


# Shifting Demographics: The search for talent

CEO PERSPECTIVES



LEADING GROWTH FIRM SERIES **REPORT 14**



“The confluence of a bulging aged population and a shrinking supply of youth is unlike anything that has happened since the dying centuries of the Roman Empire.”

Peter Drucker, Author and Business Management Theorist  
November 19, 1909 - November 11, 2005

IN THIS REPORT

Acknowledgements . . . . .4

Introduction: A perfect storm...coming your way . . . . .5

Finding and winning the right employees . . . . .6

Profile: The home grown approach  
Anthony Rodway, President  
Aero-safe technologies inc., Fort Erie . . . . .8

Profile: Casting the net for fit  
Bassel Annab, President & CEO  
Exposoft Solutions Inc., Mississauga . . . . .10

Keeping the best and brightest . . . . .12

Profile: The “field of dreams” philosophy  
Bruce Poon Tip, Chief Executive Officer  
G.A.P Adventures, Toronto . . . . .14

Profile: Caregiving HR practices  
Lisa Wiseman, President  
Eldercare Home Health Inc., Toronto . . . . .16

Protecting your knowledge assets . . . . .18

Profile: Drawing young workers to a 150-year  
old company  
Stuart Morrison, President and CEO  
The Cartwright Group of Companies . . . . .20

Plugging the company brain drain . . . . .22

Investing in training . . . . .23

Looking ahead . . . . .23

## ACKNOWLEDGEMENTS

The Ministry of Small Business and Entrepreneurship extends its appreciation to CEOs of high performing growth firms and topic experts, who generously contributed their time and experience, and our corporate sponsors for supporting the Leading Growth Firm Series and Wisdom Exchange 2006 event.

**Anthony Rodway**, President  
Aero-safe technologies inc.  
[www.aerosafe.ca](http://www.aerosafe.ca)

**Christopher Aide**, Partner, Toronto  
Intellectual Property Group Baker & McKenzie LLP  
[www.bakernet.com](http://www.bakernet.com)

**Stuart Morrison**, President and CEO  
The Cartwright Group of Companies  
[www.canadalawbook.ca](http://www.canadalawbook.ca)

**Robert Barnard**, CEO and Founder  
D-CODE  
[www.d-code.com](http://www.d-code.com)

**Aaron Glassman**, Partner  
Deloitte.  
[www.deloitte.ca](http://www.deloitte.ca)

**Lisa Wiseman**, BScN, RN, President  
Eldercare Home Health Inc.  
[www.eldercarehomehealth.com](http://www.eldercarehomehealth.com)

**Bassel Annab**, B.A., B.A.Sc, President and CEO  
Exposoft Solutions Inc.  
[www.exposoft.com](http://www.exposoft.com)

**Bruce Poon Tip**, Chief Executive Officer  
G.A.P Adventures  
[www.gapadventures.com](http://www.gapadventures.com)

**Alan Kouba**, CEO  
Pivotal Integrated HR Solutions  
[www.pivotalolutions.com](http://www.pivotalolutions.com)

**Bob Campbell**, Vice President & General Manager  
Tregaskiss Welding Products  
[www.toughgun.com](http://www.toughgun.com)

**Dr. Linda Duxbury**, Professor  
Sprott School of Business, Carleton University

BAKER & MCKENZIE



Deloitte.



ERNST & YOUNG ORENDA  
CORPORATE FINANCE INC.



PROFIT

Special thanks to members of the **Leading Growth Firm Series Reference Group** for contributing their time, expertise and guidance to develop publications in the series.

To access the publications and for updates on the Wisdom Exchange visit: [www.wisdomexchange.ca](http://www.wisdomexchange.ca)



## INTRODUCTION: A PERFECT STORM...COMING YOUR WAY

Finding the right employees has always been one of the toughest challenges facing small and medium-sized firms. In recent years, the shortage of good workers has created significant barriers to growth in some sectors.

This is not just an issue in Ontario or Canada. It is a world-wide problem.

The bad news is that the labour shortage is going to get worse. A whole lot worse.

In fact, many HR experts believe that all the ingredients of a “perfect storm” are converging on the workplace. The competition for good employees will become as fierce as the competition for good customers.

In this report, CEOs of rapidly growing Ontario firms talk about their experiences in finding, recruiting and retaining employees. Experts also provide valuable insights into the changing nature of the workplace and human resources management.

### The looming labour shortage

There are three main factors creating the problem.

The first is retirement. Baby boomers, the biggest population “bulge” in Canadian history, have already started to retire. A Statistics Canada study estimated that, by 2017, half of all of today’s directors, senior managers and supervisors in manufacturing companies, and half of all teachers, nursing professionals and secretaries will be retired. By 2024, half of today’s total workforce will be retired.

The second factor is that birth rates have been declining for the past 25 years. Families are not having enough children to replace the parents in the workplace at retirement age. This has happened in Canada, the U.S. and in most leading EU countries. China has started to become concerned about the ripple effects of its “one family, one child” social policy.

The result of declining birth rates has been that fewer people are entering the workforce. According to Statistics Canada, the Canadian workforce grew by approximately 226,000 per year for the past 25 years. This decade, it will grow by about 123,000. By 2010, the growth rate will drop to 42,000 per year.

So where will the new talent come from?

Over the past five years, immigration has accounted for 70%

of the growth in Canada’s work force.

