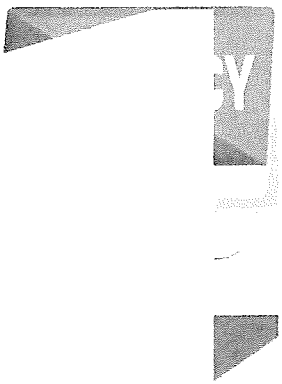
BY TIM QUERENGESSER

GOOD HELP IS HARD TO FIND

(and even harder to keep)

It can take a long time to find a new recruit for a job North of 60. Local labour pools are stretched. You can advertise positions in the south, but the North can be a tough sell. Even if you succeed, how do you compete with government wages and benefits to keep your best people? The HR situation in the North feels like a crisis—and it's holding us back.



Two years ago, 50 people replied to a post for a job in the Yukon. The position was in management. The number of applicants, encouraging. The company was happy. But things took a predictable turn quickly after that. Of those first 50 applicants, most were under-qualified, spoke little English or had no concept the Yukon was cold. The company scratched 45 from contention. Five applicants were left. Next, two bailed before the interview, and two did after. So the company's need for a senior manager came down to one dude. "He took the job, then never even got on the plane," says Philip Fitzgerald, chuckling with frustration.

Fitzgerald is the chief executive officer of Northern Vision Developments LP, a real-estate and services company that employs about 150 people. His challenge is standard in the North these days: finding and keeping workers. "We're a big private-sector employer but we're competing against the [Yukon] territorial government, First Nations governments, municipal governments, all that have collective agreements, for workers," Fitzgerald says. "When possible, we try to grow from within, but we train junior staff up and they get scooped up by government." ↦

LET'S GET THIS OUT of the way immediately: hiring is tough in many parts of Canada. Employers all over the country can tell stories similar to Fitzgerald's. Well, similar to the point of competing with the public sector. Like the weather, however, there's something unique about the North's situation. And some say that uniqueness is on the edge of a crisis.

Evidence suggests these people have a point. Back in 2015 for example, Ottawa, through the Settlement Agreement, gave Nunavut's Makigiaqta Inuit Training Corporation $175-million in funding to build skills among Inuit to qualify for government jobs. Three years later it's been unsuccessful—because of a lack of staff. "When I say 'limited capacity,' I mean I'm by myself. I'm the only one working for Makigiaqta right now," Adeline Salomonie told *Nunatsiaq News* in February. Over in the NWT, the Conference Board of Canada estimates the territory will need around 2,000 new workers each year for 15 years to replace retiring staff. Even those who think the challenge has not intensified are still struggling. "Our postings do get filled but it can range widely from days to months," says Canadian North spokesperson Kelly Lewis.

Just 120,000 people make up the territorial north. They live spread across three territories each the size of a country. Up here, good workers are hard to find at the best of times and even harder to keep. But many northern businesspeople say what's happening today should be a wake-up call. It's not the best of times, they say, and some typically Northern thinking needs to change to fix it.

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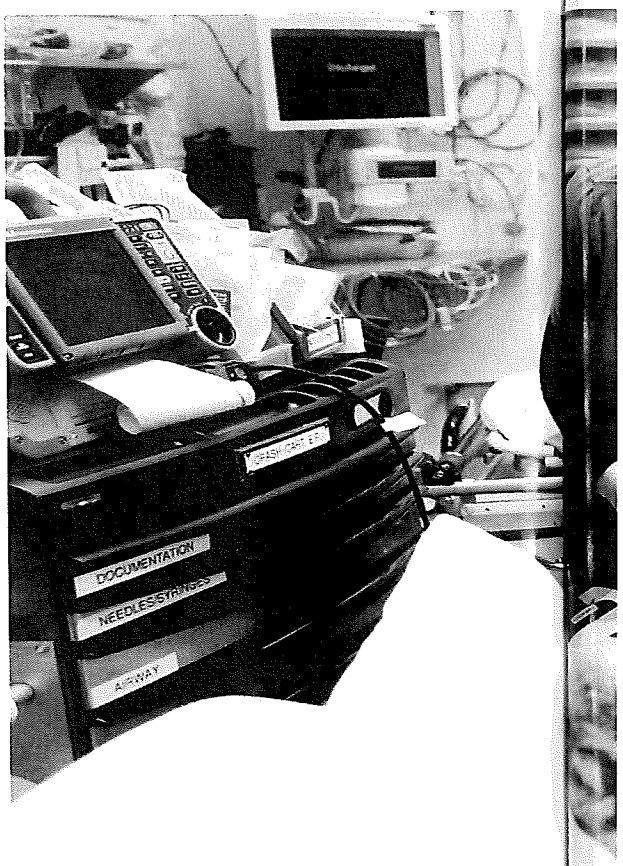


NO ONE'S IMMUNE: Even public sector employers, such as the health care and education systems, experience high turnover.

