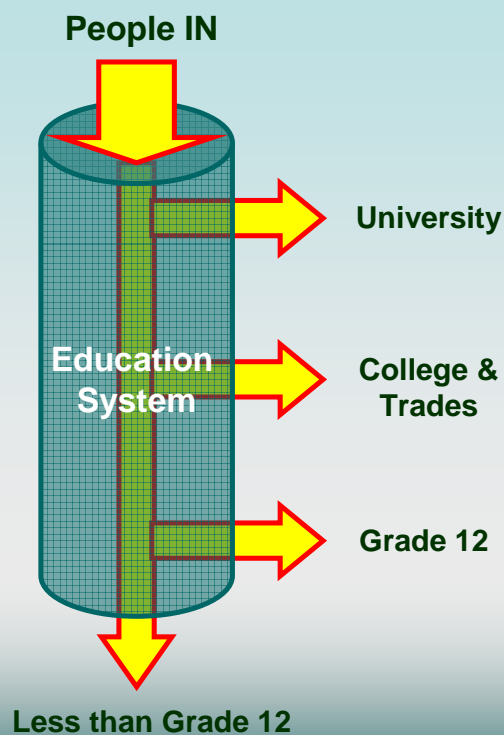
**Neither one alone is sufficient; *both* must be addressed.**

## A Challenge that must be met

- The rate of change in the economy is exceeding our ability to 'keep up'.
- This impacts industries in the economy and, consequently:
  - ...the Occupations in those industries
  - ...and the Skills required
  - ...and the development of such Skills
- **Best tackled from both ends simultaneously**



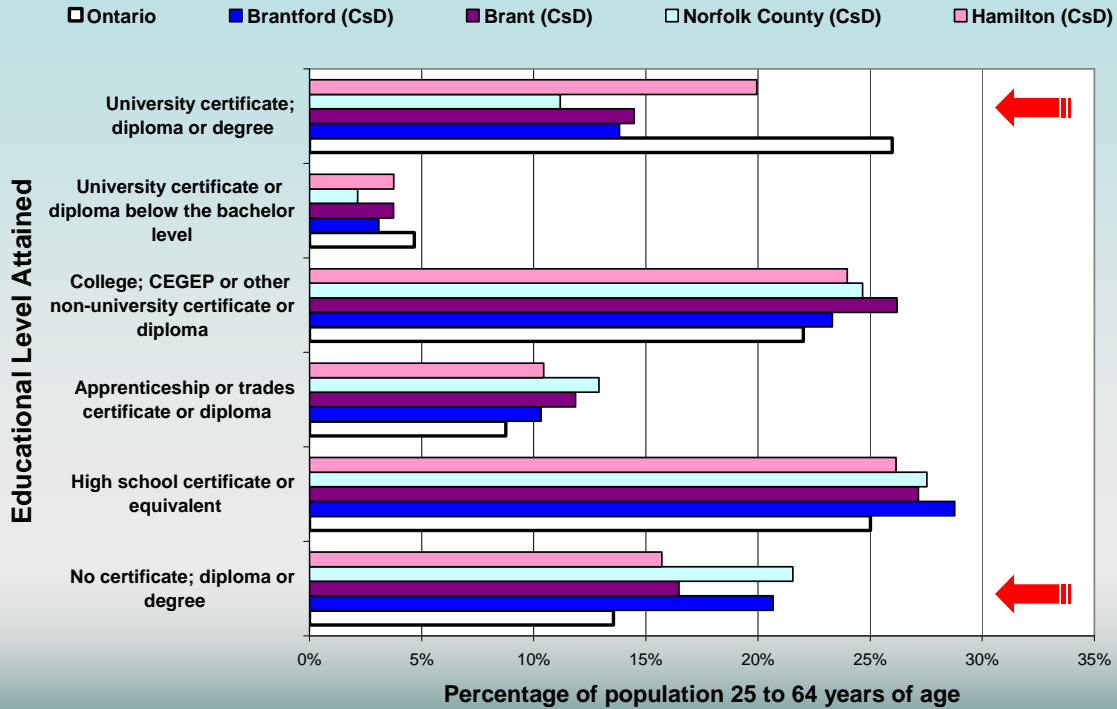
## Education and Training



- Until now, the manufacturing assembly line *had* provided a reasonably well-paying job for those with less than Grade 12
- This avenue is fading rapidly and that safety net has evaporated
- While not guaranteeing a job, *NOT having completed Grade 12 will be a characteristic of NOT becoming re-employed*