The number of immigrants to Canada has averaged 166,000 per year over the last 25 years. But with acute shortages approaching, many experts say Canada’s immigration targets will need to increase dramatically. One estimate calls for targets of between 520,000 and 650,000 annually just to maintain the current labour-supply levels in Canada. These are ambitious targets, particularly given the global nature of the labour shortage.

### Shrinking talent pool

Within 10 years, for every two people who retire, there will be less than one person to take their place.

A third factor contributing to the looming shortage is that most high-value jobs today require more years of training and education than ever before, and that knowledge needs to be kept up to date. Young potential employees are staying in school longer. Older workers are going back to school to get more advanced training. Current staff members need training as technologies and systems are changed or upgraded.

To complicate matters more, workplace cultures are changing, particularly when Gen X and Gen Y workers bring markedly different attitudes towards authority, work and careers than earlier generations of workers.

### Are you ready?

For decades, organizations have talked about the importance of their people but have not always managed accordingly. Why? Because new employees were readily available. Workers were a replaceable commodity.

Those days are over. The coming labour shortage is unprecedented. You need a new strategy.

In the following pages, you will find out how some leading Ontario firms are recruiting and retaining the great employees they need to keep growing. You will also discover the facts behind the labour shortage issues and what best practices exist that can help you survive and even thrive in the coming years. ■

# FINDING AND WINNING THE RIGHT EMPLOYEES

## The need for a new strategy

For the next two decades, your firm's capacity to grow and prosper will be linked to its ability to attract and keep talented people. Having good employees will become a huge competitive advantage that companies will fight to gain and retain.

Companies will need to hone their marketing skills, segment and target their markets if they want to find and retain top employees.

*“We ensure that all employees are as fully informed as possible of the financial and business challenges we face. We understand that last-minute surprises created by a lack of communication about the impact of an appreciating Canadian dollar, for example, can erode trust and confidence in management.”*

Bob Campbell, Vice President and General Manager  
Tregaskiss Welding Products, Windsor

## A new and very different workforce

Just as today's workplace, with its computers, e-mails and constantly accelerating deadlines is different from that of 25 years ago, today's workforce itself is radically different.

Dr. Linda Duxbury, Professor at the Sprott School of Business at Carleton University in Ottawa, has examined Canadian and international demographics and often consults with government and business. Duxbury's studies reveal that we are in a very unusual situation. “For the very first time, we have four generations in Ontario's workforce at the same time, each with its own values and expectations.”

Duxbury categorizes the generations in four main groups:

- **Veterans** (those aged 59+ and born just before or during WWII) value loyalty, dependability,

persistence, hard work, wisdom and experience

over technical knowledge. They also respect authority.

- Their daughters and sons, the **Baby Boomers** (born between 1947 and 1964), are workaholics, team-oriented, accept high levels of stress, value titles and status symbols, and demand respect and sacrifice from subordinates.
- The Baby Bust (**Generation X**, born between 1961 and 1974) work within the system, sacrifice personal life for advancement, are dependent on close supervision, dedicated to goal achievement, desire job security, are insecure, and have a desire to be recognized.
- The Echo Boomers (**Nexus or Gen Y**, born between 1975 and 1990) are not just young Generation Xers. Y Generation employees are highly independent and autonomous, look for challenge and variety, are entrepreneurial, distrust hierarchy and authority, want a fun and communal workplace, and seek continuous development of skills and work/life balance. They have an unwillingness to commit and lack of loyalty.

## What employees want

According to research conducted by The Corporate Leadership Council, younger workers today are most attracted to positions and companies that provide:

- Flexible health programs: deductible plans that allow them to adjust options to fit their individual needs.
- Technical training: opportunities to learn and develop marketable skills.
- Mentoring: gaining knowledge from their more experienced colleagues.
- Financial rewards: stock options, company cars, profit sharing, referral and sign-up bonuses.
- Job flexibility: variable scheduling, telecommuting and virtual work arrangements.

*“In the first eight years of our operations, we never had to advertise for new employees. They came by themselves attracted by our reputation for leadership and our unique working environment.”*

Bruce Poon Tip, Chief Executive Officer  
G.A.P Adventures, Toronto

### Hiring for fit

‘Fit’, the ability of an individual to adapt to the culture and unique demands of your company and its business is a vital consideration in the hiring process.

When looking for the right fit:

- Keep your job descriptions straightforward and in simple language.
- Involve staff in the hiring process. People who have been with you for years can help market the program and integrate new employees.
- Work with quality search firms on senior searches. Stress the importance of “people skills” when hiring managers who will oversee younger workers.
- Be picky. The soft qualities that come with a compatible fit are often the toughest to assess when you’re hiring. Put a lot of effort into that part of the process.
- When hiring over the Internet, carefully screen references and academic qualifications.

### Targeting your recruitment tactics

Young workers are technology savvy, the first generation that has not known a world without computers. They are far more likely to turn to the Internet when searching for a career than scan the classified or career sections of the newspaper. Use your company’s website with a fill-in application form. Advertise on

Monster.com, Workopolis.com or other online job sites. But there is a downside: the Internet is a mass-market approach, not a targeted one.

Attracting older workers requires different tactics. Innovative Management Concepts, a management consulting firm specializing in solutions for an aging workforce, suggests, among other approaches, that companies conduct information seminars focusing on issues tailored to the older community, such as retirement, financial planning, health and fitness over 50, and second and third career options.

