



Your way ahead

Where Did Everybody Go?

The Current Labour Shortage, Lessons
from History, and What's Next

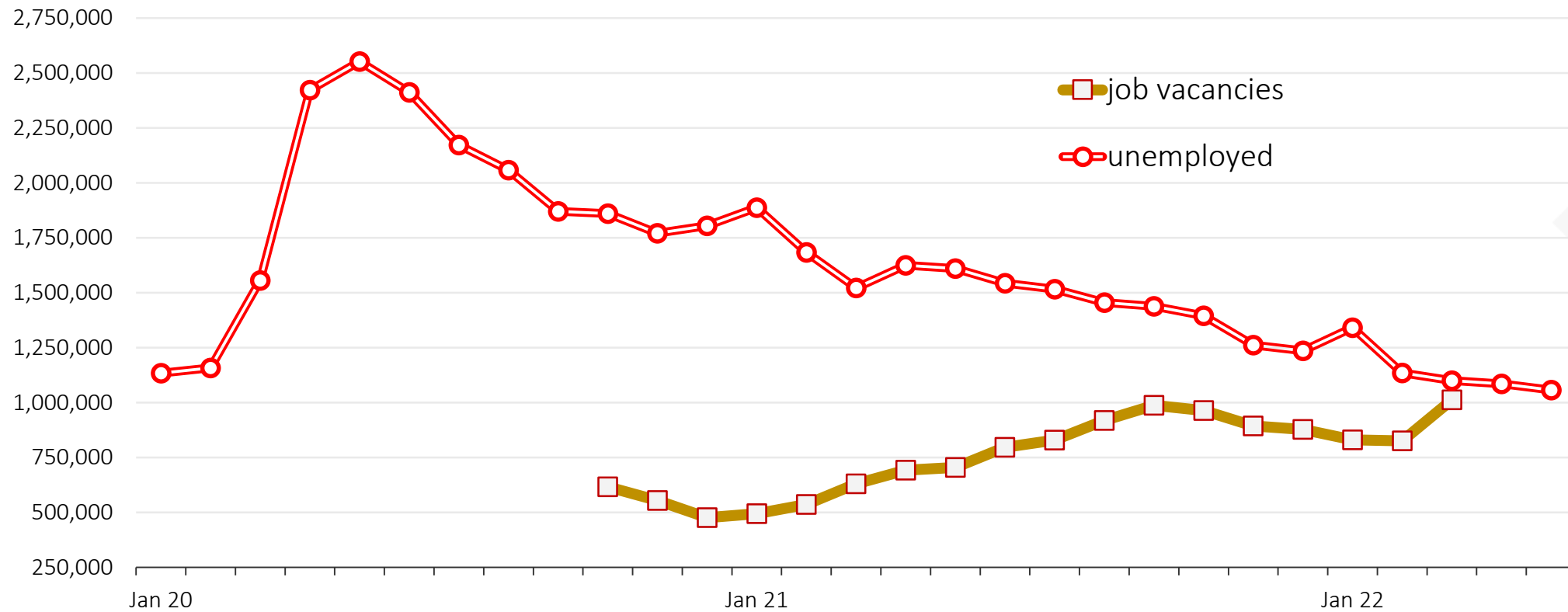
Dave Earle

CILTNA Fall Outlook Conference
