



ALBERTA BUILDING SUPPLY SECTOR LABOUR MARKET INFORMATION STUDY

WESTERN RETAIL LUMBER ASSOCIATION (WRLA)

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ACKNOWLEDGEMENTS

Labour challenges have been identified as the number one pain point for the Building Supply Sector in recent years. In order for WRLA, a key industry association for the sector, to address challenges and bridge gaps with programs and services, data that illuminate the key challenges and gaps are essential. While the sector is critical to both local and overall economies, very little statistical information about it exists. This study aims to fill this gap.

The survey findings underpinning this study have validated WRLA's current path forward; WRLA will therefore continue to press forward to address the gaps, challenges and recommendations highlighted in this report.

WRLA and Malatest would like to thank the industry representatives who took time to participate in this Labour Study. We would also like to thank the Alberta Government for funding this project. The Province of Alberta is working in partnership with the Government of Canada to provide employment support programs and services.

FUNDING PARTNER:

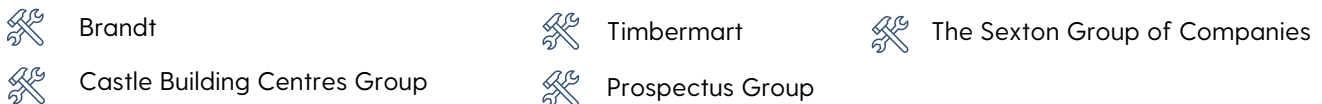


RESEARCH PARTNER:



STAKEHOLDER ADVISORY COMMITTEE PARTICIPANTS:

In order to move the study forward, industry members supported our efforts. We would like to thank the members of the Steering Committee who helped bring this study to fruition, including:



Photos included in this report were taken during student tours and industry career showcases. Photo credit: WRLA.



WRLA is a member-based organization that advocates for, connects and educates the building supply industry in Western Canada, with the aim of facilitating the growth of member businesses. It is the largest building supply association in Canada, representing more than 1,300 retail stores employing 27,000 staff. For more information, please visit www.wrla.org.

The views and opinions expressed in this report are those of its author(s) and not the official policy or position of the Government of Alberta.

EXECUTIVE SUMMARY

The Western Retail Lumber Association (WRLA) commissioned R. A. Malatest & Associates Ltd. (Malatest) to complete a labour market information study of the building supply sector in Alberta. While previous studies examined human resources and workforce development in sectors tangentially related to this sector (including construction) at the national and regional levels, there was no comprehensive study specifically examining building supply in Alberta.

The purpose of this study was to address this gap by examining sector employment and estimating the number of workers that will be needed to fill vacancies, meet employment growth and replace workers who leave the sector due to retirement or to work in other non-building supply sector industries, over the next five years. This study also looked at key challenges to recruitment and retention faced by sector employers.

Between 2017 and 2023, and despite the significant negative impacts of the COVID-19 pandemic, Alberta experienced overall growth in new building investment, renovation investment, property conversion and new housing starts. Alberta's building supply sector comprises approximately 2,126 establishments, representing approximately 28,500 employees. The sector workforce is primarily composed of males aged between 25 and 44 years.

Across Alberta's building supply workforce, vacancies accounted for between 1% and 5%, with higher vacancy rates among general store staff and other related sector occupations. Employers estimated that the majority of their departing employees will opt to leave the sector altogether, rather than transitioning to other employment within the sector.

In addition, over the next five years the average anticipated rate of retirement is estimated to be 19%. At the same time, the majority of employers expect to see an increase of approximately 10%-15% in the overall size of their workforce. Based on an estimated increase in the total number of workers of 10%, the overall annual growth rate of Alberta's building supply sector is estimated to be 2.5% over the next five years.

In order to fill current vacancies and meet forecast sector growth, findings from this study indicate that 8,918 new employees will be required over the next five years, which equates to about 1,780 employees per year.

In order to fill vacancies and support sector growth, employers will need to move beyond traditional recruitment sources and explore new or innovative ways of meeting labour demand. To this end, key challenges to recruitment and retention should be addressed.

- The overall proportion of employees from these under-represented populations accounted for only approximately quarter of new hires. *Building supply sector members must aggressively expand target labour pools to include employees from non-traditional sources.*
- Employers identified low salaries, particularly for entry level positions, as a challenge to recruitment. This challenge could be exacerbated in Alberta, where the oil and gas industries can offer attractive salaries and benefits packages to relevant labour pools. *Building supply sector employers must enhance employee remuneration.*

- In order to attract new hires to the industry, training opportunities that clearly or directly lead to careers in the building supply sector must be developed. *Sector employers must work together to increase awareness of the sector and consider development of industry attraction and recruitment strategies.*
- Sector-relevant training, that both supports employees within their existing roles and also supports employees to move into managerial positions, should be developed. *Sector employers should develop formal training and career progression strategies.*

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1. INTRODUCTION

1.1 BACKGROUND

There are many challenges currently impacting the building supply sector in Alberta. Like many sectors along the supply chain, the building supply sector is facing major labour market challenges that are affecting operations. While the COVID-19 pandemic resulted in broken supply lines across a wide array of sectors, exacerbated by an integrated global economy in which countries and regions rely on each other for raw materials and finished goods, demand for new and renovated housing in many provinces (including Alberta) continues to rise. This means that the building supply sector has experienced major demand pressures while, at the same time, struggling to meet current and future labour requirements.