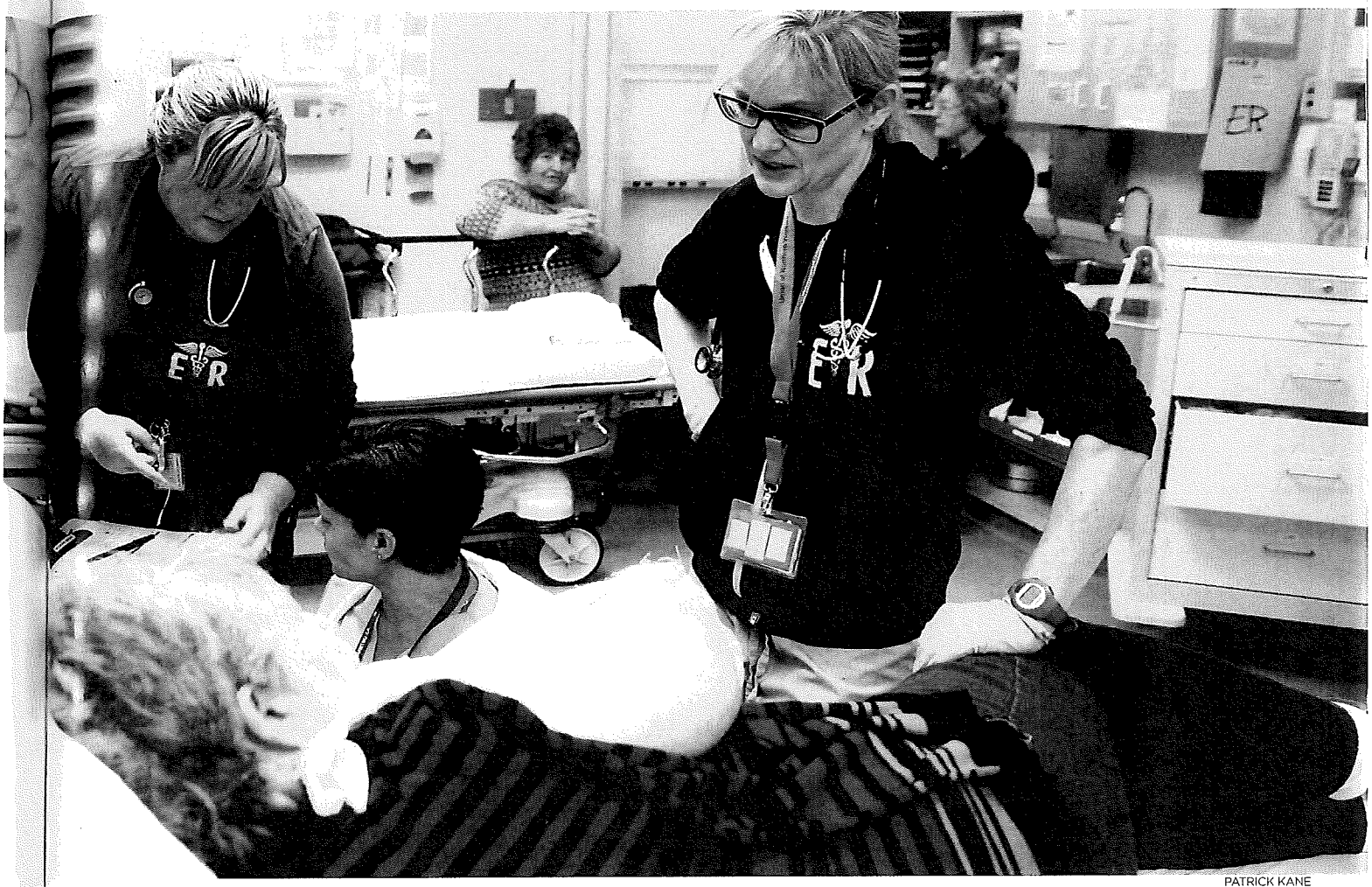
DEEP IN THE BACK PAGES of the *Yellowknifer*, Tim Hortons, De Beers, Northern Gateway and Manitoulin Group advertise jobs. Near them sits a small ad shoved into the right corner of the page. "Labourer wanted in Yellowknife," it reads. "Please apply within."