Other effective methods to reach talent:

- Enlist your employees and reward them for recruiting their friends and acquaintances. Better than anybody else, they know where to find other young candidates.
- Prospect past employees to hire them back or ask for referrals. ■

*“Today, just about anyone can reproduce your product or service and parachute into your marketplace, at almost a moment’s notice, after having gleaned all the information they need off the Internet and other sources. Your only true competitive advantage is to have employees who rise to the challenge, who respond by saying: OK. This is a new situation that needs new strategies. And we need to become even more competitive than we were before!”*

Alan Kouba, CEO  
Pivotal Integrated HR Solutions, Mississauga



# PROFILE

## The home grown approach

Aero-safe technologies inc., Fort Erie

Anthony Rodway, President

*Manufactures reliable, complex geometric components with extremely high tolerances and customized surface finishes for companies in aerospace, defence, life support, satellite communications and optical industries.*

<b>In business since:</b>	1981
<b>Three-year growth rate:</b>	15%
<b>Annual sales:</b>	CDN \$6 - 10 million
<b>No. of employees:</b>	62
<b>Average age of employees:</b>	38
<b>Age range of employees:</b>	Between 17 and 66
<b>Labour force challenge:</b>	Weeding out employees not suited to the demands of the job
<b>Solution:</b>	Carefully selecting candidates for a well-designed co-op apprenticeship program at the local high school
<b>Turnover rate:</b>	Less than 1%

Aero-safe technologies inc. grows its own talent. It was instrumental in working with Fort Erie Secondary School to develop a unique, custom co-op program that draws from the students enrolled in machine shop.

The seven-year old program is largely the product of a skills development philosophy instilled in Aero-safe owner and president Tony Rodway during his teenaged apprenticeship as a machinist in England. “Get the experience,” he says, “and you won’t have trouble finding work.”

The program gives the students the opportunity to develop skills in a 25,000 square foot facility that houses some of the

world’s most advanced machining technology and equipment. The company manufactures and supplies high reliability components for aerospace, satellites, oxygen life support systems for aircraft and high-end optical systems. It has a well-established reputation for quality and excellence in a very competitive international industry. Its workforce has grown by 50% over the past three years and the high-school program has helped to meet the need for skilled trades people.

Each year, eleven students from grade 11 or 12 are chosen to participate in the program. The students who sign up do so because they want to and have demonstrated an aptitude for the work.

By acquiring the skills and experience the program offers, the student is guaranteed a job with the company. “The local economy is not big enough to employ all the young people who grow up here,” observes Mr. Rodway. “So one of the most satisfying aspects of this skills development initiative is that it creates high-quality, home grown career opportunities for local youngsters.”

In year one of the program, students spend Tuesday and Thursday afternoons at the company’s facilities learning on the job under the supervision of their teacher. In year two, all their afternoons are spent at Aero-safe where they job shadow, clean up and do whatever helps them understand what’s needed to get the work done.

Respect for work in progress is lesson number one, says Rodway. “They are being given a chance to learn and one of the key learning points is that the job at hand comes first.”

Fort Erie Secondary School students know that the co-op program is Aero-safe's primary recruitment vehicle. That knowledge combined with the very strong reputation of Aero-safe and recognition of the job-landing value of formal credentials in a skilled trade make the program very popular.

Rodway is proud of the real life benefits the program produces. "We create six or seven good jobs every year for kids who really appreciate them," he says. "We're not talking about flipping hamburgers or frying steaks. These are jobs that pay well and have futures attached to them."

The program has generated considerable attention from governments and educators. In 2003, Aero-safe technologies inc. together with Fort Erie Secondary School was awarded the Yves Landry Foundation's Innovative Technology Program Award, the highest-level award handed out for technical education in Canada.

It's the type of achievement Tony Rodway thinks more companies should emulate. ■

“ The local economy is not big enough to employ all the young people who grow up here. So one of the most satisfying aspects of this skills development initiative is that it creates good, home grown career opportunities for local youngsters. ”

Anthony Rodway, President  
Aero-safe technologies inc. Fort Erie



## PROFILE

### Casting the net for fit

Exosoft Solutions Inc., Mississauga

Bassel Annab, President & CEO

*Exosoft Solutions is a data management company that provides online support to conference/meeting organizers related to registration, badging, room block management, exhibit and booth management, and abstract collection and management tailored to its clients needs.*

<b>In business since:</b>	1996
<b>Three-year growth rate:</b>	128%
<b>Annual sales:</b>	CDN \$5.1 million
<b>No. of employees:</b>	65
<b>Average age of employees:</b>	Late 20s/early 30s
<b>Age range of employees:</b>	Between 21 and 45
<b>Labour force challenge:</b>	Finding talent with technical and interpersonal savvy
<b>Solution:</b>	Hire young and manage carefully
<b>Turnover rate:</b>	2%

Exosoft's rapidly expanding team grew by 27 people in 2005 and is expected to reach 250 in the next three years.

Exosoft handles an annual volume of 300-400 events and is on the cusp of expanding exponentially as the company drives to capture a larger chunk of a market that President & CEO Bassel Annab describes as huge – 750,000 conferences and events every year in North America alone.

Keeping pace with this growth, while providing a level of service that supports a client list that reads like a Who's Who of international business, is not easy. It presents all of the human resource management challenges a small, mushrooming

company can handle. "Our big challenge" explains Mr. Annab "is finding people with the technical and interpersonal skills to serve a market where technological literacy ranges from the pre-IBM Selectric generation to the contemporary ipod-toting Gen Y type."

Exosoft does most of its hiring over the Internet. "The Net gives us volume, but the quality is mixed and you have to spend time verifying the credentials of the candidates it turns up. Academic qualifications require a lot of double checking."