Despite the importance of the building supply sector and its vital role in providing goods and services to other critical industries, there is no source of up-to-date information on human resource issues facing the sector or its overall labour market. While some previous studies examined human resources and workforce development in sectors that are tangentially related to this sector (including construction) at the national and regional levels, there has been no comprehensive study specifically examining the building supply sector in Alberta.

To address this gap, R. A. Malatest & Associates Ltd. (Malatest) was contracted by the Western Retail Lumber Association (WRLA) to conduct a labour market information (LMI) study of the building supply sector in Alberta.

1.2 RESEARCH OBJECTIVES AND QUESTIONS

This study was designed to identify key labour market challenges facing Alberta's building supply sector (BSS), to identify best practices in labour market recruitment and retention, as well as to inform future planning and policy development. The questions underpinning this project are provided in Table 1.1.

Table 1.1: Key Research Questions Underpinning This Labour Market Study

Topic	Questions
Current Sector Environment	What is the distribution of employment types within Alberta's building supply sector?
	What is the gender distribution of Alberta's building supply sector workers?
	What is the age distribution of Alberta's building supply sector workers?
Forecast Labour Demand	What are the key labour market trends for Alberta's building supply sector?
	What are the current number of vacancies in building supply sector-related industries?
	What is the rate of employee attrition or turnover in the building supply sector?
	How many building supply workers will be required to meet labour demand over the next five years?
Recruitment and Retention	What are the current labour supply sources?
	What are the main barriers to recruitment and retention of building supply sector workers?

2. METHODOLOGY

2.1 OVERVIEW

This study relied on a mix of approaches to identify the size and future hiring requirements of the sector. Analysis of the size and labour characteristics of the sector was based on administrative data sourced from the Labour Force Survey (LFS) as well as the 2021 Census. To provide an estimate of current and future hiring requirements, the study also included a large scale employer survey that collected data as to current vacancies, turnover rates and future employment requirements. Discussion of the employer survey is provided in Section 2.2 (below).

2.2 EMPLOYER SURVEY

The employer survey was designed to collect information on current labour market conditions, training and educational requirements, vacancies, recruitment and retention strategies, use of potential non-traditional labour pools such as females, youth, Indigenous persons, new Canadians and persons with disabilities, and to forecast the number of workers the sector will require over the next five years.

This survey was targeted to human resource staff of registered business members of WRLA and was complimented by Malatest's own list of building supply companies. It was administered online, with telephone follow up, reminder emails and social media outreach. Survey administration took place between September 26, 2022 and April 12, 2023.

The total number of survey completions obtained was 51. Employers who participated in the WRLA survey represent a total of 2,353 full time employees, which constitutes 11.5% of Alberta's building supply sector.

2.3 DATA ANALYSIS

2.3.1 *Data cleaning and coding*

Following the completion of survey administration, all data were cleaned to ensure that responses were logically consistent, as well as to identify data entry errors, response errors, inconsistent or illogical information and outliers. No outliers were identified during the cleaning of survey data.

For all 'other, please specify' response options included in the survey, a review of written responses was conducted to develop a coding list. Using the coding list, written responses were upcoded (aggregated) into existing response options where appropriate. Idiosyncratic and/or uncodable responses were left in the 'other' category. Responses to open-ended questions were coded using content analysis.

2.3.2 *Quantitative analysis*

Once the survey data were cleaned and coded, closed-ended and coded responses were summarized using descriptive statistics. For multiple response questions, respondents had the option of providing more than one answer; the percentages reported in the frequencies for multiple response questions may therefore sum to more than 100% because respondents may have selected more than one response.

2.4 PROJECT LIMITATIONS

It should be noted that the results reported in the study reflect the views and opinions of the employers who responded to the survey. Readers should interpret the results with some caution as those employers who had no labour market issues, or who were close to closure, may not have participated in the study. While the number of employers who participated in the study collectively employed over 10% of Alberta's industry workforce, it is clear that the survey did not include all employers in Alberta.

Given the size and scope of this project, we were unable to include any significant data collection focused on education and recruitment strategies. Thus, while this report provides a comprehensive view of labour market needs of Alberta's building supply sector, we are unable to provide a detailed plan to meet identified need. Further research, specifically aimed at exploring recruitment, education and training opportunities, would complement the findings presented herein.

3. OVERVIEW OF ALBERTA'S BUILDING SUPPLY SECTOR WORKFORCE

SUMMARY

- Alberta's building supply sector comprises approximately 2,126 establishments (NAICS 416=1,274; NAICS 444=852) and approximately 28,500 employees (NAICS 416=11,800; NAICS 444=11,670)
- Over the past twelve years, the sector has experienced overall steady growth, despite its interruption in 2020 due to the COVID-19 pandemic
- Alberta's building supply sector workforce is male-dominated, as two-thirds of the workforce is male
- Just under half of Alberta's building supply sector workforce is aged between 25 and 44 years, with the rest of the employees spread relatively evenly across the other age categories; approximately 5% of the workforce is aged 65 years or older
- Employers who participated in the WRLA survey represent a total of 2,353 full time employees, constituting 11.5% of Alberta's building supply sector
- Surveyed employers reported similar age and gender demographics when compared to sector data, with a slightly higher proportion of males and a slightly older workforce

This project has defined the building supply sector as including both wholesale and retail sales, as well as the distribution of building materials, whether for residential or commercial purposes. This definition roughly aligns with North American Industrial Classification System (NAICS) codes 416 (building material and supplies merchant wholesalers) and 444 (building material and garden equipment supplies dealers).