A call gets me the floor manager. He says anonymously (he'll face consequences if named) he's working unsustainable hours and that it "sucks." He has to replace one of his few staff nearly monthly, he says. And every two weeks on payday his staff hit the bar — which means they miss work and he has to cover. So, this ad isn't for a job that's open, technically, he says, but instead for a job that surely will open when someone else quits. "I'm stuck here six days a week and I'm pretty burnt out."

His story would not surprise Sylvie Francoeur. She's an HR consultant in Yellowknife and sees turnover as part of a northern pattern. Northern workplaces are typically small and stretched, and HR is often not a priority. A snowball begins rolling. "You get stuck in a vicious cycle of not being able to treat your employees in a way that will retain them," she says. Once an employer is in this loop it's hard to justify resources to manage people, Francoeur adds. The snowball accelerates. "They're always in the process of hiring and training … so they're not able to focus on the business they're in."

What results are the horror stories that are far too common in the Yukon, NWT and Nunavut, where a worker arrives on their first day and no one on-boards them or does much more than point to where they're needed. "It's like, 'There you go, there's your desk, or there's your tray, and go at it," Francoeur says.

Turnover has always been the standard second act for northern employment. But many say it's accelerating. Keeping a worker for as little as two years is now a victory, Francoeur says. The proof is everywhere. On the federal government's job bank page, cashier jobs in the Yukon score three out of three stars for potential job growth, because of the "high employee turnover." In 2010, the NWT launched a nominee program to address employer concerns about



PATRICK KANE

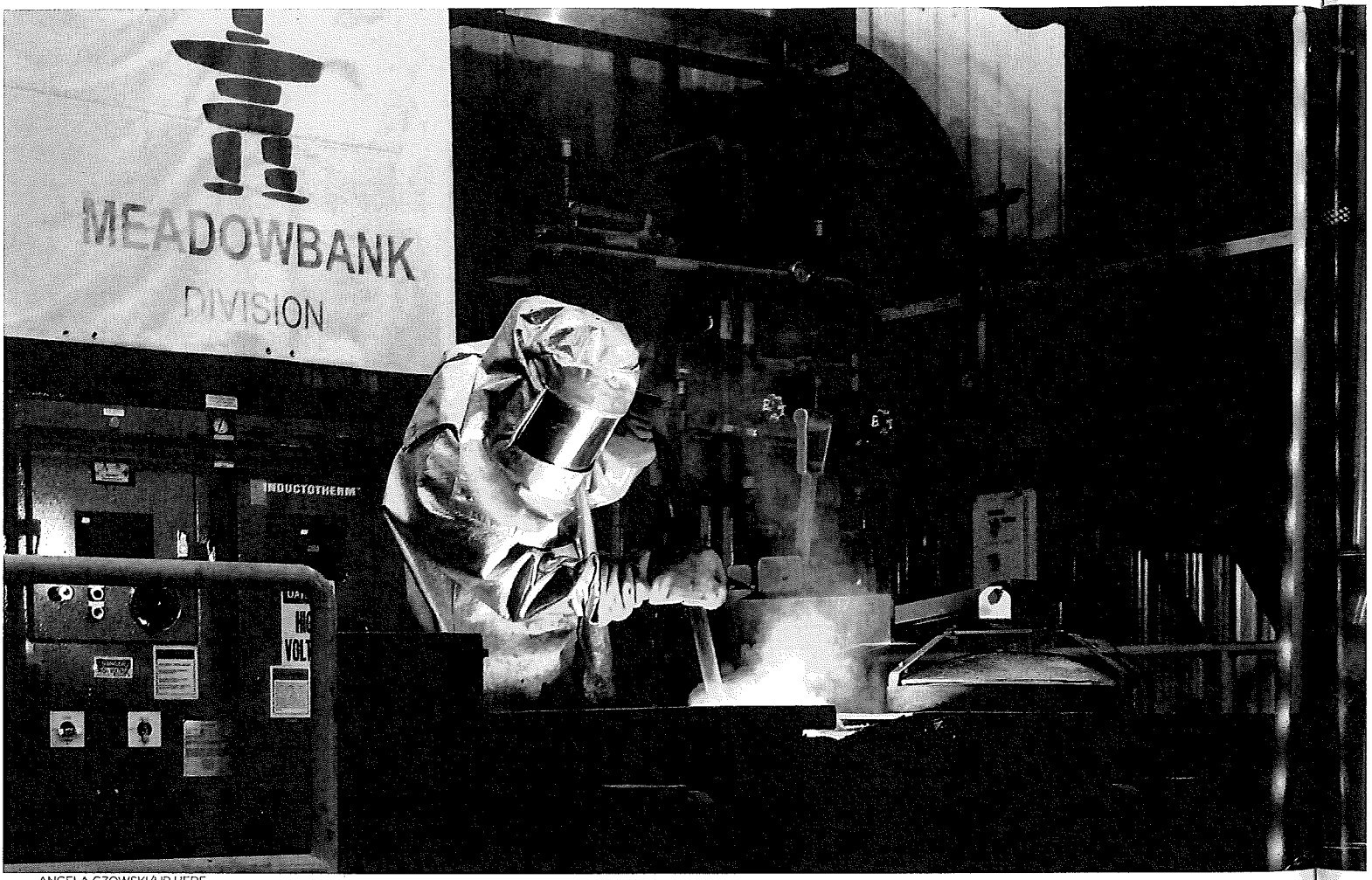
unmanageable turnover. (Nominee programs allow provincial and territorial governments to fast-track individuals for permanent resident status. Yukon launched its program in 2001.) Even the public sector is churning. NWT MLA Daniel McNeely told *CBC* last January that the turnover rate of teachers in his Sahtu riding was 100 per cent. In Nunavut, nursing stations in remote communities have worker vacancy rates as high as 70 per cent.