Fit is one of the basic considerations in the recruiting process. "We're a small company in the early stages of a rapid growth phase and we have to perform under pressure every day. Therefore, fit is a very important consideration. Getting that wrong can create big problems." For these reasons, personality and behaviour get a lot of attention. Typically, people go through four or five interviews before receiving an offer.

"We are particularly interested in how potential candidates handle pressure," says Mr. Annab. "The conference and events business is unrelenting with a lot of eleventh-hour stuff and very demanding clients." A 'that's-not-in-my-job-description' attitude is a big liability under these conditions.

Executive search firms are the most effective routes when the company hires key managers. "We find that search firms are the best option here," he says. "We've learned that when you scrimp on the fee, you spend a lot of time screening candidates to ensure that they and their experience correspond to their resumes."

The company is in the early stages of forming relationships with universities in the area of product R&D and skills development. The demands of the business require careful product design to ensure that customer needs are met with the latest and best technology.

Making sure that software-tracking solutions incorporate the latest GPS technology is an example of this. They make it possible to track and locate staff instantly at large events such as the Olympics.

User friendliness is another important R&D priority. This is particularly important with older clients who struggle with technical complexity. They are preoccupied with the details of the moment and don't have the time or inclination to master a complicated interface.

Exposoft is involved in a global industry served by hundreds of organizations. Bassel Annab sees this fragmentation as a significant opportunity for an organization with the vision, skills and products to play a consolidating role. "A little over a year ago, we were a company of 33 people. Now, we're in the midst of expanding to an 18,000 square foot space and expect our workforce will continue to double year over year." ■

“ We do most of our hiring over the Internet. The Net provides volume, but quality is varied and you have to spend time verifying credentials of the candidates it turns up.”

Bassel Annab, President & CEO  
Exposoft Solutions Inc., Mississauga

# KEEPING THE BEST AND BRIGHTEST

## Great leadership is key

More and more, companies are directing their energies into retaining employees after the hiring process. They have found that strong leadership, open door policies and a commitment to training are keys to motivate employees and keep the organization worker-friendly and productive.

Dr. Linda Duxbury suggests that leaders should consider the following when designing their people management programs:

- Different generations require different approaches.
- Don't stereotype. Age is just one of the lenses that help explain people's behaviours and motivations.
- Take care of the basics. All generations want a work/life balance, interesting work, a competitive salary, benefits and flexible hours.

*“We've had some great successes in working with employees to explain what they need to do to advance, and then helping them develop the skills that would assist them to move ahead.”*

Bob Campbell, Vice President and General Manager  
Tregaskiss Welding Products, Windsor

While opportunities for advancement and promotion are important for the young, so are the people they work with. Younger workers are more attentive than previous generations to a company's leadership style. The more dogmatic and centralized it is, the less appealing.

Dr. Duxbury echoes this observation by pointing out that it is possible to put too much emphasis on pay. “While money is a basic need, it is not a motivator,” she states. “You can rent their presence, but you cannot buy their passion.”

So how do you motivate employees to care? To feel passionately about their job? “Give them responsibility and

trust their abilities,” says Dr. Duxbury. “All employees, especially the younger ones, believe they are legitimate stakeholders in the company and are entitled to be informed on all facets of the operation.”

*“Young people are very interested in, and have a keen eye for personal and professional training and development. Their goal is lifetime employability. They expect to have multiple jobs. They bring energy, enthusiasm, new ideas and familiarity with technology. And they like to be consulted and part of building an open system.”*

Robert Barnard, CEO and Founder  
D-CODE, Toronto

## Meeting and exceeding employees' expectations

Employees expect their leaders to oversee the successful execution of the company's business plans and to take responsible positions on a range of issues:

- Equity in the workplace.
- Fair criteria for development and promotions.
- Good corporate citizenship related to ethical and social issues (environmental protection, for example).

Leaders cannot manage human resources on a random basis.

To get it right, CEOs and their management teams must:

- Follow a strategic plan for developing, retaining and finding the right employees.
- Review their employee management plan regularly – at least twice annually.
- Reward managers for their abilities and effectiveness in managing employees.
- Measure the company's performance related to

human resources, including formal and informal training and development, retention efforts, incentive programs, benefits programs, promotions from within, turnover rates and hiring.

### Transparency is critical

Successful companies understand that transparency is at the core of any high quality talent management program and keep the channels of communication open. They have experienced first-hand the benefits of giving employees access to the communication process and the freedom to use it. They stimulate discussions in a variety of ways:

- Quarterly meetings with employees to talk about the company's performance in achieving its goals.
- Informal online talks in the form of blogs and chat rooms where CEOs and senior managers make themselves accessible.
- Town hall meetings where employees have an opportunity to hear about and question company decisions.
- Annual reports to employees.
- Accounts on the company's position regarding non-traditional issues such as the environment, employment equity and ethical business practices.
- A visibly stated commitment to the principles of transparency that includes specific procedures associated with how management and front-line supervisors are to respond to employee concerns, enquiries and suggestions.
- A work environment where openness and constructive comments pave the way for two-way communication in which employees play an active role.

### Creating a win/win workplace

A report from Deloitte, *It's 2008: Do You Know Where Your Talent Is?* points out that a growing number of companies are striving to match employee experience and aspirations to the company's evolving strategic needs. The report identifies three

priorities important to employees:

- **Development** in ways that stretch their abilities.
- **Deployment** to work that engages their heads and hearts.
- **Connection** with the people who will help them achieve their goals.