3.1 SIZE OF THE SECTOR

According to Statistics Canada's Canadian Business Counts from 2022, Alberta's building supply sector comprises 2,126 establishments (NAICS codes 416 and 444); of these, 1,274 are in the building material and supplies wholesale subsector, and 852 are in the building material and garden equipment retail subsector.¹

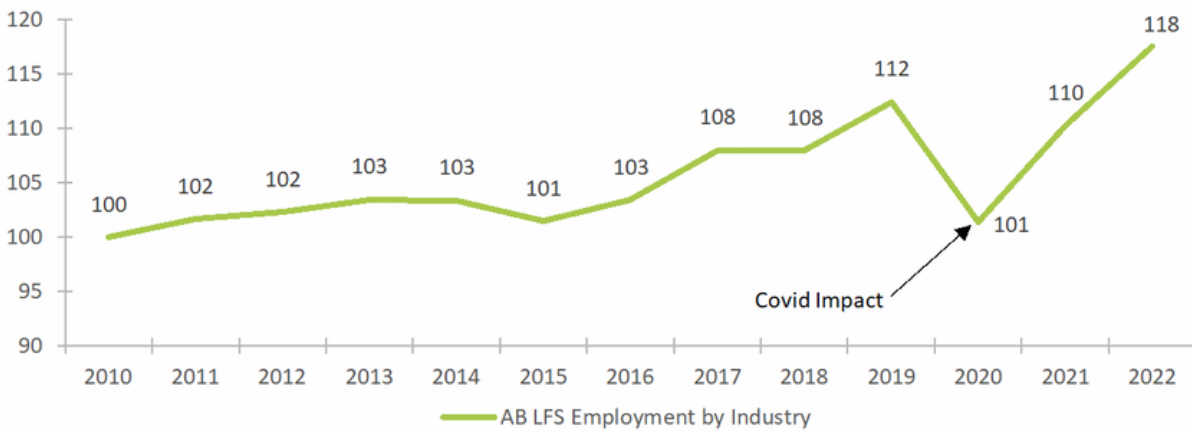
Data from the 2021 Census indicate that 11,830 individuals were employed in the building supply subsector (NAICS 416) and 16,670 were employed in the building material and garden equipment retail subsector (NAICS 444), meaning an overall sector size of 28,500 employees.²

¹ Statistics Canada Table 33-10-0661-01 Canadian Business Counts, with employees, December 2022. [Accessed April 21, 2023]

² Statistics Canada Table 98-10-0448-01 Industry groups by class of worker including job permanency, labour force status, age and gender: Canada, provinces and territories, census metropolitan areas and census agglomerations with parts. [Accessed April 21, 2023]

Data from LFS suggests that, over the past twelve years, the sector has experienced overall steady growth, with the exception of COVID-19's impact, which resulted in a wide variance in employment (see Figure 3.1). Specifically, total employment in the sector (expressed as an index with 2010=100) experienced an abrupt decline in 2020, although it rebounded sharply in 2021 and 2022, bringing to sector employment above pre-pandemic levels.

Figure 3.1: Employment in Alberta's Building Supply Sector



Source: Statistics Canada Labour Force Survey (LFS). *AB Employment by Industry: 2022 change estimated from growth in Retail and Wholesale Trades Sector.*

Data for employment by occupation in the building supply sector is currently unavailable. However, secondary data can be used to estimate employment by key occupations in the sector. This includes the relative proportion of total employment in the wholesale and retail sectors, within which the building supply sector is situated; we can therefore calculate proportions of employment by occupation, by assuming that the proportional occupation breakdown found in the broader wholesale and retail trade sector is comparable to that of the building supply sector. Thus, based on employee counts by broader industry, the proportional size of the building supply sector relative to overall wholesale and retail sectors in Alberta was calculated; workforce size for key occupations in the building supply sector was then estimated.

Table 3.2: Estimating Method for Employee Counts

Sector of Interest	Broader Sector Employee Count (Census 2021 data)	BSS Business Count	Proportion of Overall Sector Represented by BSS	Workforce Multiplier
Wholesale trade	66,120 (NAICS 41)	11,830 (NAICS 416)	17.89%	.1789
Retail trade	230,880 (NAICS 44-45)	16,670 (NAICS 444)	7.22%	.0722
Overall Wholesale and Retail	297,000 (NAICS 41 and 44-45)	28,500 (NAICS 416 and 444)	9.60%	.0960

Source: Statistics Canada. Canadian Census 2021; Business Count 2022.

For occupations that applied only to the retail sector (e.g. retail salesperson), the workforce multiplier of .0722 was applied to Statistics Canada Census 2021 counts of persons working as retail salespersons in Alberta. For roles that applied to only the wholesale sector (e.g. wholesale sales and account representatives), the same method was used but with the workforce multiplier of .1789. For roles that were applicable to both retail and wholesale businesses (e.g. retail and wholesale buyers), the combined multiplier of .0960 was used.

Table 3.3 summarizes the workforce estimate based on the secondary data analysis presented above, that will be used for future workforce projections based on survey data analysis.

