

FOREIGN Legion

BY JOEL THOMPSON

Alberta's tight labour market is forcing recruiters to look offshore to find qualified, skilled workers.

THE NATIONAL RAILROAD WAS CANADA'S FIRST CONSTRUCTION MEGA-project. The venture was on such a massive scale that thousands of workers were imported from China to build rails to traverse the Rocky Mountains. With a few exceptions – a handful of specialists from Britain and the United States, and extraordinary cases like the wartime construction of the Alaska Highway and Canol Pipeline by the U.S. military in the 1940s, Canada has not actively recruited foreign workers since those very early railway days. Historically, a steady stream of immigrants from Europe provided a supply of willing and able construction workers.

Despite being an industry accustomed to swings in activity and employment levels that would cripple other sectors, Canada's domestic pool of construction workers was sufficient to supply whatever manpower needed for the myriad of projects that built our cities, highways, mines, mills and factories as the country grew. The construction labour market is unique in its mobility and elasticity. It is capable of absorbing demands that swing wildly both seasonally and in response to the economic climate. Whatever the project, wherever the location, the country's labour pool was always adequate to meet the demand.

Today, however, it appears the seemingly unlimited capacity to attract manpower is at an end. Since the mid-'90s, worker shortages have popped up in different parts of the country. And now, for the first time since the railway days, the construction industry is actively recruiting construction workers from outside Canada.

ILLUSTRATION BY STEVE ADAMS

OBTAINING ALBERTA CERTIFICATION FOR FOREIGN-TRAINED TRADESPEOPLE CAN BE DIFFICULT AND EXPENSIVE.

CORAM CONSTRUCTION HAS SUPPLIED PCL Construction Group's labour force for nearly 20 years for projects in Alberta and Saskatchewan. Grant Garner, Coram's Edmonton district manager, reports traditional sources no longer deliver the workers needed for PCL projects in Edmonton and northern Alberta. In January, Coram had a crew of 525 working. "We could use another 40 to 60," Garner notes. In response, Coram engaged the services of an immigration consultant to recruit skilled workers from outside of Canada. The company now has eight workers from Germany employed on Edmonton area projects. The goal is to have more arriving soon, Garner says.

The foreign worker option didn't happen suddenly or on a whim. It arose because Coram exhausted all other avenues. Networking and referrals from existing employees are the usual source for new workers, and with a large core group and consistent run of projects, few employers are better placed than Coram to attract employees. In addition to regular hiring practices, Coram and PCL are active in virtually every industry initiative to attract new entrants – youth employment programs, women in construction, aboriginal programs, Registered Apprenticeship Program students and others.

Recruiting practices are extensive, ranging from local advertising to nationwide. "We would place ads running Thursday, Friday, Saturday and Sunday and not get anything," Garner explains. "Or we might get a response from somebody working at Safeway which wasn't any good to us because we were looking for skilled people," he notes. "We would spend \$2,000 on ads and not get one reply."

IN ADDITION TO THE EFFORT TO ATTRACT workers domestically, the recruitment of foreign workers is now a regular feature of Coram's operations. The company enlisted an immigration consultant to handle the job. "Well worth the money," Garner notes. "The consultant does all the leg-work and looks after all the paperwork. He meets

them at the airport, lines up housing for them and gets Social Insurance Numbers."

Getting foreign workers into Canada is not a simple process. Besides the obvious challenges of recruiting overseas, language, transportation and housing, there is a complicated network of regulations. Government departments, both federal and provincial, must grant approvals before foreign personnel can work on a Canadian construction project. The primary federal agencies are Human Resources and Skill Development Canada (HRSDC) and Citizenship and Immigration Canada (CIC). The relevant provincial authority is the Alberta Apprenticeship and Industry Training Board. Despite the complexities, programs are well-established with procedures in place. Unfortunately, while industries such as agriculture have employed temporary foreign workers for many years, it is a completely new predicament for the construction sector. Garner noted his first meeting with HRSDC to describe the industry's labour dilemma – its response was: "What shortage of workers?"

That was in April 2004. By September, only 12 people were at work on projects. Anyone familiar with dealing with immigration issues would not be surprised by those results. For construction people, whose perception of timelines is very different – the pace of the immigration process can be intensely frustrating. Despite the slow start and steep learning curve: "The process is getting faster," Garner admits. "You have to build rapport with HRSDC." While there are people available in Germany with the appropriate skills, the recruiting process isn't problem-free either, he notes. Labels and job descriptions for the various trades and construction occupations don't exactly match up between the two countries, Garner explains. Coram employees that build concrete formwork are usually classed as carpenters.

In Germany that designation is what we, in Canada, would describe as cabinet-makers. "The only one we've hit is tower crane operators and it's pretty hard to get confused about that," he says.

Navigating the Paperwork

Dealing with the tangles of red tape to bring foreign workers to Canada can be intimidating. A number of government departments must give approval before non-residents can enter the country and be legally employed.