## Educational Attainment



## The economic imperative

*"Supplanting raw materials and geography, the capabilities of the workforce will be the key determinant of future prosperity."*

- Those with lesser education and fewer skills will experience:
  - Fewer opportunities available in the higher paying manufacturing jobs that once were
  - Few opportunities for advancement
  - Lower pay
  - Higher exposure to loss of employment due to the work being 'exported' overseas to jurisdictions with much lower wages
- Do we help them to increase their contribution?
- Or do we condemn them to become an economic burden?



# Courses of Action?



November 17 2011 27

## Insanity?

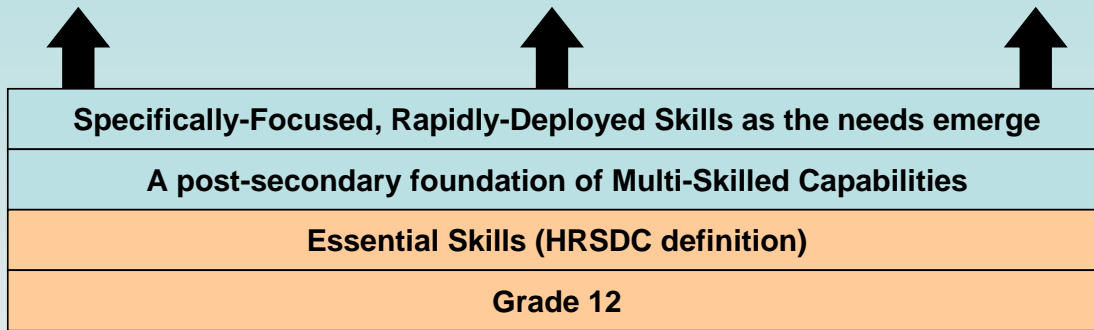
The definition of insanity  
is the *repeat* of past performances,  
with *expectations of different* results.

UNKNOWN



November 17 2011 28

# Hierarchy of needs



- For youth in school
- For the unemployed worker
- For the under-employed worker
- For the employed worker, to guard against an uncertain future
- **Delivery mechanisms exist, for the most part**
- **Overcoming the barriers, *filling the gaps*, is needed**



November 17 2011 29

## Essential Skills - HRSDC definition

- The skills needed for work, learning and life
  - The foundation for learning all other skills
  - Enable people to evolve with their jobs and adapt to workplace change
- Government of Canada and other agencies have identified and validated nine Essential Skills
  - Reading Text
  - Document Use
  - Numeracy
  - Writing
  - Oral Communication
  - Working with Others
  - Continuous Learning
  - Thinking Skills
  - Computer Use

- **These are being deployed more and more within the School System.**
- **Solutions are needed for the *Existing Workforce* of all ages**
  - To become more productive for existing employers
  - To guard against a future where they too may be unemployed



November 17 2011 30

## Ideas to reduce 'time to develop'

- Create a workforce with strong 'generic' capabilities applicable in multiple Occupations:
  - Minimum Grade 12
  - Certified in Essential Skills
  - Certified in 'Multi-Application Skills' – *NEW*
- Multi-Application Skills
  - At least 50% of the training required for multiple certifications
  - Permits the holder to be 'finish-trained' more quickly in the skills needed as these emerge – perhaps on the job
  - Reflects the need for adaptability and multiple career paths
  - "Mechantronix"
    - Mechanics and Electronics
    - Course offered by St. Clair College that reflects the multi-skilled needs that are emerging



## From where did FDR get his wisdom?

**“You gain strength, courage, and confidence by every experience in which you really stop to look fear in the face.**

**You *must* do the thing,  
which you think you *cannot* do.”**



*Eleanor Roosevelt*





# Almost there!



November 17 2011 33

## Take the risk

### The Sailor's Dilemma

**“One does not discover new lands,  
without consenting to lose sight of  
shore for a very long time.”**



ANDRE GIDE



November 17 2011 34

## A most critical investment

It is in the best interests of the individual and the Community to **INSIST** upon workforce development.