Table 3.3 Estimates of Key Occupation Workforce Sizes in Alberta Building Supply Operations

NOC	Description	Estimated Workforce*
0016, 0601, 0621	Senior Managers including: Presidents, CEOs, Vice Presidents, store managers, assistant managers and other management occupations	9,279
6222, 6411	Technical occupations, including: accountants, buyers, merchandisers, marketing and other technical occupations	2,527
6421, 6611, 6622, 7511, 7521	General store staff including: retail salespersons, cashiers, store shelf stockers, forklift operators, truck drivers and other occupations	16,182
N/A	All other related positions	512
Total employment (all occupations) **		28,500

* Estimate of workforce size is based on reported occupations in the 2021 long-form Census, and proportional size of the building supply sector relative to overall retail and wholesale sectors.

** Estimated workforce by role does not add to the total employment for the sector provided, as this table includes only estimates of select key occupations, not all roles employed in the sector.

3.2 EMPLOYER SURVEY PARTICIPANT PROFILE

As detailed in Table 3.4, employers who completed the survey represented a range of sector operations. Respondents also represented a range of head office and operations locations.

Table 3.4: Profile of Employer Survey Respondents' Businesses

Type of Business Operations	% Respondents
Retail	43.1%
Contractor sales	21.6%
Manufacturing	19.6%
Distribution	9.8%
Wholesale	5.9%
Location of Head Office	% Respondents
Alberta	82.4%
Canada (excluding Alberta)	15.7%
Outside of Canada	2.0%
Location(s) of Operations in Alberta	% Respondents*
Edmonton	52.9%
Calgary	33.3%
Central	17.6%
Northern	9.8%
Southern	7.8%
Rocky Mountains	2.0%

Source: WRLA LMI QA2, QA3, QA4 (n=51). 'Don't know' and 'Prefer not to answer' responses excluded.

* For geographic location(s), responses sum to more than 100% due to multiple responses (i.e. respondents might have multiple locations).

These employers represent a total of 2,353 full time employees. When compared to the number of full time sector employees within Canada, this equates to 11.5% of Alberta's building supply sector (Table 3.5, next page).

Table 3.5: Full Time Employees Across Alberta and Employer Survey Respondents

NAICS [416, 444]	Full time
Alberta	20,524
Survey respondents	2,353
Survey coverage (% of Alberta total)	11.5%

Source: Statistics Canada. (2023). Labour force characteristics by industry, annual averages.

3.3 GENDER AND AGE DISTRIBUTION

In 2022, Alberta’s building supply sector employed 18,525 male employees (65%) and 9,975 (35%) female employees.

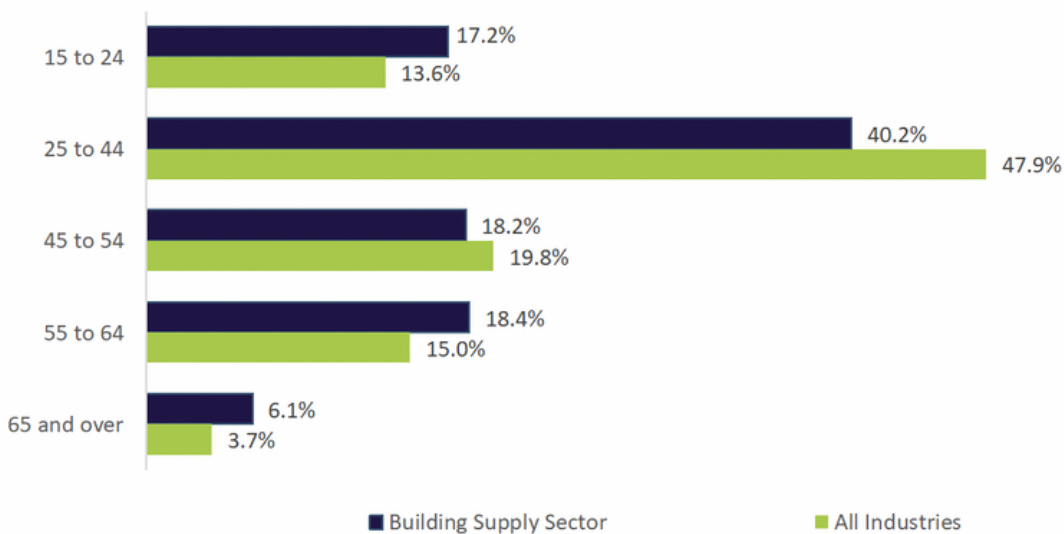
Table 3.6: Employment in the Building Supply Sector in Alberta, by Age and Gender

Age	Females	Males	Total
15 to 24 years	19.6%	15.9%	17.2%
25 to 44 years	39.6%	40.4%	40.2%
45 to 54 years	18.0%	18.3%	18.2%
55 to 64 years	18.1%	18.5%	18.4%
65 years and over	4.6%	6.8%	6.1%
Total	100%	100%	100%

Source: Statistics Canada. (2023). Industry groups by class of worker including job permanency, labour force status, age, and gender.

The largest age demographic employed in Alberta’s building supply sector was 25 to 44 years, comprising almost half of the workforce. The rest of the workforce was relatively evenly distributed across the other age categories, with the exception of those aged 55 years or older as the sector has a higher proportion of older workers as compared to other sectors in Alberta.