These are the main players:

HRSDC (Human Resources and Skills Development Canada)

HRSDC's role is to ensure that the entry of foreign workers will not displace Canadians. It requires wages and working conditions comparable to what is offered to Canadians working in the occupation. Employers must demonstrate to HRSDC reasonable efforts were made to hire or train Canadians for the job. An employer seeking foreign workers must apply to HRSDC for a Labour Market Opinion (LMO), and if favourable, application can then be made for a temporary work permit.

CIC (Citizenship and Immigration Canada)

The CIC issues the temporary work permits allowing foreign workers to enter the country. The prerequisite is a positive LMO. There are a number of other criteria such as security and health checks which precede the issuance of a permit. If all conditions are met, a temporary work permit will be granted for a fee of \$150. The work permit does not function as a travel document and passports are still required. Once working in Canada, the candidate may be able to apply to immigrate and obtain permanent resident status – normally a two to five year process. However, the new Provincial Nominee Program allows employers to nominate temporary foreign workers on a fast-track to permanent resident status in six to eight months.

AAIT (Alberta Apprenticeship and Industry Training)

AAIT is responsible for assessing the credentials of foreign trade workers. Many construction trades are deemed compulsory under the Alberta Apprenticeship and Industry Training Act. Without a qualification certificate issued by the department, foreign workers in those trades cannot work legally in Alberta. Obtaining a qualification certificate for a foreign worker requires a \$450 verification-of-competency fee and evidence of training and experience. Candidates must also pass a written theory exam. Some trades also require a practical exam at an additional fee.



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Special Programs

Like all government rules and regulations, there can be changes and exceptions. For foreign workers there are a number of special programs which can expedite the process. Examples include the programs which the agriculture industry uses to import labour and the relatively new program that was put in place for the Toronto residential construction market.

One program that stands out for construction employers seeking foreign workers is a co-operative venture between the Canadian and German governments called the Young Worker Exchange Program (YWEP). This initiative facilitates the entry into Canada of skilled German workers between the ages of 18 and 35. The German system of apprenticeship training is among the world's best. Germany's high rate of unemployment means that skilled graduates from this system are available for work in Canada.

YWEP offers a number of advantages for Canadian employers – it short-cuts the normal process, eliminating the need for a LMO and approval from HRSDC. Work permits are issued through the Canadian Embassy in Germany. In addition to accessing a pool of highly skilled tradespeople, this program is further enhanced by the German government's willingness to assist in recruiting and screening candidates.

ONE OF THE BIGGEST REGULATORY hurdles to overcome when hiring foreign construction workers is confirming credentials. Most construction trades in Alberta are designated as mandatory trades. That designation makes it illegal to work at the trade without being a certified journeyman or a registered apprentice. Obtaining Alberta certification for foreign-trained tradespeople can be difficult and expensive. Alberta Apprenticeship has a well-defined process to qualify workers with credentials from outside the province but just establishing a file for a candidate costs \$450 and there are additional fees for examinations. In Coram's initial group of foreign workers, only one, the crane operator, was from a compulsory trade. The challenge to get a well-qualified German crane operator approved to work in Alberta was more difficult, costly and time-consuming than anticipated, Garner notes.

The credentialing process is a concern. With more projects on the horizon, more skilled people are needed, and while Coram continues to recruit within Canada and prefers to hire locally, there's not much hope that the workers are available. Despite the initial confusion defining occupations, Garner is comfortable with the small group on hand and anxious to add more. "The guys are eager and willing to work," he says.

Coram split the group among different job sites so recruits would have to use English in the working environment. "Within two months their language skills were excellent," he notes. The German workers on PCL projects represent some of the first temporary foreign workers on Alberta job sites. It is not a first for Canada, as a special immigration program to bring foreign tradespeople to work in the Toronto homebuilding industry has been in place for several years.

WHAT WILL THE FUTURE ROLE BE FOR offshore workers in Alberta construction? The most recent run of oilsands mega-projects – a new mine by Shell Canada Limited accompanied by an upgrade to its Edmonton refinery, expansions by

Suncor Inc. and Syncrude Canada Ltd. – delivered unsatisfactory results with cost and schedule overruns. There is great effort to identify what went wrong at those projects. Labour shortages are acknowledged as a contributor. With record oil prices accelerating the pace of development of oilsands, the labour outlook is frightening. Forecasts suggest the next round of projects will take demand for construction labour to levels exceeding historical peaks and the offshore worker option is part of the planning. Many experts are convinced the huge amount of work pending in the sector will create labour demands well beyond the capacity of the Canadian market and the discussion of foreign workers is on the agenda.

Despite those warnings, there is active opposition to recruiting foreign workers. The Building Trade Unions campaign strenuously against the use of foreign workers. On previous oilsands projects, these unions were granted a monopoly for labour supply via project agreements negotiated with the sponsors.

Following the well-publicized unsatisfactory results on those efforts, it is unlikely the upcoming projects will proceed under union-only arrangements. The Building Trade Unions' biggest bargaining chip in negotiating past agreements was the promise of access to adequate manpower via the country-wide network of local hiring halls.