November 2, 2022



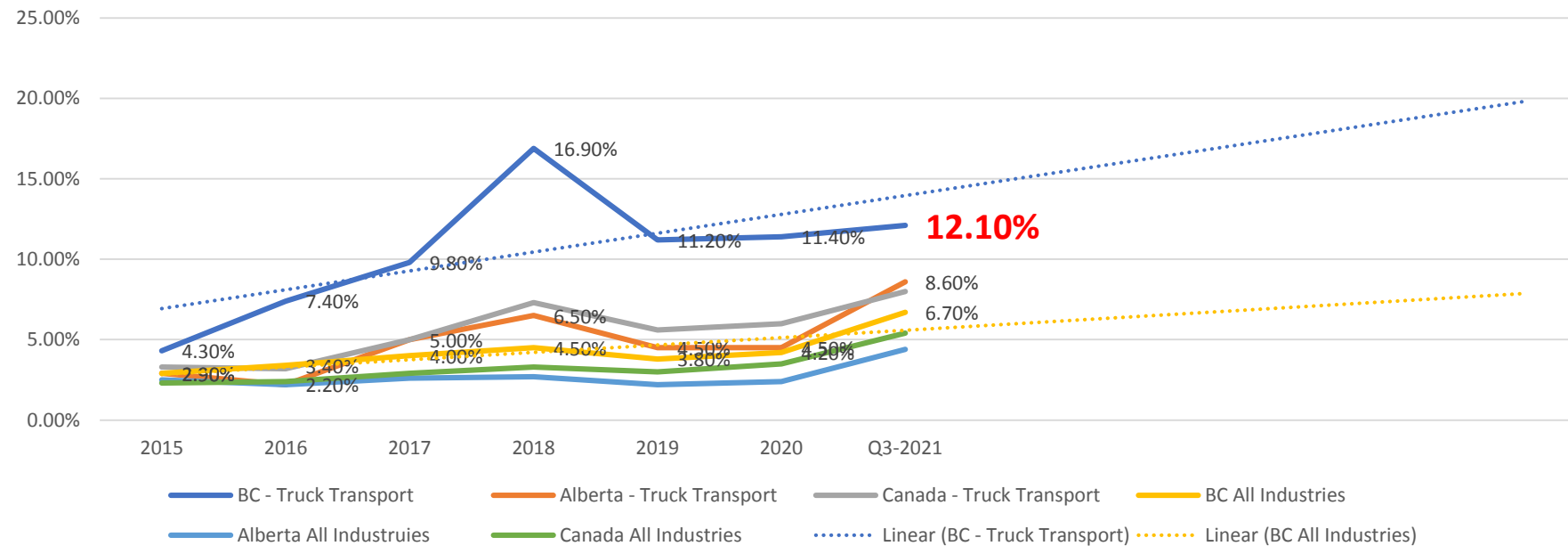
Labour Shortage

Unemployed 15 Years and Older & Job Vacancies in Canada



Driver Shortage

Vacancy Rate
Truck Transportation (NAICS 484) & All Industries