By focusing on these elements, the report claims, you can improve an employee's job satisfaction, reduce a company's turnover rate and diminish the need to constantly look outside the organization for new talent. The Deloitte report defines:

- **Development** as providing real-life learning, not just traditional classroom or online education to help employees master their jobs. Just as importantly, it means trial-by-fire experiences that stretch employee capabilities and enhance the lessons they learn from peers, mentors and others.
- **Deployment** as working with key employees to identify their deep-rooted skills, interests and knowledge; find the best fit for these employees; and craft job designs and conditions that improve performance.
- **Connection** as providing critical employees with the tools and guidance they need to build networks that enhance individual and organizational performance and improve the quality of interactions with others. ■

*“In addition to fair treatment, employees look for market-rate and equitable financial packages. To keep their finger on the pulse, many CEOs of SMEs are reviewing their compensation, incentives and benefits packages, to ensure they are not rigid and out of date. At the same time, firms can reassess the company's performance goals while improving their bottom line.”*

Aaron Glassman, Partner, Deloitte  
Chair of the LGF Series Reference Group



## PROFILE

### The “field of dreams” philosophy

G.A.P Adventures, Toronto

Bruce Poon Tip, Chief Executive Officer

*G.A.P Adventures offers its own brand of unique adventures by taking the traveller off the beaten track to the heart of the destination to meet the locals who call it home.*

In business since:	1990
No. of employees:	300
Average age of employees:	30
Age range of employees:	Between 23 and 50
Labour force challenge:	Recruiting efficiently
Solution:	Using the company’s reputation, an extensive network of contacts and an employee bonus system to find new workers

The customers – travel and tour companies and individuals – are attracted to the authentic adventures G.A.P Adventures puts together on all seven continents. G.A.P Adventures serves more than 40,000 travellers worldwide each year. It has a constant need for new employees to meet demand.

G.A.P Adventures doesn’t have a problem hiring and retaining workers young or old. “In fact,” observes CEO Bruce Poon Tip “workers simply stay with us and over the years, with raises, they price themselves out of the market.”

“When I began G.A.P. (it stands for Great Adventure People) Adventures, I used the Field of Dreams philosophy,” he said, referring to the 1989 baseball movie. “I wanted to build the perfect company with great employees and I believed that, just like in the movie, if I built it, they would come.”

In the company’s first eight years, G.A.P Adventures never

advertised for new employees. G.A.P Adventures leadership reputation and its unique working environment attracted workers.

G.A.P Adventures still relies on the company’s reputation, extensive contacts in the industry and current employees for referrals to meet its human resources needs, with a bonus system in place that rewards employees for bringing in new workers.

The company also has a relaxed working culture, a free trip anywhere in the world once a year, quarterly staff appreciation nights and generous time off to ensure employees have a life outside the office. “The result,” Bruce says, “is the Hotel California syndrome. Employees check in, but they never leave.”

The mission for G.A.P Adventures is in keeping the company sharp, focused on its market and on the growth path. “Our growth rate and acquisitions mean there are always new jobs and new challenges open to employees so they can move up and around within the company. That’s a factor that keeps employees with us.”

G.A.P Adventures also trains extensively to make sure its people have up-to-date skills and knowledge. This includes software training employees can use in their existing jobs or other jobs within the company, geographic and product training and airline reservations systems training.

“We hire for leadership, loyalty and character,” says Bruce. “We’re looking for the right employees who will bring these essential attributes to the company and fit in with our culture.” Employees are encouraged to offer fresh ideas at staff meetings

and staff weekend retreats, where employees raise issues, problems and processes that hinder their performance and make suggestions on how to do things better.

The goal is to surface problems before they can impact performance. In one instance, employees told Bruce that he needed to get out in the offices and meet people face-to-face. “I was sending out too many emails congratulating people on their performance, but not giving them any personal contact. I corrected that after that meeting.”

Bruce Poon Tip offers three keys for success. “Hire for cultural fit. Self-evaluate constantly. Set ambitious goals.”

For G.A.P Adventures, those ambitious goals include doubling its size over the next three years. “That will call on the energy and talent of all our employees now and in the future,” he says. “And we’ve only just begun.” ■

“ We train extensively and make sure that employee skills are always up to date. We hire for leadership, loyalty, culture and character. And we certainly look for fresh ideas from employees.”

Bruce Poon Tip, Chief Executive Officer  
G.A.P Adventures, Toronto



# PROFILE

## Caregiving HR practices

Eldercare Home Health Inc., Toronto

Lisa Wiseman, President

*Eldercare Home Health Inc. provides help to their elderly clients, supervised by Registered Nurses (RN). Their services include assistance with bathing, personal care, companionship, meal preparation and everyday living activities.*

<b>In business since:</b>	1995
<b>Three-year growth rate:</b>	60%
<b>No. of employees:</b>	65
<b>Average age of employees:</b>	34
<b>Age range of employees:</b>	Between 22 and 64
<b>Labour force challenge:</b>	Finding qualified domestic nurses and caregivers to meet the demand
<b>Solution:</b>	Hire new Canadians, screen carefully and understand the unique needs of a work force comprised of individuals from different countries and cultures
<b>Turnover rate:</b>	Less than 50%

Eldercare Home Health Inc. is definitely a company whose time has come, providing in-home care for seniors. Lisa Wiseman a dynamic RN-turned-entrepreneur founded the company with her husband Malcolm Marcus 10 years ago.

Eldercare Home Health's success is the product of recruitment and human resource management approaches that are finely tuned to the realities of a very challenging job market in which good nursing and care-giving talent is difficult to find and retain.