"Our problem is once the 30 months [of a nursing contract] is done, we can't keep our nurses, they leave, they've had the experience and maybe the novelty [of the North] has worn off," Iqaluit MLA Pat Agnakak told members of Nunavut's legislature recently.

Experts say the North's small labour pool means national shortages can also hit it harder. Take pilots. The Air Transport Association of Canada estimates the airline industry faces a shortage of 6,000 pilots over the next 20 years. At Buffalo Airways in Yellowknife, general manager Mikey McBryan recently told *CBC* that pilot turnover has accelerated as a result. "Normally people would stay three years," he said. "Now they're maybe a year and a half before they've moved on to Air Canada Jazz." Hay River North MLA R.J. Simpson echoed his worries. "The NWT has become sort of a training ground for pilots where young pilots might come in and then leave," Simpson said in the legislative assembly recently. "[I]t does not look [good] for the future."

That future is part of the challenge. Hilary Jones with the Mine Training Society in Yellowknife says the goalposts for work have shifted. Today, an employer rarely finds a worker with the exact skills they need. And workers often have to be re-trained to fit with technology shifts. Consider one employee Jones knows who started driving a truck at a northern mine. Today, after re-training he's no longer physically driving a truck but instead managing three automated trucks remotely—requiring a highly specific and technical skill. "The world of work has really changed," she says.

Indeed, despite the stereotype of mines hiring plenty of entry-level grunts, Jones says less than five per cent of