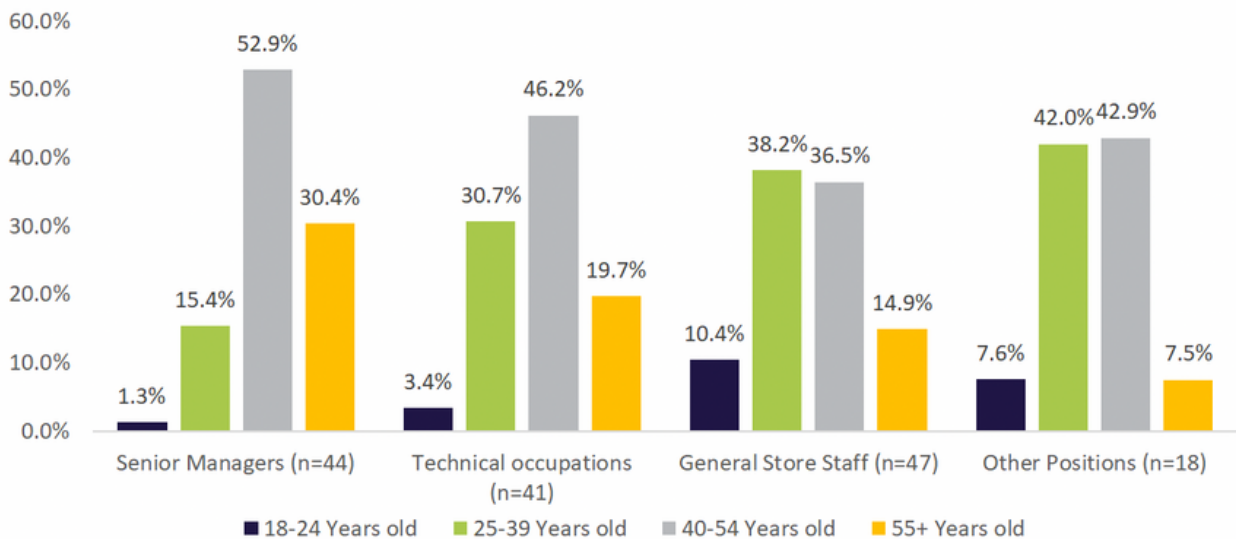
Figure 3.7: Workforce of Building Supply Sector and All Alberta Industries, by Major Age Group



Source: Statistics Canada. (2023). Industry groups by class of worker, including job permanency, labour force status, age, and gender.

According to survey data, the greatest proportion of senior management and technical positions are filled by those aged 40 to 54 years (52.9% and 46.2%, respectively), while the greatest proportion of general store staff employees are aged 25 to 39 years. In addition, the data indicate that the building supply sector workforce is generally older, with over half aged 40 years or older (senior management: 83.3%; technical occupations: 65.9%; general store staff: 51.4%; other positions: 50.4%).

Figure 3.8: Average Age Composition of Workforce by Position, as Reported by Employers



WRLA LMI survey, QB4a-d (n=various).

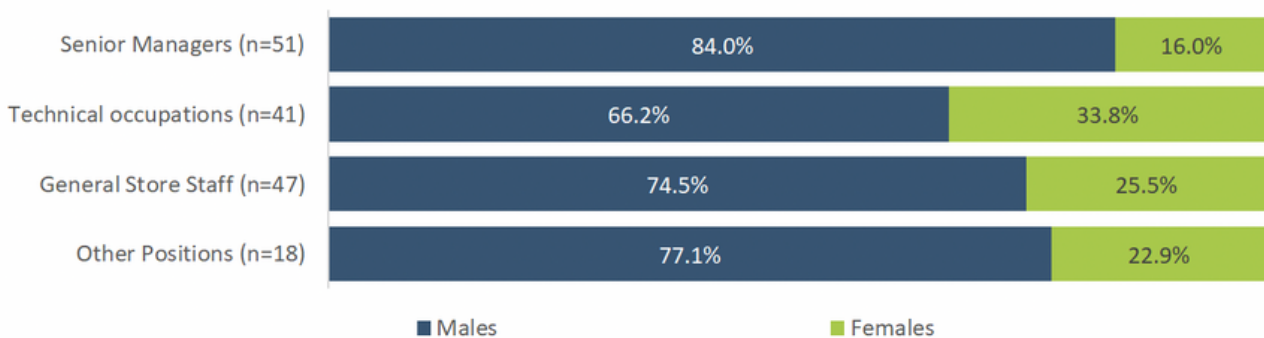
Senior Managers include President, CEOs, Vice Presidents, store managers, assistant managers and other management occupations.

Technical occupations include accountants, buyers, merchandisers, marketing and other technical occupations.

General Store staff include retail salespersons, cashiers, store shelf stockers, forklift operators, truck drivers and other occupations.

Among businesses represented by surveyed employers, there is a greater proportion of males employed within the building supply sector than females. Overall, employers estimated that three quarters (75.5%) of their employee workforce was male, while only a quarter (24.5%) of the workforce was females. As demonstrated in Figure 3.9, the ratio of male to female employees was approximately 3:1, with the greatest gender disparity in senior management positions, and the lowest gender disparity within technical occupations.

Figure 3.9: Average Gender Composition of Workforce by Position, as Reported by Employers



Source: WRLA LMI survey, QB4a-d (n=various).

Senior Managers include: Presidents, CEOs, Vice Presidents, store managers, assistant managers and other management occupations.

Technical occupations include: accountants, buyers, merchandisers, marketing and other technical occupations.

General Store staff include: retail salespersons, cashiers, store shelf stockers, forklift operators, truck drivers and other occupations.

4. FINDINGS

A key purpose of this study was to estimate current and future workforce requirements for Alberta's building supply sector. This section provides a discussion of employment growth in the sector and estimates of the number of workers that will be needed to fill vacancies, meet employment growth and replace workers who leave the sector due to retirement or to work in other non-building supply sector industries, over the next five years.