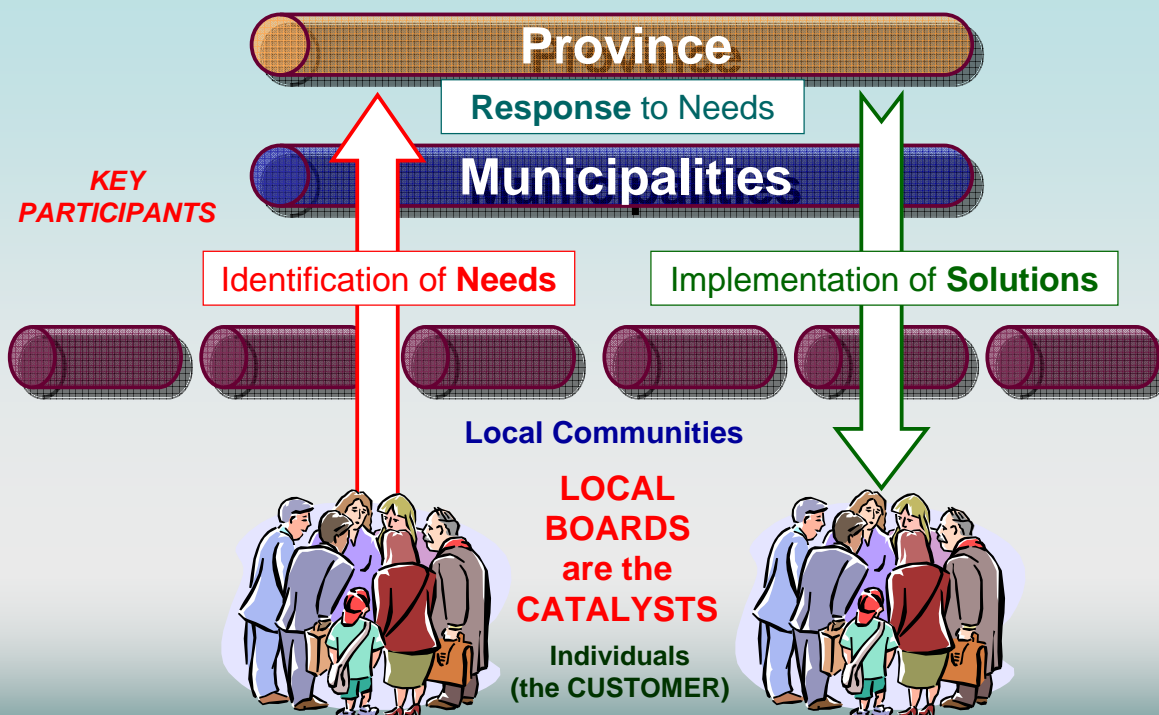
- The concept is radical, not all paths are clear ,nor are many mechanisms yet developed, **there IS risk**
- The risk in doing nothing different is even greater
- The risk will be overcome as the Community engages in this most vital Mission, and with trust in those implementing the plan