ANGELA GZOWSKI/UP HERE

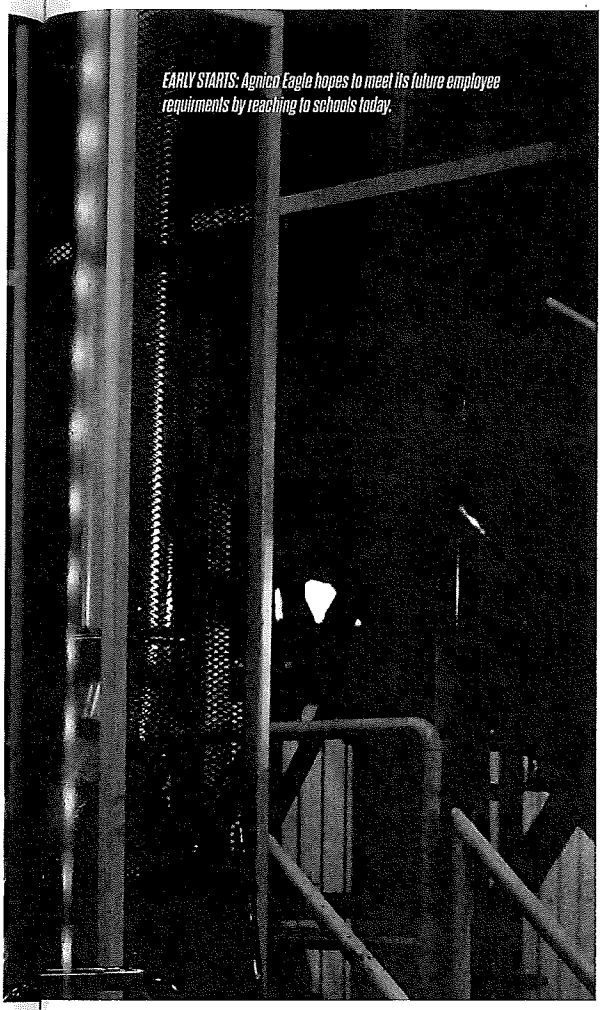
northern mining jobs are low-skill today and the number is shrinking. This plays into turnover and retention challenges, too. In smaller communities, she says, those who have skills "end up doing everything and burning out" (*cough, cough*, those nurses in Nunavut). And in territorial capitals, a worker may get a job, get training and then realize their specific skills are in demand. "They start working and say, 'I can move to Edmonton.' That's not uncommon."

There are also the anomalies that a spike in economic activity can create — something amplified by the realities of the North's smallness. "Hiring becomes more challenging when there are large community projects being built," Lewis with Canadian North says. "In Kugaaruk, for instance they're building a new school that will be done next summer. In this case, we've had to at times bring in team members from outside the community to help with our operations."

Eventually in these situations, Lewis says, the big project gets finished and employers start to see more incoming applications again. But he says it's a cycle that's very tough and almost predictable. "We see it across the North whenever something big is being built in or around a community."

AGNICO EAGLE REALIZES ITS FUTURE workforce in Nunavut is still in school. Just less than 50 per cent of the territory is 24 years old or younger. And so Agnico goes to local schools to recruit future workers, rather than to the south. The hope, says Patrick Roy, the superintendent of people acquisition and development with the mining multinational, is to build a long-term labour pool and achieve 50 per cent Inuit employment (it is currently at 36 per cent) at its two Nunavut mines. "It's to our advantage...to have a local workforce rather than having to fly people in and out," he says. "Our experience over 10 years is that we've been able to put into place the necessary programs that are attracting more Inuit to work with us. It's not just entry level, either. Now it's apprentice programs for skilled trades."

Unfortunately, Agnico's success highlights how most other northern employers fail to integrate potential Indigenous



EARLY STARTS: Agnico Eagle hopes to meet its future employee requirements by reaching to schools today.

"You get stuck in a vicious cycle of not being able to treat your employees in a way that will retain them."

Sylvie Francoeur, HR Consultant, Yellowknife

workers. For the North it's the elephant in the room. The employment gap between Indigenous and non-Indigenous workers is huge and inert. Consider the NWT: more than 80 per cent of non-Indigenous residents have a job while just 52.5 per cent of Indigenous residents do. And that 30-point gap has stayed the same since 2006. Many also note Indigenous people tend to make up the majority in northern communities but not in the capitals, where jobs have clustered. In blunt terms, nearly everyone is working in Whitehorse, Yellowknife and Iqaluit, but barely 50 per cent are everywhere else.

The Conference Board of Canada is researching why. And while the group's study on the employment gap between Indigenous and non-Indigenous workers in the North will not be released until just after press time, researchers agreed to share preliminary findings with *Up Here Business*.

Northern employers told researchers education levels, skills levels and literally finding candidates are their main hiring barriers for Indigenous workers, says Melissa Lalonde with the Conference Board. But there are also deeper cultural issues at play she says. Entering the wage economy in the North usually means mining or government, so one's cultural traditions can interfere with a 9-to-5 work expectation, while resource extraction can go against worldviews.