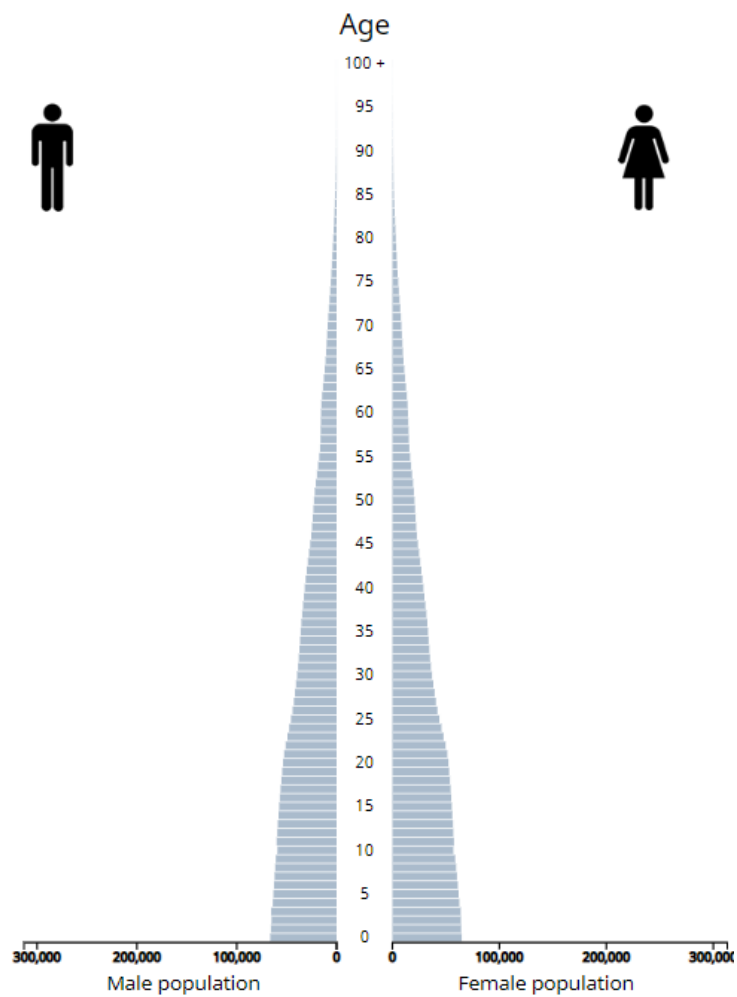


It's *not* all about the economy.....

.....it's all about demographics.

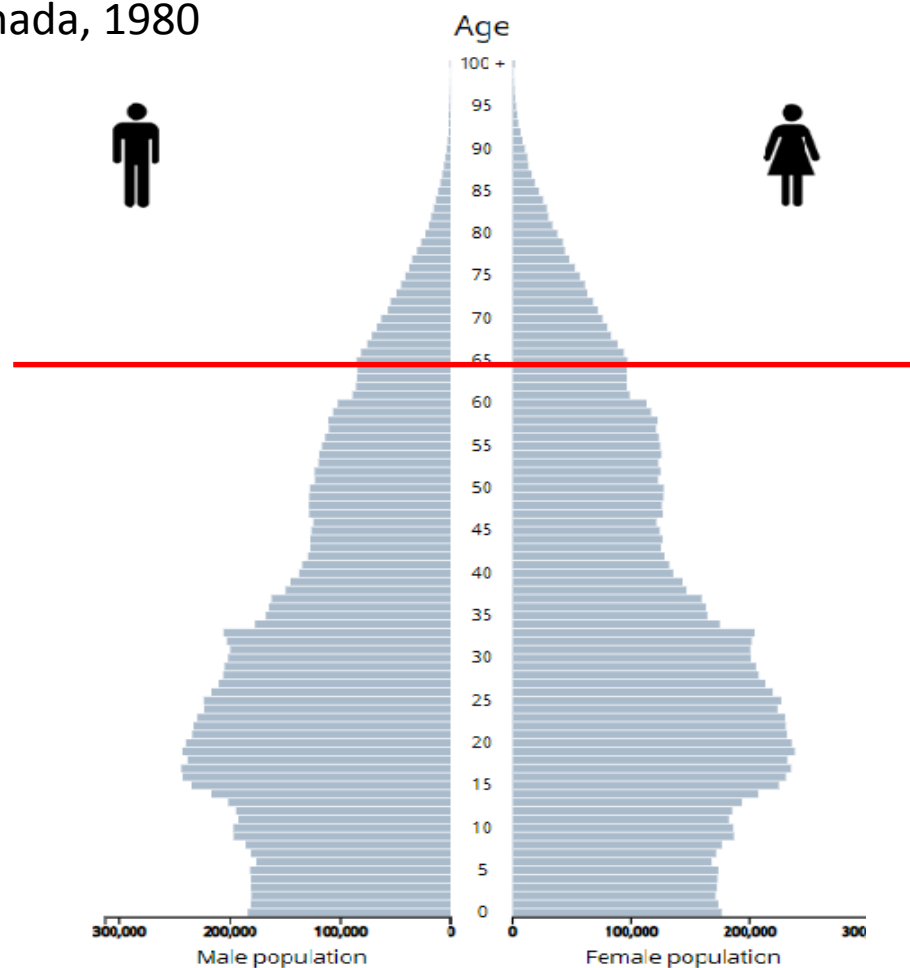
Remember these?

