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# Experienced Workers : Untapped Potential

A report by the Quebec Federation of  
Chambers of Commerce

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## SUMMARY

In recent years, Québec has enjoyed enviable economic conditions, particularly due to rapid growth and historically low unemployment. Yet, demographics is a cloud on the horizon.

Québec's population is aging, fertility rates are faltering, and life expectancy is rising. And these developments will have serious social and economic consequences. Labour shortages are a key concern for Québec organizations, public authorities and economic players. The statistics speak for themselves:

- According to Statistics Canada, by 2030, one in four Quebecers will be 65 or over.
- Quebecers are leaving the labour market earlier and earlier: the average retirement age is 62 in Québec, compared with 63 in the rest of Canada and 65 in Organisation for Economic Co-operation and Development (OECD) countries.

Faced with these demographic trends, organizations must tap in to all possible sources of labour. With Quebecers living longer, healthier lives, experienced workers are available to bridge the labour gap, yet this potential solution has been overlooked. The challenge is finding the right strategies to keep these workers in the labour market.

### **Retaining experienced workers: from the drawing board to actionable strategies**

This report presents the results of a study conducted in conjunction with the Federation of Chambers of Commerce of Québec.

The objectives of this study were threefold:

1. Gauge the underutilization of experienced worker potential
2. Identify Canadian and international best practices applicable to the Québec reality
3. Propose effective public policy and employer strategies to keep experienced workers in the workplace

### **Labour shortages mean companies are waging their charm offensive**

Many studies and surveys have shown that labour shortages are a harsh reality that may be here to stay, particularly considering Québec's bright economic prospects and forecasts for sustained growth.

Demand from organizations far exceeds market labour supply.

With this imbalance in labour force supply and demand from organizations, workers — and especially experienced workers — have the upper hand.

We expect this imbalance in supply and demand to spur strong competition between businesses to attract and retain workers and provide more options for experienced workers.

## Getting a better handle on supply and demand to manage the imbalance

- **The first part of this report gauges demand for experienced workers** by reviewing current market conditions and the background to the labour shortage. We will discuss labour costs and emerging market needs in the face of current disruptions and trends.
- **The report then outlines the supply of experienced workers**, based on the results of our consultations and secondary research on the profile of experienced workers and barriers to retaining mature-age talent in the workplace.
- **Lastly, we discuss the value and advantages for Québec of capitalizing on the expertise of experienced workers.** This section explores potential strategies to reconcile supply and demand, followed by a series of recommendations. Our report is based on an in-depth diagnostic founded on two sources of research:
  - A series of consultations with Québec and Canadian companies, including small and medium-sized enterprises (SMEs), professional associations and orders, a union and universities
  - Secondary research based on reliable Canadian and international publications to identify successful retention practices for experienced workers worldwide

## Keeping experienced workers in the workplace: a winning strategy

Holding on to experienced workers can be a winning strategy to expand GDP, as labour scarcity can put a major damper on Québec and business growth.

By encouraging experienced workers to stay on, businesses can also reduce several risks and improve performance.

- **The current shortage is generating business continuity risks**, including losses in productivity, clientele or business opportunities due to production or delivery delays.
- **By keeping experienced workers in the workplace, companies can reduce the cost of replacing staff.** These savings include selection, recruitment and formal and informal training costs. Cutting down on overtime by regular or temporary workers due to understaffing can generate further cost savings.

## **The expertise of experienced workers: an invaluable asset**

Investing to hold on to experienced workers longer ultimately yields the tangible and intangible dividends of their expertise.

Research and studies have identified a host of benefits from this practice, due to the value of the experience of mature-age talent: older employees are self-sufficient and well acquainted with the inner workings of the organization and its partners (customers, suppliers and various providers).

Surveys show managers score experienced workers higher on productivity than their younger peers, with the full range of competitive and quality advantages that implies.

METRO management finds mature-age talent works “better, [and] often more efficiently and safely.” Lastly, this group stays considerably longer with the same company than younger workers, allowing for an attractive return on investment in their professional development.

## **Lessons learned elsewhere in the world: coordination, flexibility, training and awareness make for an excellent start**

Analysis of international experience shows the importance of fostering an environment in which stakeholders such as governments, organizations, professional associations, unions and universities and so on work together and coordinate their initiatives and undertakings.

To this end, Québec has many measures, practices and initiatives aimed at keeping experienced workers in the workforce. While all economic players agree on the importance of this issue, greater concertation and coordination are needed.

More concretely, several practices that have been a success in other provinces and beyond can be implemented here in Québec. More flexible working conditions or additional training and professional development can encourage experienced workers to remain in the workplace.

However, the lessons learned from successful international experiences, such as in Japan or Finland, are that targeted practices must be part of a holistic and proactive approach, not implemented in isolation. They integrate social dialogue, including a multi-level awareness campaign to initiate changes in negative attitudes and behaviours toward experienced workers.

## **Breaking age-related myths: workers have no “best before” date**

Paving the way for political and institutional change requires changing society’s relationship with age through information and communication on several fronts. This requires debunking the myths about age that are detrimental to experienced workers.

A proactive approach to keeping mature-age talent in the workplace addresses both ends of the age continuum: the youngest will become the experienced workers of tomorrow. Acknowledging this fact encourages companies to apply inclusive leadership for all generations and implement HR approaches that embrace the full employee lifecycle.

Experienced workers are not a homogeneous group. First, there is no consensus on how to define their age, and second, multiple variables factor into an experienced worker's profile: gender, family status, dependent children, education and nature of employment (e.g., blue collar vs. white collar).

### **Let all workers contribute to our economy**

All organizations need to gain insight into their experienced workers to better tailor their investments in strategies to encourage mature-age talent to remain in the workplace, while adopting targeted and effective practices.

Our report presents concrete actions and recommendations for an effective reconciliation of labour supply and demand, covering social, public and workplace policy areas:

<b>Policy area</b>	<b>Action</b>	<b>Recommendation</b>
<b>Social</b>	Take on ageist myths and stereotypes	Conduct a Québec-wide awareness campaign
<b>Public</b>	Form public-private partnerships	Strengthen coordination and outreach
	Introduce financial or tax incentives	Focus on tax and legislative incentives to keep experienced workers in the workplace
<b>Workplace</b>	Adjust work practices	Acknowledge the value of experience
		Profile Québec's experienced workers to tailor practices for keeping mature-age talent in the workforce for typical profiles

In short, our analysis of current conditions clearly shows that these transformations will be essential for Québec companies in search of a sustainable future, because in a labour shortage, experienced workers will have the luxury of choice.