But Lalonde says the resource sector is nonetheless flexing to embrace the challenge — working in some cases to get applicants with criminal records a pardon (records are a common career limiter in Indigenous communities in the North) or offering fingerprinting services. Indeed, she points to the Det'on Cho Corporation in the NWT, which brought in its own fingerprinting machine to expedite background checks. Why? Those forced to travel to an RCMP detachment for fingerprinting for a job can be forced to wait months for results. And as any job applicant knows, wait months and the job "won't even be there anymore," Lalonde says.

The other challenge is expectations. Indigenous respondents to the Conference Board's survey said they feel, in effect, barred from applying to work in the public sector. "Part of it goes to how difficult it is to fill out an application to work for the government," she says. "The process is beyond a normal job process. Often ... some of the mining companies are better, they'll go into the communities to help the workers and even help them fill out applications. This is not necessarily the case in the government. They expect everyone to go onto their website and fill out an extremely hard application, and display skills they may not have. That is part of the issue there."

"CROWDING" IS AN ECONOMICS term that describes what happens when a public sector grows too large or fast for its private sector to compete. On the ground crowding means simple things like hiring can become near impossible. But is this happening in the North? Some say it is.

Northern Vision's Fitzgerald says his "perennial" staffing problem isn't just hiring and retention but finding potential workers places to live. And it's increasingly tough. "I think the vacancy rate [in the Yukon] right now is like one per cent. And we're in Whitehorse, so there's a couple of thousand houses here. It's even more acute in Dawson." To overcome this, Northern Vision bought a house in Dawson last year and turned it into a rooming flat with nine rooms, Fitzgerald says. "It actually allows us to hire people." And yet he says the government is also offering housing for the staff it hires in the community—at below-market rates. "They're insidious," he says.

Statistics Canada data displays evidence of crowding. From 2001 to 2017, data shows the public sector in the Yukon grew at a 5 per cent faster rate than did its population—adding

2,442 public sector jobs while welcoming 8,302 new residents. In the NWT the trend is accentuated. Between 2001 and 2017 the NWT population grew by about 8 per cent, or 3,675 people, but the public sector grew by about 21 per cent. One in four people now work in the public sector in the NWT. For comparison, in 2001 the ratio was one in five.

What does it mean for the labour market?

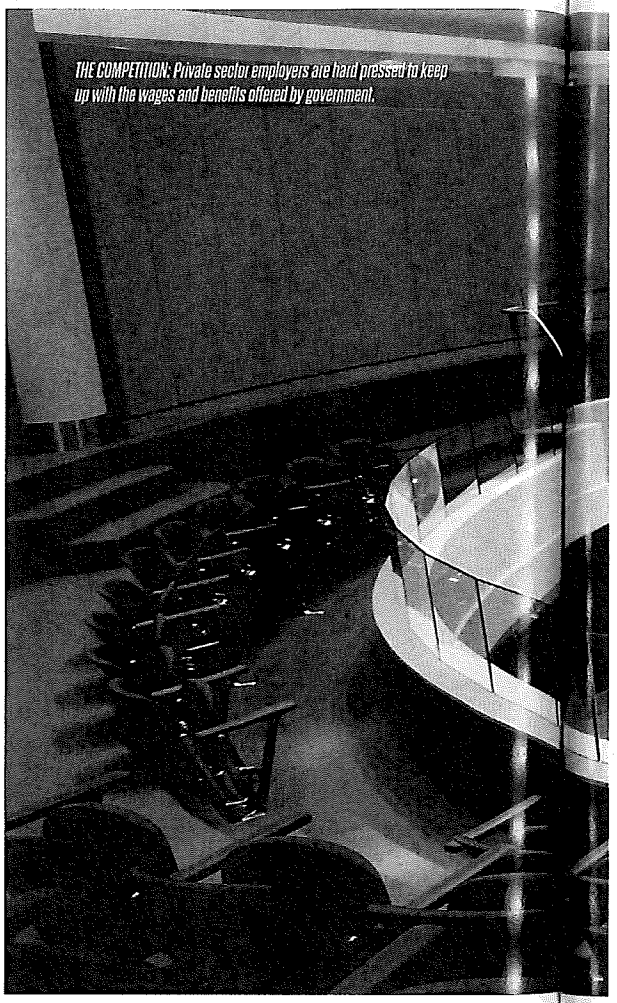
Trevor Tombe heard a few answers. Back in 2016, the Yukon government tapped the outspoken University of Calgary economics professor to be part of a financial advisory panel as it stared down potential deficits. Tombe visited 15 Yukon communities and, outside of Whitehorse, he says all said the same thing. "I would say that employers retaining workers from the public sector, but also the capital city, was the number one concern," Tombe says. "The big cities draw in and remove skilled labour from the communities."