“Nursing is no longer a sought-after career in Ontario,”

states Lisa Wiseman, Eldercare Home Health’s president. “It is very difficult to find available RN talent anywhere in the province. And with Registered Nurses averaging 47 years of age and retiring at 57 on average, the shortage has become acute.”

Ms. Wiseman describes her staff as the United Nations of nursing. “They are well trained and quite competent.” The company and the industry rely heavily on immigrants to meet their staffing needs. Many nurses now come to Canada as live-in caregivers – families hire them as caregivers to their children. After fulfilling their contracts, they write their nursing exams and graduate into a seller’s market.

Eldercare Home Health recruits with great care and manages its caregivers just as assiduously. “We interview over 500 people a year to fill our hiring needs,” Ms. Wiseman says. “As you can imagine, the process includes detailed reference checks and careful screening to ensure that technical and interpersonal skills are what we need. We accept approximately one in eight qualified applicants.”

Just as important is the on-the-job oversight exerted through the registered nursing staff. It’s an essential element of the company's approach to its work. All staff are supervised by an RN who is the lynch pin of the operation. The RN creates a care plan that outlines how support services will be accessed and coordinated and when caregivers will be scheduled.

Like any company competing in a tight labour market, Eldercare Home Health has to work hard to motivate and retain its finest employees. The multicultural and multinational

nature of the staff adds to the challenges.

Because Eldercare Home Health's employees come from all over the world, they need to manage family issues from very far away. Directing people from different countries means the company has to be flexible with time and understanding.

"Hardly a week goes by that at least one of our staff doesn't approach us for a leave of absence in order to return to her or his home country to attend to a family-or-other personal emergency," Ms. Wiseman points out. "And with many of our staff being moms, flexibility and empathy in helping them cope with their personal situations here in Canada is very important."

Beyond flexibility, Eldercare Home Health stresses job satisfaction. "Nurses and caregivers enter the profession because they want to accomplish something worthwhile, so we try to do everything we can to make sure that they find their work with us satisfying."

Clearly, the growing demand that Eldercare Home Health is expecting will have an edge. As Lisa Wiseman knows, the growth will require the best in workforce management. ■

**“ Many of our staff are moms. Flexibility and empathy in helping them cope with their personal situations here in Canada is very important.”**

Lisa Wiseman, President  
Eldercare Home Health Inc., Toronto

# PROTECTING YOUR KNOWLEDGE ASSETS

Christopher Aide is a partner in the Toronto Intellectual Property Group at Baker & McKenzie LLP



There's a Chinese proverb: *Disaster comes from the mouth*. That proverb potentially applies when your employees innocently or intentionally disclose your business intelligence. It can particularly apply when key people leave your business, start working for competitor employers and talk about your company's proprietary knowledge.

It is essential from the outset to have proper written employment and service agreements in place with employees and contractors.

There are two strategies you should exercise simultaneously concerning your employees and protection of your business intelligence. The first is **preventative**. The second is **disaster anticipation**.

Taking a step back, the common goal you likely share with other employers is that, to the extent possible, you want your employees to be happy and willing to protect business intelligence, and if they leave, they should not be able to give competitors your hard-won intellectual property.

## Preventative strategy

Under Canadian law, some comfort can be taken that many forms of intellectual property (e.g. patents, copyrights, trademarks, industrial designs) created by your employees during the

course of their employment and for the purposes of your business automatically belong to the employer.

In contrast, intellectual property which you commission from an independent contractor or consultant generally belongs to them, unless otherwise specifically agreed (customarily in writing).

Follow a two-pronged employee strategy of taking **preventative steps**, as well as **anticipating disaster** to protect your business intelligence.

There are also certain personal rights, like copyright moral rights, which allow the author (whether employees or independent contractors), to insist that their names identify an authored work (e.g. manuals, graphic designs, software) or be anonymous. They can also prevent any alteration of the work that damages their reputation. Such moral rights may only be waived by the author; they cannot be assigned to your business (or anyone else).

Bottom line: It is essential from the outset to have proper written employment and service agreements in place with employees and contractors, as applicable. Such agreements should cover, among other things, assignment of all intellectual property to your business, waiver of moral rights, confidential information obligations and non-competition covenants (as applicable).

If such agreements are not yet in place and signed by your employees, they should be a top priority.

It is also very important to have a written business intelligence/confidential information policy in place. The policy should define "business intelligence/confidential information" broadly (key inventions, client lists and other valuable information), be given to each employee, and be prominently posted in your workplace. All confidential information must be prominently

marked (e.g. STRICTLY CONFIDENTIAL) and access should be limited only to those who need to know. If such policies are not in place, claiming protection through trade secret or confidentiality will be extremely difficult, if not impossible.

It shouldn't just be policing; shaping together clear, long-term career plans with key employees – “the brains” of your business – as well as granting them incentives should encourage longer-lasting commitment. While encouragement can be monetary (a bonus, shares in your company), it could also be “respect incentives”, such as real participation in your business management and planning.

### Disaster anticipation

Things will go sideways. It is sensible to expect that key employees will leave, some quite unpleasantly, so be prepared.

Make sure you identify who your key employees are on a regular basis and judge the risk that they might leave. You should be aware of what the market is for your key employees, especially with competitors, whether you are paying them below, at, or above market rates; and whether it is about more than just the money. While it sounds self-evident, regular evaluations and encouraging conversation on the respective employee's career track allow you better to anticipate employee dissatisfaction and try to correct it, if necessary.