If foreign construction workers are allowed to enter the country to work on oilsands projects, it will give official sanction to the idea that shortages exist – that the unions cannot supply all the labour required. The loss of the project agreement monopolies could open the floodgates to competition and result in union membership working for non-union or alternative union employers. Additionally, the unions have a vested interest in limiting the supply of labour. Manpower shortages are good business conditions for unions. A tight labour market increases leverage in collective bargaining and any new entrant to the labour pool not tied to union membership diminishes that advantage.

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SO FAR, THE UNION MOVEMENT IS MAINTAINING that manpower shortages do not exist and labour demands for oilsands developments can be met within Canada. This argument is diminished by the fact that earlier projects completed under the union-only model suffered from shortages. With increased construction labour demand across the entire industry, it is unlikely that more workers will be available for the next peak in oilsands construction. To add to the issue – no reliable data on the total capacity of the Canadian construction labour market exists. The rhetoric that employers and owners plan to import “cheap” foreign labour to displace and idle Canadian tradespeople is unfounded. These claims do not withstand any scrutiny – foreign workers would be paid prevailing Canadian wages.

The extra costs which follow foreign workers ensure that option will not be exercised until all other avenues to secure labour have been exhausted. Any contractor looking overseas for construction tradespeople knows he is looking for expensive labour. Cheap labour is not an option.

THE FACT THAT FOREIGN WORKERS ARE already at work on Alberta sites is a testament to the power of market forces and proof of viability. The extent that the foreign labour option will be exercised to meet construction labour demand in Alberta is uncertain. Although hiring difficulties are a fact of life in many construction sectors, the idea that thousands of construction positions could go unfilled is beyond the experience of anyone in the industry. In addition, those contractors participating in upcoming projects were not selected to do the job by telling clients: “We don’t think that we will be able to supply adequate manpower.”

There is a powerful incentive for all the participants to persuade themselves that all will be well. Employing foreign labour is the fallback position. Unfortunately, it is a solution that comes with a large time lag. Under the current regulatory regime, six months should be regarded as the absolute minimum time between recruiting an offshore candidate and having the individual on the

A German’s Experience

Mario Rueck is from Bornich, Germany, about 100 kilometres south of Frankfurt. The 27-year-old was recruited last year for Coram Construction Ltd. to work as a carpenter in Alberta. His qualifications include an apprenticeship as a joiner and two and a half years training as a building technician.

“The economy in Germany is bad. It is getting harder and harder to find a job,” he explains, but he likes his new home. “I like the guys, I like the people! It is more relaxed here,” Rueck says of his Canadian experience. “There is more stress on German sites.” Although the systems are different, the actual work is “the same,” he acknowledges, and weather doesn’t seem a problem – Rueck just shrugs off Alberta’s cold winters. “Minus twenty here feels the same as minus five at home.” He’s enjoying Edmonton and the differences – “Big! Big cars, big Streets!” Also, wages are competitive to Europe’s, he outlines, “Wage rates are a little bit more in Germany, but there are more taxes,” the carpenter notes. “And the cost of living is higher, especially for gas, food and utilities, so it is about the same.”

He’s currently working at a PCL Construction site building the Health Research Innovation Facility at the University of Alberta. It’s a complex site, having a sophisticated hazard assessment safety program which Rueck says differs to those in Germany, but attains similar results. And, although he carries a fold-up wood-

en rule as opposed to the retractable tape measures of his Canadian workmates, most tools and equipment are the same as those used in Europe.

Rueck jumped on the opportunity to move to Canada, responding to a local newspaper advertisement. Getting to Alberta was simplified through the Canada-Germany Young Worker Exchange Program – a process that minimized bureaucratic red tape. However, Rueck explains, a major barrier for many German workers deciding to come to Canada is language. He says all Germans learn English in school. “School English,” however, isn’t enough for fluency and comfort to use the language in a workplace setting.

The assistant superintendent on the project, Keith Lakusta, notes language skills were initially a concern, but have not developed into an issue. He’s satisfied with the performance of the 12 German workers split between crews on the two adjacent towers. “They have adapted well, especially considering the nature of the project,” Lakusta says. “This is a very challenging site,” he explains. “It is not like you’re building grade beams out in the wide open spaces.”

Although lack of work opportunities at home played a big part in his decision to come to Canada, he is looking forward to staying in Alberta for a while. He currently lives in an Edmonton apartment, but hopes to have his girlfriend (she is a dental assistant) from Germany arrive soon and move to an acreage.

job site. A year is probably more realistic. In addition, there is little experience or expertise at utilizing foreign-trained workers on our sites and prudence would dictate that best practices would need to be developed by operating some small scale pilot projects.

These time parameters make for some very complicated decision-making. If we do drain our domestic labour pool, it

will be many months before we can begin supplementing it with foreign/offshore workers. If large numbers of foreign workers are going to be employed, the decision will have to be made far in advance of knowing with certainty that adequate labour is not available in Canada. With the size of projects involved, mis-timing of that decision could translate into devastatingly costly delays. 