4.1 ECONOMIC AND ENVIRONMENTAL INFLUENCES

SUMMARY

- Between 2017 and 2023, Alberta experienced overall growth in:
 - New building investment (all buildings: 23%; new residential: 18%)
 - Renovation investment (all buildings: 25%; residential renovation: 28%)
- Property conversion (35%)
- New housing starts increased by 27% in 2021
- While rising mortgage rates were identified as inhibiting market growth, they were offset by rising employment, growing populations and in increased expenditure on property renovation

The building supply sector is the main source of inputs for construction and renovation sectors. As such, this sector is highly sensitive to trends in construction and real estate. Additionally, the retail component of the sector is impacted by changes in retail and wholesale retail sectors.



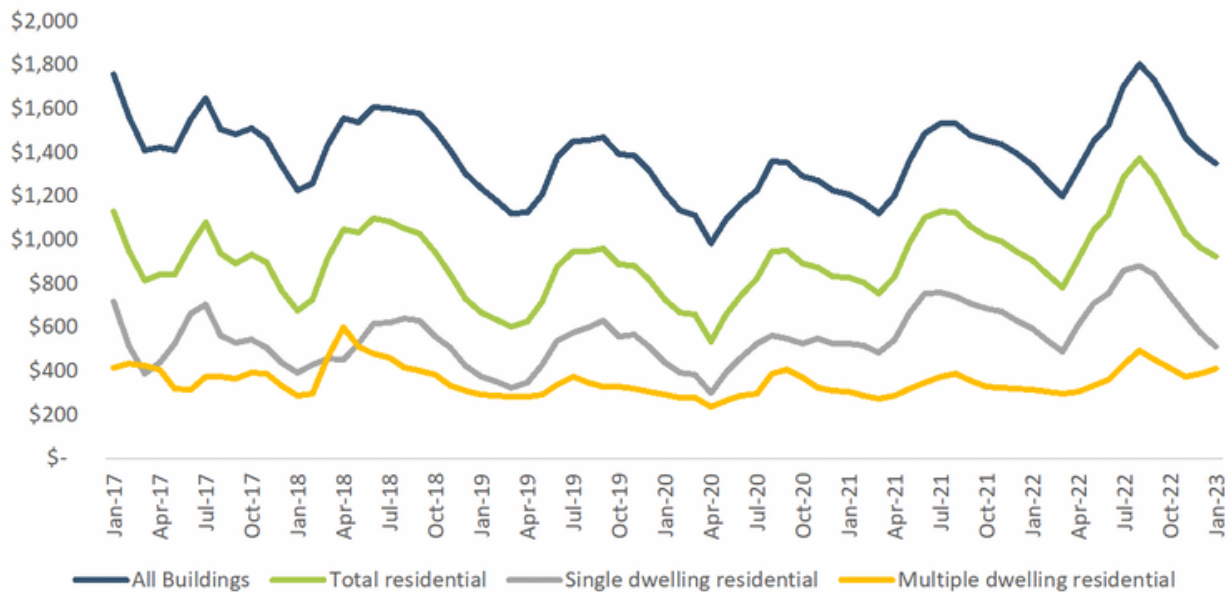
4.1.1 New construction in Alberta

Analyzing the investment in construction of new buildings in Alberta over the past six years, we can see a seasonal cycle behaviour with peaks and valleys. From January 2017 to January 2023, there was an overall growth rate of 23.3% in new building investment (all buildings, residential and non-residential). Investment in new residential construction had a smaller increase of 18.4% for the same period.^{3,4} Trends in construction investment are showed in Figure 4.1 (next page).

³ Source: Statistics Canada. (2023). 'Table 18-10-0004-02 Consumer Price Index by geography, all-items, monthly, percentage change, not seasonally adjusted, Canada, provinces, Whitehorse, Yellowknife and Iqaluit.' Available at: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1810000402>. [Accessed April 25, 2023]. All figures accounting for inflation, using Statistics Canada's Consumer Price Index for All Items within Alberta. Dollar values are referenced to 2002.

⁴ Statistics Canada. (2023). 'Table 34-10-0175-01 Investment in Building Construction.' Available at: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3410017501>. [Accessed April 25, 2023]

Figure 4.1: Construction Investment in New Builds in Alberta, January 2017 to January 2023, in 2002 Constant Dollars (millions)



Source: Statistics Canada. Table 34-10-0175-01. 'Investment in Building Construction.'

Alberta was one of the provinces hardest hit by the economic impacts of the COVID-19 pandemic, with investment declines in the construction sector. However, in 2021 there was a strong increase in new housing construction (housing starts increased by 27%, to 30,500 units, in 2021).⁵ In addition, the recovery in oil and gas prices helped to rebound construction market demand in 2022.

According to the Canada Mortgage and Housing Corporation, forecast expectation for the two large metropolitan areas of Alberta – Calgary and Edmonton – was positive due to increased demand for new housing units, supported by rising employment and growing population inflows into both cities.⁶ Going forward, rising mortgage rates are expected to act as an inhibiting factor for home prices and sales in 2023 and 2024. One anticipated result of this is that some homebuyers will find single family houses too expensive and will elect to shift their demand toward condo town houses and condominiums. The decline in home purchases could, however, also result in increased expenditures on home renovations, as buyers opt to upgrade their existing property rather than 'trade up' to new or different accommodation.