Monitoring employee productivity and workload can be a useful early warning system. This could include overseeing computer, email and telephone usage through tracking

software. Checking photocopier usage and expense reports is also recommended. Also, implementing time-recording procedures to assess how employees are spending their day and on which projects is helpful.

The goal is to have a more accurate picture of which employees are working hard for your business and which are not. Chances are the latter, regardless of their strengths, could be leaving. Identifying these employees early gives you the advantage of choosing whether you want to take steps to try to retain and encourage them or plan for their departure now, rather than scramble later.

A concluding thought is Nietzsche's wry observation that: “Whoever deliberately attempts to insure confidentiality with another person is usually in doubt as to whether he inspires that person's confidence in him. One who is sure that he inspires confidence attaches little importance to confidentiality”. True. But we aren't all Supermen. So, for most employers at least, following a two-pronged employee strategy of taking **preventative steps**, as well as **anticipating disaster** to protect your business intelligence, is clear-sighted. ■

While encouragement can be monetary (a bonus, shares in your company), it could also be “respect incentives”, such as real participation in your business management and planning.



# PROFILE

## Drawing young workers to a 150-year old company The Cartwright Group of Companies, Aurora

Stuart Morrison, President and CEO

*The Cartwright Group of Companies is made up of three divisions: the 150-year-old legal publisher Canada Law Book, law office products and services supplier Dye & Durham, and the magazine division CLB Media.*

<b>In business since:</b>	1855
<b>No. of employees:</b>	600
<b>Average age of employees:</b>	42.5
<b>Age range of employees:</b>	Between 18 and 67
<b>Labour force challenge:</b>	Transition older employees and make room for younger, computer literate staff
<b>Solution:</b>	Bring in early retirement programs, pension bridging to make retirement attractive to older workers
<b>Turnover rate:</b>	8.5% (2005-2006)

“Over the years, computerization has been driving down the average age of our workers, since younger people are more computer literate,” says Stuart Morrison, Cartwright Group President and CEO. “As a result, we’re looking for different kinds of skills than before.”

Far from the hands-on, physical skill sets that used to be in demand 20 years ago, today, the company is looking for editors, graphic designers, systems support engineers and programmer analysts – all positions that demand strong computer skills.

Of Cartwright’s three divisions, Dye & Durham, with its printing operations, had the greatest number of older employees.

“Many had 25 years of service, but even there, the age group is changing as the job requirements become more and more computerized.” Today, the use of computers is trickling down to the shop floor and leaving older workers behind.

“The majority of our employees work for Dye & Durham and we found their varying levels of computer literacy were hampering our ability to increase productivity,” says Stuart Morrison.

Retiring Baby Boomers present the company with a well-timed opportunity, not a challenge. “Computerization is the tipping point. It changes your workforce needs.

The issue now has become how to move older workers while still being sensitive to their needs. We’ve brought in early retirement programs, used pension bridging in which we make additional pension payments for a period of time and decided to close components of our printing operations in 2008 because it couldn’t compete in today’s environment.”

“In all our divisions, we are looking for employees with high levels of computer literacy and, increasingly, those are younger people – certainly people under 50,” says Morrison.

In today’s market, finding these younger, computer literate workers is not a problem. “When we have job vacancies, we are inundated with applicants and although we still have a problem finding the right person for the job, there are no jobs going begging for a lack of new workers,” says Mr. Morrison.

To find its new workers, the company uses both newspaper advertising and online advertising to equal degrees. But in a twist on most recruitment programs, The Cartwright Group uses local newspaper advertising, not national dailies.

“Our businesses are located in Aurora, so we use Newmarket-Aurora papers because we find a lot of people who are currently commuting from this area into downtown Toronto would prefer to work locally,” Mr. Morrison points out.

The greatest challenge for the company is keeping the younger workers once they’re hired. The new younger workers no longer stay in a job for an entire career. Their skills are very marketable, so keeping them happy is important.

The company pays market rate for market value and upgrade employee skills so they can get jobs anywhere. “As a company,” says Morrison, “we have to ensure that we meet their needs. As long as we do that, employees tend to stay, but they are a younger group that generally moves around more.”

Keeping employees happy means spending the money to upgrade the workplace by redoing the offices and buildings, providing a series of company paid lunches, holding company parties, setting up coffee stations in the workplace, in addition to paying market rate salaries with appropriate benefits. As Mr. Morrison puts it, “We’ve made the company a decent place to work and recognized that staff have a lot of options, and we have to look after our workforce properly or they’ll leave.

“By the same token, I applaud people who feel that our company is not doing enough for them and that they can do better elsewhere, which is why we strive to make sure our company is meeting their needs.” ■

“ Keeping employees happy means spending the money to upgrade the workplace, providing company paid lunches, holding company parties, in addition to paying market rate salaries with appropriate benefits. ”

Stuart Morrison, President and CEO  
The Cartwright Group of Companies

# PLUGGING THE COMPANY BRAIN DRAIN

Business brainpower can walk out the door at any time. It can be lost when employees retire or leave to work elsewhere. The challenge for organizations is to develop systems that capture and retain, on an on-going basis, the information and know-how that is critical to the success of their business.

## Transferring knowledge

Knowledge can be passed along through informal and formal processes. Begin by determining what information in your organization is worth classifying as intellectual and knowledge-based assets. You'll also need to differentiate between different types of knowledge: explicit and tacit.