Tombe and his group's research found that one in six Yukoners worked in public administration back in the '90s but one in four do today. In addition, the panel found that about 50 cents of total Yukon compensation is tied to the public sector, and that the gap between average wages for the two sectors — $60 an hour versus $33 an hour — is immense. As a cocktail, he says, this "makes it difficult for the private sector to recruit and retain people."

And it's not just a Yukon thing, where only 15 per cent of the budget comes from self-generated revenue. Own-source revenues are similarly small the NWT and Nunavut. Ottawa fattens each of their budgets through a grant tied to a formula that means money keeps growing as long as the population does, even if the private sector does not. Over the past decade federal monies sent to the Yukon, NWT and Nunavut have grown by 51 per cent. The population of the three has grown by just 12 per cent.

"The big cities draw in and remove skilled labour from the communities."

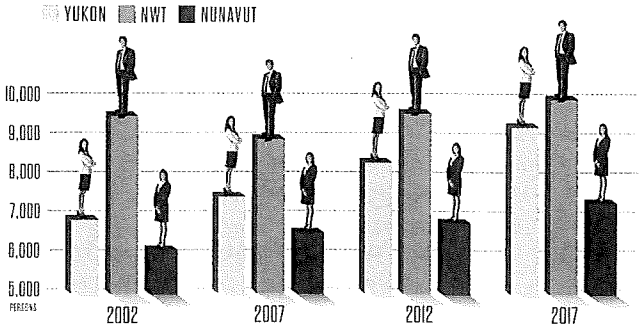
Trevor Tombe,
Economic Professor,
University of Alberta



THE COMPETITION: Private sector employers are hard pressed to keep up with the wages and benefits offered by government.

PUBLIC SECTOR EMPLOYMENT

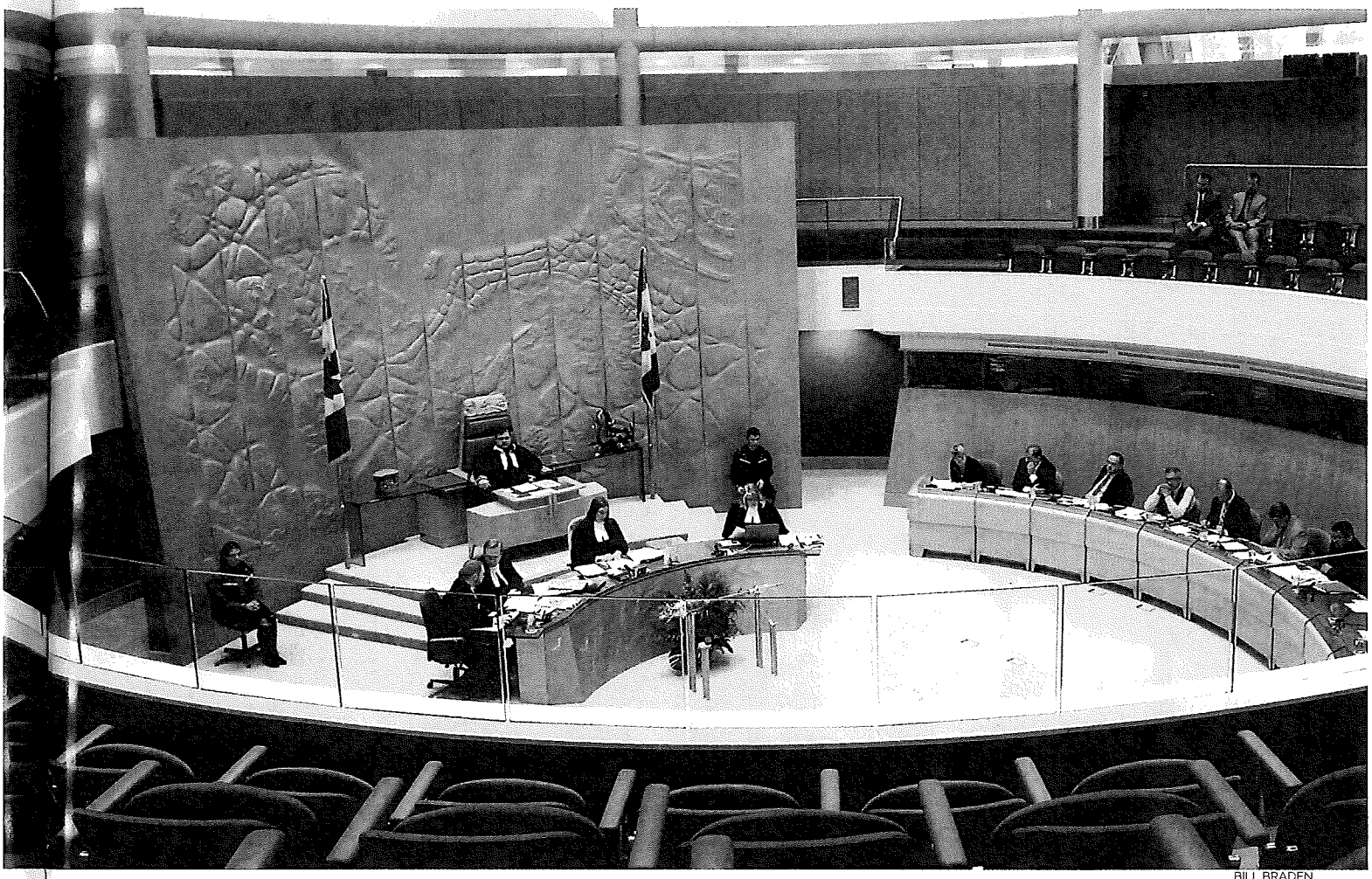
The public sector is a major—and competitive—employer in the North. Here's how trends in the number of jobs stack up across Yukon, NWT and Nunavut.