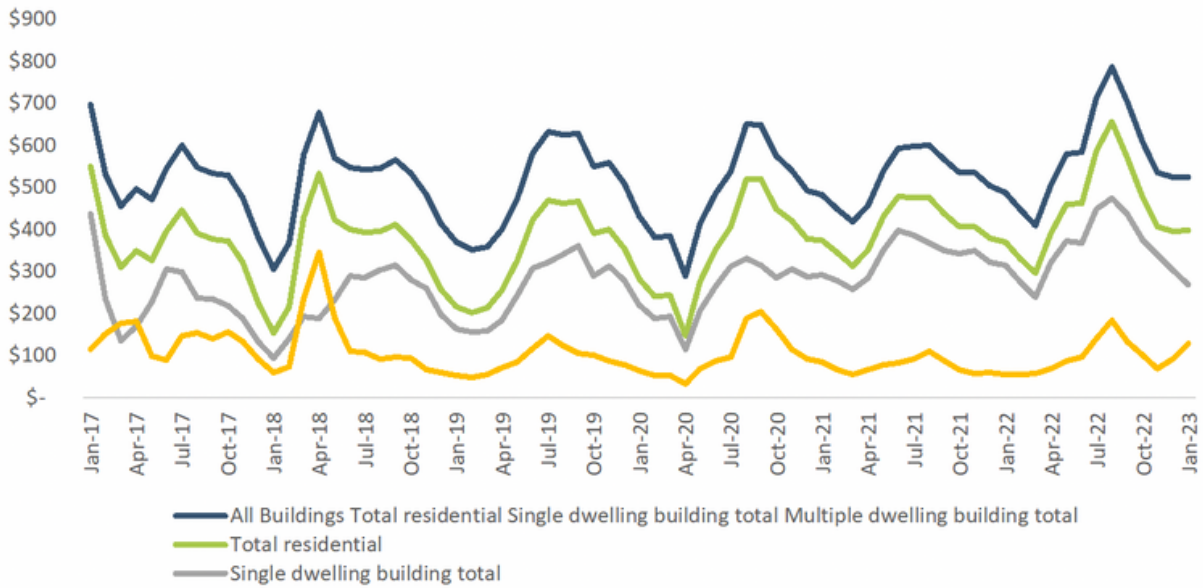
4.1.2 Renovation in Alberta

Between January 2017 and January 2023 in Alberta, investment in building renovations experienced similar fluctuations to those in new build construction investment (Figure 4.2, next page). Investment in renovation for all buildings increased 24.6% and investment in residential renovation increased 27.9%.

⁵ Build Force Canada. (2022). Alberta 2022 Highlights. Available at: <https://www.buildforce.ca/en/lmi/forecast-summary-reports?year=2022>. [Accessed April 26, 2023]

⁶ Canada Mortgage and Housing Corporation. (2022). Housing Market Outlook – Spring 2022. Available at: <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/housing-market-outlook/2022/housing-market-outlook-spring-2022-en.pdf?rev=d5920118-d09c-40f7-8cc4-0fd1efd6483f>. [Accessed April, 26, 2023]

Figure 4.2: Construction Investment in Renovations in Alberta, January 2017 to January 2023, in 2002 Constant Dollars (millions)



Source: Statistics Canada. Table 34-10-0175-01. 'Investment in Building Construction.'

Between January 2017 and January 2023 in Alberta, investment in property conversions was reported to have increased by 34.6%.⁷ This significant investment in renovations was likely a major stimulus to Alberta's building supply sector.

Figure 4.3: Construction Investment in Conversions in Alberta, January 2017 to January 2023, in 2002 Constant Dollars (millions)



Source: Statistics Canada. Table 34-10-0175-01 'Investment in Building Construction.'

⁷ Data for construction investment in property conversions in Alberta is only available for all buildings.

4.2 CURRENT WORKFORCE TREND

SUMMARY

- Within Alberta's current building supply sector workforce, vacancies account for between 1% and 5%, with higher vacancy rates among general store staff and other related sector occupations
- Over the next five years, the average anticipated rate of retirement is estimated to be 19% (approximately 4% per year)
- In terms of attrition, employers estimated that:
 - o 37% of departing employees leave to find work within the building supply sector
 - o 63% of departing employees leave the sector altogether
- The majority (72.3%) of employers reported that they expect to see an increase in the overall size of their workforce (measured in FTEs) over the next five years
- The overall annual growth rate of Alberta's building supply sector is estimated to be 2.5%, meaning an additional 713 workers per year will be needed to meet sector expansion demand
- In order to meet fill current vacancies and meet anticipated sector growth demand, approximately 1,783 new employees will be needed every year for the next five years

In order to provide a high-level overview of labour force dynamics in the sector, the WRLA building supply sector survey examined trends in workforce vacancies, employee turnover and sector turnover. The survey was also designed to examine future anticipated hiring needs, including expected retirements and sector changes over the next five years, including estimated workforce requirements.

4.2.1 Current workforce vacancies and unmet labour need

Just over one third (39%) of surveyed employers reported that they had current long-term vacancies (three months or longer) in their workplaces. These long-term vacancies were reported across all positions examined, with the largest number of vacancies in positions such as general store staff including retail salespersons, cashiers, store shelf stockers, forklift operators, truck drivers and other occupations. Indeed, three quarters (75.0%) of all surveyed employers reported long-term vacancies in general store staff positions.