*“We’ve brought in early retirement programs, used pension bridging in which we make additional pension payments for a period of time and decided to close components of our printing operations in 2008 because it couldn’t compete in today’s environment.”*

Stuart Morrison, President and CEO  
The Cartwright Group of Companies, Toronto

Explicit information (such as patents, business plans, manuals, market research and customer lists), is easily documented and archived. It's fairly straightforward to protect and transfer this knowledge though it does require an individual or department to take responsibility for keeping tabs and centralizing the information.

The real challenge for organizations is recognizing, capturing, sharing and managing tacit knowledge, which is the information and know-how locked up in the minds of employees.

While email, groupware, instant messaging and related technologies are tools to capture, save and distribute information within an organization, they do not motivate employees to share their knowledge. The hurdles include establishing a culture that

recognizes and values tacit knowledge, encouraging employees to share it and identifying data that is important and valuable.

## Knowledge-sharing techniques

As important as technology may be to capturing and storing knowledge, it's not the only solution. Job shadowing and joint problem solving are two effective ways to transfer learning.

With shadowing, newer employees study how more experienced colleagues do their jobs. In the process, they discuss their observations, deepen their understanding and crystallize their knowledge.

Joint problem solving is the more proactive of the two approaches. The book *DEEP Smarts: How to Cultivate and Transfer Enduring Business Wisdom*, recommends a joint problem-solving approach in which older experts and younger novices work hand-in-hand.

The authors note that employees are often unaware of how they approach problems or do work. As a result, they can't automatically generate step-by-step instructions for doing their jobs. They propose that having the older worker and younger novice work together on a project can bring to light the older worker's expertise and approach.

The advantage of job shadowing and joint problem solving is that they can work both ways. As older expert workers pass on their knowledge, so, too, can younger workers transfer their sets of skills and knowledge. ■

## How do people learn the most?

- **67%** learn most when working with a colleague on a task.
- **22%** learn most when doing research.
- **10%** learn most when a colleague explains something personally.
- **2%** learn most using a manual or textbook.

## INVESTING IN TRAINING

Aaron Glassman  
is a partner of  
Deloitte in Toronto



Investment in human capital is a financial cost that has a positive effect on productivity and economic returns for the firm. Training reduces employee turnover, which saves money and leads to higher profits.

According to the American Management Association, the cost to replace an employee who leaves is, conservatively, 30% of his/her annual salary. For those with skills in high demand, the cost can rise to as much as 1.5 times the annual salary.

For SMEs, there is no ‘one-size-fits-all’ model for skills assessment and training. Each firm has a unique set of labour force challenges depending on many factors. To increase the profitability of your firm’s investment in training:

- Take inventory of all employees/positions in the company including senior management.
- Consider the firm’s current and projected situation in a number of years, based on its demographics.
- Identify current and future skill gaps, redundancies and opportunities. Flag areas where skills and knowledge need updating.
- Develop ‘big picture’ and tactical training goals and plans.
- Ensure that employees and senior management make a personal commitment to learning and development. ■

A survey of the American Manufacturing Workforce resulted in the recommendation that employers invest at least three percent of payroll to provide training opportunities for current employees in order to build a high-performance workforce.

2005 Skills Gap Report, A Survey of the American Manufacturing Workforce,  
Deloitte Consulting, LLC

## LOOKING AHEAD

In the coming years, every company in Ontario will need to find new ways to manage:

- Recruitment and grooming younger workers in a highly competitive labour market.
- Retaining older workers who have non-mandatory retirement options.
- The successful integration of four generations in the workplace – all with expectations.
- Preserving knowledge from retiring boomers and protecting confidential information when employees leave.

As with most business issues, there is no secret to success. There are tools, techniques and best practices that can help you craft a solution that fits the unique needs of your company.

The question is this: if you have not done so already, when will you, as a CEO, start to focus meaningful attention and resources on finding solutions to the labour shortages that are clearly coming?

### How can you make HR a priority?

- Assign responsibility for best HR practices.
- Develop a strategic, employee-centric HR plan.
- Review your plan regularly.
- Reward managers for effective leadership.
- Measure the success of the firms’ HR programs and performance (e.g. retention, training, incentives, benefits, new hires, employee losses).
- Conduct research regularly (e.g. focus groups, surveys, exit interviews and follow-up with new employees).

The time to start is now. ■

# LEADING GROWTH FIRM SERIES

## CEO PERSPECTIVES

The Leading Growth Firm Series researches and promotes the effective management practices of CEOs of Ontario's high performing firms.

- 14** Shifting Demographics: The Search for Talent
- 13** Outsourcing: Alliances for Growth
- 12** Why Leading Growth Firms Matter
- 11** Planning for Succession
- 10** Partnering for Growth
- 9** High Performing Advisory Boards
- 8** Winning Management Teams
- 7** Leveraging Customer Relationships to Drive Growth
- 6** Dynamics of Growth: Is High Growth Sustainable?
- 5** The Wisdom Exchange 2000 Report
- 4** The E-Business Readiness Assessment Report
- 3** The Six Stages of Growth
- 2** The Growth Builders Report
- 1** The Innovation Report

To comment on this report or others in the series,  
E-mail [ann.matyas@edt.gov.on.ca](mailto:ann.matyas@edt.gov.on.ca)

Ministry of Small Business and Entrepreneurship  
Partnership and Business Development  
Business Advisory Services Branch  
56 Wellesley Street West, 4th Floor  
Toronto, ON M7A 2E7  
[www.sbe.gov.on.ca](http://www.sbe.gov.on.ca)

Queen's Printer for Ontario 2006  
ISBN 1-4249-2145-7