education  
**WORKS**

November 17 2011 35

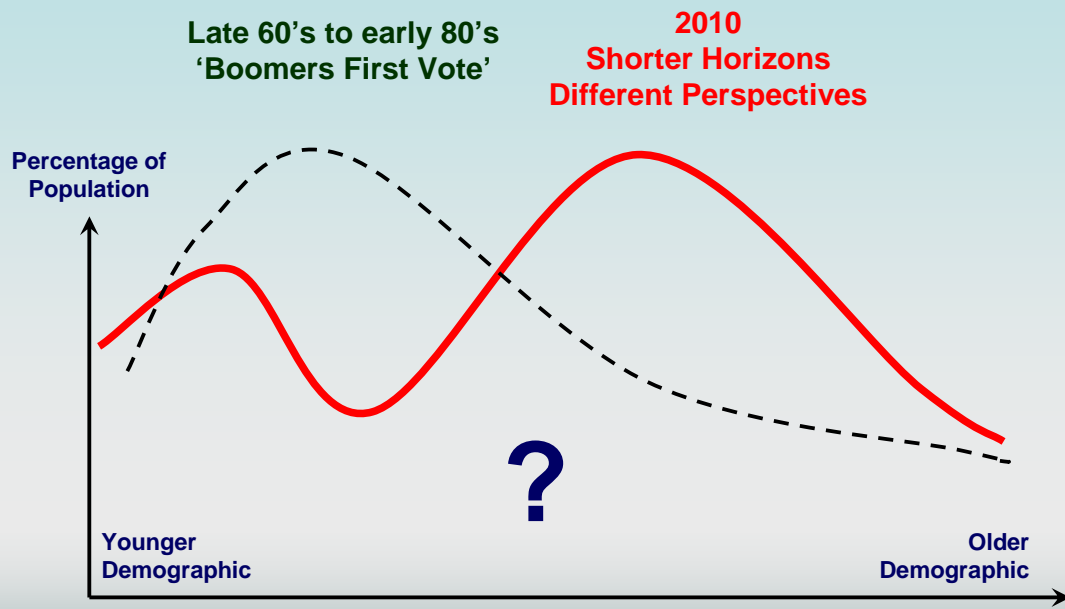
## Identifying Needs...Delivering Solutions



education  
**WORKS**

November 17 2011 36

# The REAL Challenge



education  
**WORKS**

November 17 2011 37

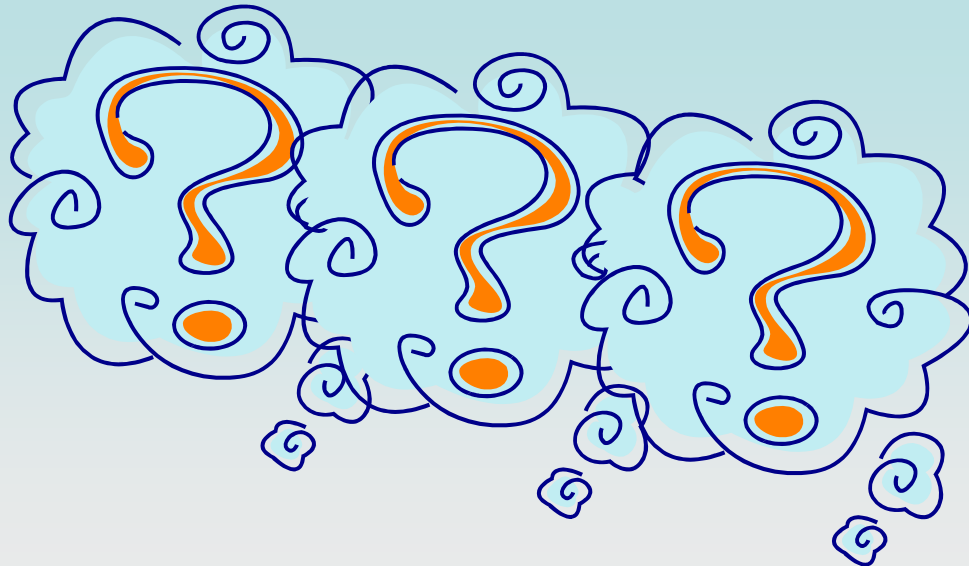
## The Challenging Solution

“Leadership is doing *always*  
what is needed,  
*NOT always* what is wanted.”



education  
**WORKS**

November 17 2011 38



***...and thank you for your time***



November 17 2011 39

George Schrijver

**WCM Consulting Inc.**

77 Ward Avenue  
Sharon, Ontario  
L0G 1V0

Tel: (905) 478-8523

Cell: (905) 252-1549

Fax: (905) 478-8598

[www.wcmconsulting.com](http://www.wcmconsulting.com)



November 17 2011 40