Creating an Effective Workforce for the Changing Economy (2023)

Issue

Alberta is a prosperous province, with a strong entrepreneurial spirit, and a skilled and energetic workforce. At the same time, Albertans - like many Canadians - are struggling with transitions between learning and work, which is resulting in social and economic implications. If Alberta is to remain competitive with the rest of Canada, it must adapt to and address the coming labour market disruptions.

Background

Skills gaps are damaging the Canadian Economy. According to the *Survey of Employers on Workers' Skills,* 56% of Canadian businesses reported having employees who were not fully proficient to be able to perform their job at the required level.[1]

While Alberta's unemployment rate has recovered from 2020 numbers,[2] meeting the demand for skilled workers in the province is essential for ensuring long-term prosperity. Despite Alberta's decreasing unemployment rate, as of December 2022 labour force participation was still below pre-Covid levels[3] and there were 97,595 (5.1 %) vacant jobs in Alberta, almost double the same number in 2019.[4]

These numbers should cause alarm for policymakers, as they reflect a range of emerging concerns from changing patterns of education and training, labour shortages, and indicates that Albertans are not returning to the workforce post-pandemic.

The pandemic drove a surge in demand for digitally skilled talent.[5] With technology evolving, there is a need to introduce supports and training to fill the kinds of jobs that are necessary to accommodate the changing digital landscape. Post-secondary institutions should be focused around introducing courses that produce people who can fill voids in software engineering, data science, coding and programming.

The Information and Communications Technology Council has viewed these types of programs as essential to addressing the labour shortage and diversity problems in the ICT workforce. Similarly, the Canadian Council of Academies' Expert Panel of STEM Skills for the Future concluded that the development of "strong foundations in STEM literacy (enabled by effective teachers, research-based

[1] Determinants of skill gaps in the workplace and recruitment difficulties in Canada https://www150.statcan.gc.ca/n1/pub/18-001-x/18-001-x2022002-eng.htm

[2] Unemployment Rate https://economicdashboard.alberta.ca/unemployment

[3] Labour Market Notes, January 2023 https://open.alberta.ca/dataset/7124f6a2-9de2-44ec-a30b-3430aca3a4cd/resource/b56b8a61-6642-4f2d-9899-b4bd4b7b3947/download/tbf-labour-market-notes-2023-01.pdf

[4] Alberta Job Vacancy Report, Q3 2022https://open.alberta.ca/dataset/20f6ac7c-0a56-4b77-a3cc-3b9adae24425/resource/6f81702e-e3ae-42c8-80a0-874b59f53530/download/jend-alberta-job-vacancy-report-q3-2022.pdf

[5] Information and Communications Technology Council 2021-2022 Annual Report https://www.ictc-ctic.ca/wp-content/uploads/2022/10/ICTC-Annual-Report-2021-2022.pdf

pedagogical methods, and engaging instruction and curricular materials)" is essential to preventing future labour supply bottlenecks.

With this in mind, it is imperative to create supports for those undergoing career transitions. Innovations in artificial intelligence and robotics have the potential to improve quality of life, increase productivity, and create new jobs, but they may also render some jobs and tasks obsolete, creating a shift in the skills that organizations need to remain competitive. The effects of artificial intelligence will be felt across all sectors. Canadian employers have altered the way they operate in the digital economy. In 2021, Canadian businesses with five or more employees grossed $398 billion in e-commerce sales, roughly 30% higher than in 2019. In addition to e-commerce, in 2021, more Canadian businesses used information and communication technologies compared with 2019.[6]

In addition to assisting with decision-making and customer service, artificial intelligence will play a role in automating repetitive tasks. In Alberta's case, the C.D. Howe Institute estimates that 45.8% of employment in the province is possibly automatable, and 33.8% is highly susceptible to automation. This is slightly above the Canadian average. With this in mind, many will have to undergo training, ranging from minimal to significant. Certainly, for Alberta to remain a leader and position themselves in a way that is responsive to the evolving economy, they must introduce measures to ease the transition to an automated future.

The framework for Alberta's workforce development program is strong. Between 2006 and 2018, the Government of Alberta pursued a workforce development strategy called Building and Educating Tomorrow's Workforce (BETW). This strategy was aimed at bringing together several ministries and stakeholders around the common objective of improving Alberta's labour force skills. Another intended outcome of this policy was to provide underrepresented groups with the skills and training opportunities they would need to succeed. Unfortunately, this program expired in 2016 and the government did not release a new strategy to replace it.

The current Canada - Alberta Workforce Development Agreement states the objective to "Align skills with labour market needs: Help workers and employers access the skills they need to adapt to the changing requirements of jobs and the labour market; and encourage employer involvement in training and continuous learning opportunities for workers".[7]

While the Province continues to provide programs and services that span the continuum of training required moving forward, no unified long-term vision exists to balance and address the short-term needs with preparing the workforce to also respond to emerging trends.

The Alberta Chambers of Commerce recommends the Government of Alberta:

1. Through incentives and initiatives, encourage employers to invest more and become more involved in providing training opportunities to their current staff;
2. Promote increased and diversified enrollment in post-secondary tech education programs in Alberta by providing subsidies for micro-credential training;
3. Develop and invest in the essential skills of tomorrow, such as sustained support and

[6] Digital technology and Internet use, 2021 https://www150.statcan.gc.ca/n1/daily-quotidien/220913/dq220913b-eng.htm

[7] Canada - Alberta Workforce Development Agreement https://www.canada.ca/en/employment-social-development/programs/training-agreements/workforce-development-agreements/ab.html

investments in STEM education and trades training both within post-secondary and also through career transition programming;

4. Position the delivery of career development services to ensure a seamless, coordinated system that provides effective transition within the high school system and the workplace, for all Albertans;
5. Continue to partner with interested stakeholders to create career development and market information resources and training for target audience; and
6. Continue to track outcomes associated with these programs and initiatives in a transparent manner to allow for continual adjustments when necessary.