Canada, 1900

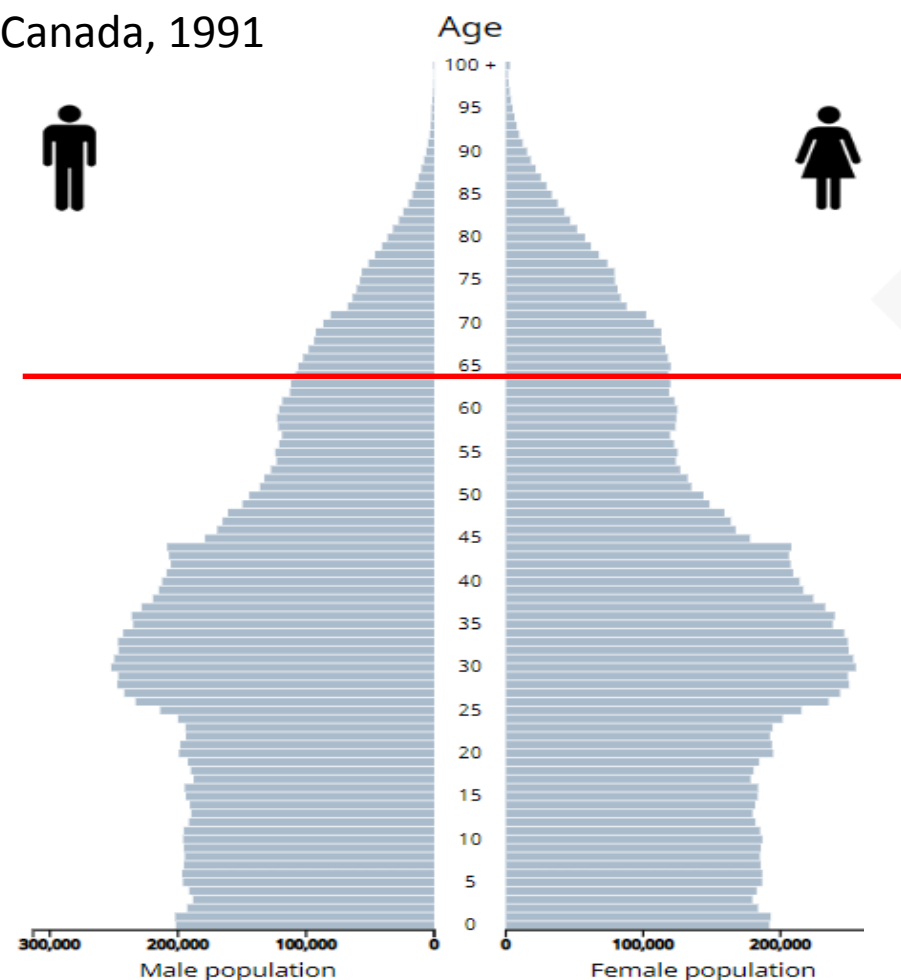


Recent Recessions & Canadian Population

Canada, 1980

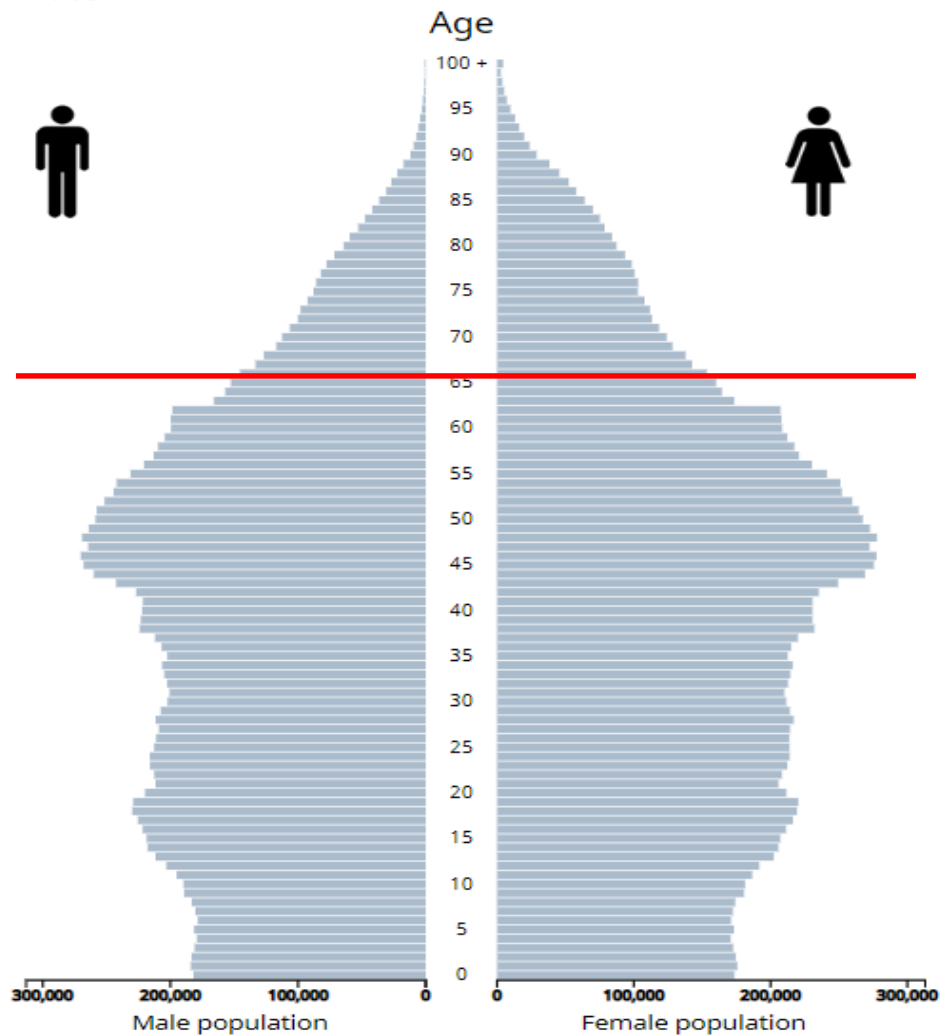


Canada, 1991

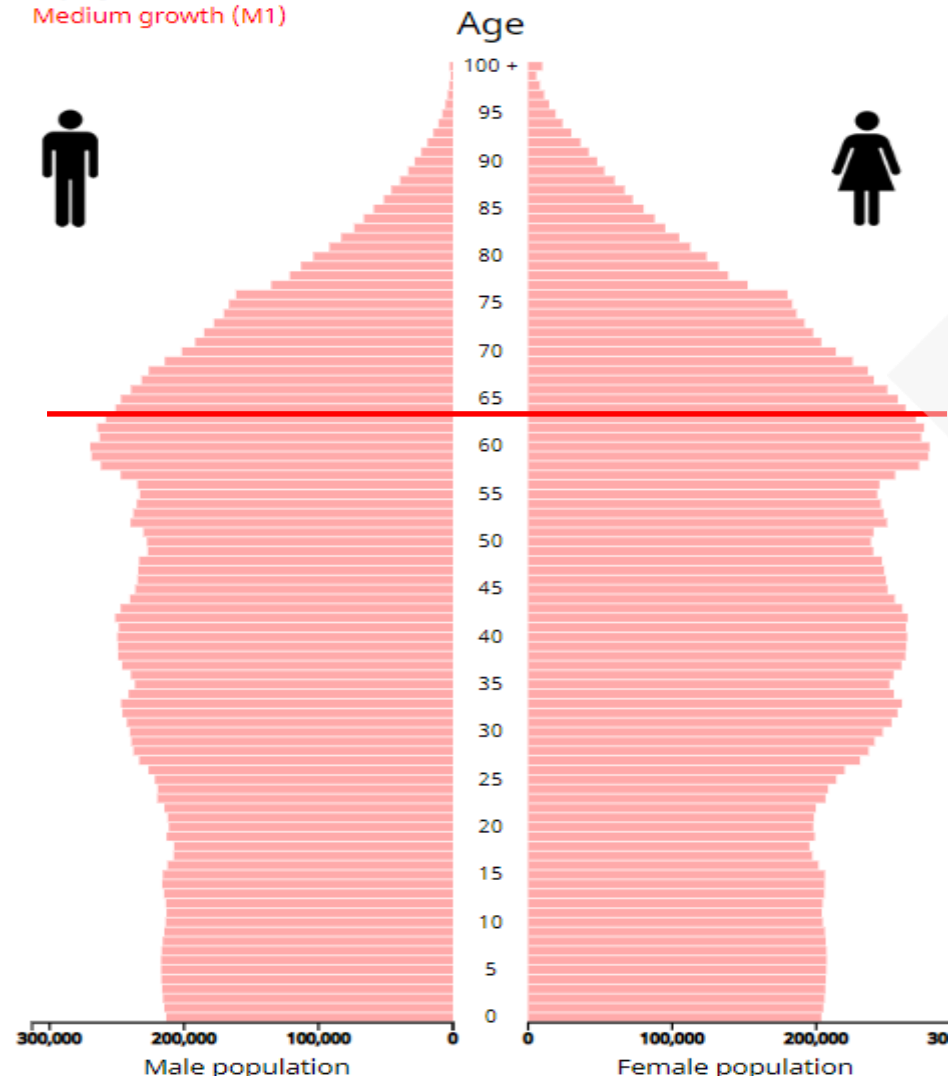


Recent Recessions & Canadian Population

2009



2023
Medium growth (M1)



Available Labour Market

- The available labour pool as a percentage of population is declining ***sharply***
- Percentage of Canadians over 65

1980	1991	2009	2023
10.7	13.3	15.5	21.3

- This will peak at the end of this decade at 25%
- This will LAST until the early – mid 2040's

Have We Changed?

- Fundamentally, no, but we have just come through the most intensive collective global experience in decades
- The impact and hangover of the public health measures taken and real, tangible impacts of viral contagion on every element of our individual and collective lives cannot be overestimated.
- Multiple recent surveys indicate between 20% and 35% of Canadians are either struggling to re-engage or not re-engaging at all.

The sum of the events of the past two years has changed our perception of needs, but not the fundamental needs themselves

So What Do I Do?

April 2022, Ernst and Young Global Survey:

- Flexible work options were perks before; now, they are givens
- More than two in five (43%) of employees globally are set to quit their job within the next 12 months, according to a report from EY
- Money is the top priority amid record inflation, with 35% looking for a salary increase
- In fact, a boost in pay is the best way to address staff turnover, say 42% of employees
- However, only 18% of employers agree

So What Do I Do? Find Intrinsic Motivation

You're never as engaged as you are on your first day.

- Extrinsic motivation (money) alone doesn't work:

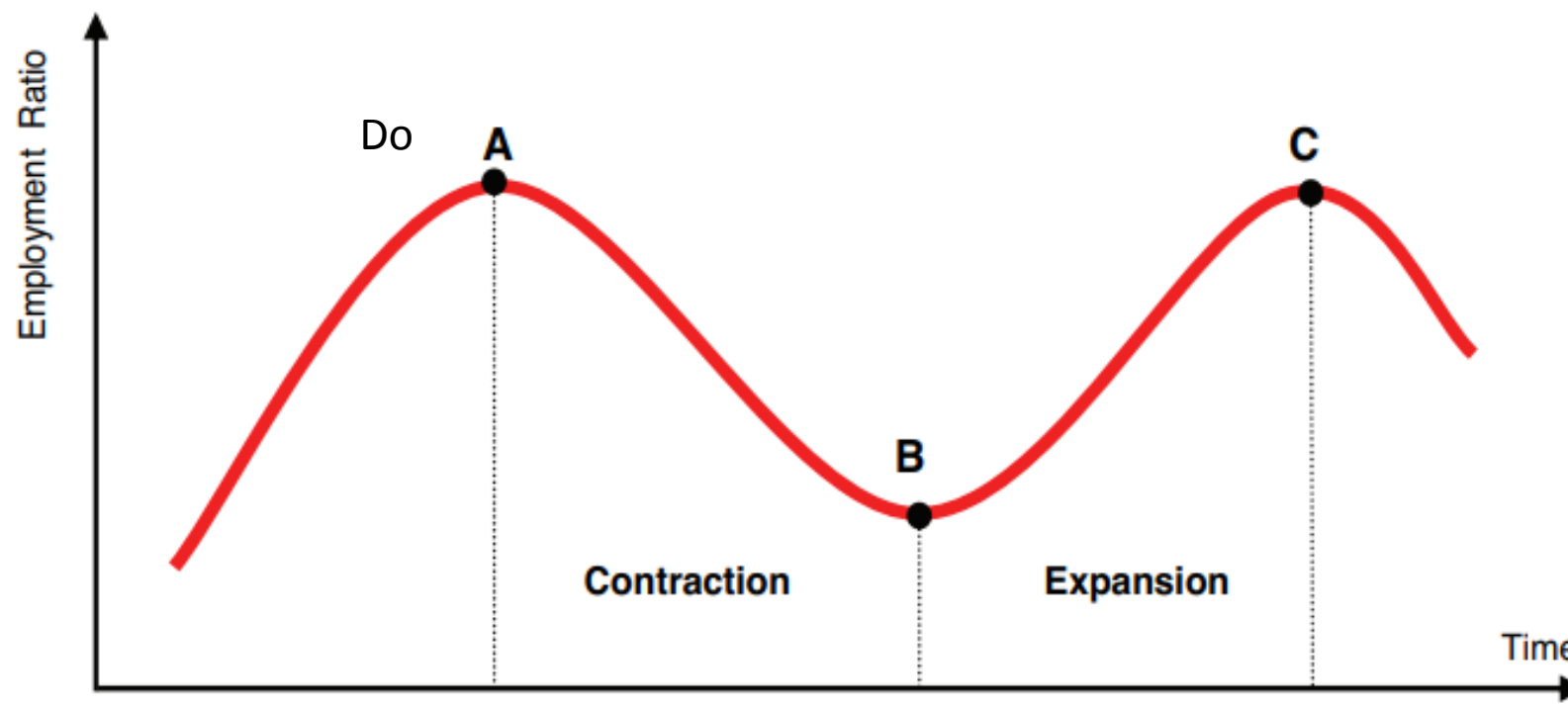
“The results highlighted consistent negative effects of incentives — from marshmallows to dollars — on intrinsic motivation. These effects were particularly strong when the tasks were interesting or enjoyable rather than boring or meaningless.”

(Deci et al, 1999)

- ❑ Social Interaction?
- ❑ New tasks, new skills?
- ❑ Committees? Leadership? Support? Pro-D? Mentorship?
- ❑ Or.....maybe none of the above?

Sun Rises Sun Sets

- Don't make rash decisions; new drivers, same old story



Challenging Assumptions

“Technological Change Will Eliminate Labour”

The Hammer

- Used since prehistoric times
- 1946 – replaced by the pneumatic nail gun

How many toolkits are without a hammer?

The Broader Economy

- “Nearly 42% of the Canadian Workforce is at high risk of being affected by automation in the future.”
 - *Brookfield Institute, Ryerson University*
- “Based on these estimates, we examine expected impacts of future computerisation on US labour market outcomes....According to our estimates, about 47 percent of total US employment is at risk.”
 - *Carl Benedikt Frey and Michael A. Osborne, Oxford*

The Broader Economy- Knowledge

- In 2000, 8% of Canadians did their banking online. Now 55% do
- In 2013, BC started “virtual doctor appointments.” July 2016 Kelowna’s largest walk in clinic was replaced by a virtual one
- *That sounded novel 10 years ago, didn’t it?*

The Broader Economy- Knowledge

- WorkSafeBC automated claims adjudication for 55% of their claims in 2009
- May 2016, Baker and Hostetler (NYC Wall Street Law Firm) hire AI Ross to handle bankruptcy practice

But, “Ross” is “*the world’s first artificially intelligent attorney*” built on [IBM’s cognitive computer Watson](#).

Ross was designed to read and understand language, postulate hypotheses when asked questions, research, and then generate responses (along with references and citations) to back up its conclusions.

Ross also learns from experience, gaining speed and knowledge the more you interact with it.

Summary

Demographics will drive our labour markets for most of the next two decades with chronic, systemic shortages in every sector.

Money is still not the solution to retain and attract talent. Transparent and equitable compensation practices, increasing employee engagement remain critical.

Automation will play an accelerating and increasing role in every industry, but displacement will be a gradual, phased process.