And Tombe notes an interesting relationship between this money and the public sector's workforce numbers. Each public-sector worker recruited by the North's high wages net their employer money through increased transfers linked to population. For the Yukon, it's $26,000 per recruit; for the NWT it's about $30,000 and for Nunavut it's about $40,000. "It creates an added incentive that can distort that [hiring] decision," Tombe says.

The result is a public government that has impulses to keep growing its workforce—and, as competition intensifies for scarce resources, an ability to out-compete the private sector for workers. From Fitzgerald's point of view, all that means is his employees are continually being poached. "We have lost approximately 15 staff [to the public sector] in the past three years," he says. That's 10 per cent of his workforce.

TOMBE'S GROUP RECOMMENDED several changes the Yukon government should make. It's not hard to see that as northern employers stare down a hiring crisis, with some



BILL BRADEN

28,000 workers needed in just the NWT alone to replace retiring staff by 2030, these recommendations apply to the other two territories as well.

The group saw a large opportunity for government to re-think its dominant role in the economy and re-jig how it interacts with the private sector as a result in order to spur the private sector, most especially in communities, and re-balance the situation. What that means is de-centralizing. "We spoke to a lot of First Nation governments, and for infrastructure projects—roads, paving—a lot expressed concern that they didn't have appropriate access to bid on the contracts," Tombe says. "Here's an opportunity. They could probably do it cheaper and bring power to those local governments. We heard it from municipal governments, as well. There's an opportunity to devolve responsibility."

Francoeur, the HR expert in Yellowknife, adds that there are also opportunities for employers to focus on the work environment their employees work within. Many northern employers simply believe there will be high turnover, "because 'that's just the way it is,'" she says. "But[there are]some non-profits, and you hear of some businesses, where people stay a long time. They take care of their people and they try. Some others don't do so well and I think if they took the time to look at their staffing policies and procedures, things might improve."

She also believes the future will require addressing the employment gap between Indigenous and non-Indigenous workers in the North. "It's a different culture, a cultural divide," she says. "How will you reconcile this to develop workplaces that are welcoming and open to these differences? There's a lot of work we need to do."

Until these shifts happen, Fitzgerald says the Yukon can only hope for better luck. At the moment he's hiring 15 people, including another senior manager. He's advertising internationally for this one. His expectation is that he'll struggle to find someone, if he's able to at all. "We're planning that it's going to be six months, in the best case, to get someone on the ground here," he says.