Table 4.4: State of Vacancies among Employer Respondents to Labour Market Survey

NOC	Description	# Employers with Position Vacancies	% Employers with Position Vacancies*	Mean FTE Vacancies**	Global Vacancy Rate*
0016, 0601, 0621	Senior Managers	2	10.0%	1.00	0.8%
6222, 6411	Technical Occupations	6	30.0%	1.17	2.9%
6421, 6611, 6622, 7511, 7521	General store staff	15	75.0%	2.53	3.7%
N/A	Other related occupations	4	20.0%	11.00	5.4%
Total		20	39.2%	3.4	3.9%

Source: WRLA BSS survey, QB3a and QB3b, (n=various). * Proportion of all employers reporting vacancies (n=20).

** Mean calculated including only those firms reporting vacancies in each role.

As a proportion of the overall workforce, vacancies accounted for between 1% and 5% of sector employers' current workforce, with higher vacancy rates in general store staff positions and other related occupations in the sector.

4.2.2 Annual employee turnover

Among survey respondents who provided estimates of attrition over the upcoming five years, senior managers and technical occupations were expected to have higher rates of annual turnover when compared to general store staff and other related occupations.

In terms of attrition destination, employers estimated that approximately one third (36.9%) of their departing employees would find work with other building supply employers and, as such, would not constitute net sector loss. However, employers also reported that almost two-thirds (63.1%) of departing employees were expected to leave the sector altogether; as such, these departures would represent a net loss to the sector. As highlighted in Table 4.5, it is estimated that, across all positions, net loss due to turnover is approximately 18.5% of the total workforce per year.

Table 4.5: Average Annual Turnover Rates and Attrition

NOC	Description	# Employers with Turnover	Average Turnover Rate	% Who Leave Sector Entirely	% Net Loss Due to Turnover
0016, 0601, 0621	Senior Managers	12	15.5%	63.1%	9.8%
6222, 6411	Technical Occupations	15	27.2%	63.1%	17.7%
6421, 6611, 6622, 7511, 7521	General store staff	35	35.9%	63.1%	22.6%
NA	Other related occupations	12	26.1%	63.1%	16.5%
Total				63.1%	18.5%

Source: WRLA BSS survey, QC4 (n=various).

4.2.3 Annual employee turnover

Respondents to the employer survey were asked to estimate the number of retirements, in FTEs, they expected to see between 2023 and 2027. The average anticipated rate of retirement among building supply sector employers was estimated to be 19.2% over the five year period, indicating an average annual retirement rate of approximately 3.8% per year.

Table 4.6: Expected Retirements and Hiring Needs by Occupation, among Employer Respondents

NOC	Description	Current Total Workforce	2023-2027			Average Retirement Rate/Year
			Total Hiring Needs	Total # Retirements	Total % Retirement	
0016, 0601, 0621	Senior Managers	265	38	60	22.6%	4.5%
6222, 6411,	Technical Occupations	243	55	66	27.2%	5.4%
6421, 6611, 6622, 7511, 7521	General store staff	1,032	286	264	25.6%%	5.1%
NA	Other related occupations	813	146	61	7.5%	1.5%
Total		2,353	525	451	19.2%	3.8%

Source: WRLA BSS survey, QC3 (n=various).

4.2.4 Estimated demand expansion

Surveyed employers were asked to provide estimates of full time employees, both overall and by occupation, for the following time periods:

- Current FTEs employed at their company;
- Expected FTEs to be employed in 2023;
- Expected FTEs to be employed in 2025; and
- Expected FTEs to be employed in 2027.

Almost three quarters (72.3%) of surveyed employers reported that they expected to see an increase in the overall size of their workforce (measured in FTEs) over the next five years, while one quarter (27.7%) expected their staffing needs to remain constant. No employers reported an anticipated decrease in their workforce.⁸

Among respondents who expected an overall increase in FTEs by 2027, there was a mean expectation of a 15.7% increase in workforce size, based on estimates ranging from increases of 2% to 100% (modal increase=10%). When asked what would drive this increase in workforce size, the most common responses included increased sales and expansion of the operation’s market share.



Analysis of anticipated workforce growth, overall and by role, is summarized in Table 4.7.

Table 4.7: Employer Growth Scenario Forecast for the Building Supply Sector

NOC	Description	2022	By 2025		By 2027	
		Estimated Workforce	Anticipated Workforce	Anticipated New Positions	Anticipated Workforce	Anticipated New Positions
0016, 0601, 0621	Senior Managers	265	443	178	452	187
6222, 6411	Technical Occupations	243	409	166	424	181
6421, 6611, 6622, 7511, 7521	General store staff	1,032	1,683	651	1,722	690
NA	Other related occupations	813	1,446	633	1,511	698
Total		2,353	3,981	1,628	4,109	1,756

Source: WRLA BSS survey, QC3 (n=various). ‘Don’t know’ and ‘Prefer not to answer’ responses excluded.

Results from the employer survey suggest that many employers anticipate moderate growth over the next five years. When the average rate of growth by occupation was calculated, there appeared to be fluctuation of around 15%, with the highest growth rate of 16.8% (other related occupations) and the lowest growth rate of 14.3% (senior managers).

For the purposes of estimating future growth of the workforce, we have adopted the modal employer estimate of a 10% increase in the total number of workers needed in the next five years. This translates to an approximate average annual growth in total employment of 2.5%.

⁸ WRLA BSS survey, QC1a (n=47).

While employment in Alberta’s wholesale trade and retail sectors have fluctuated dramatically in the last five years (due primarily to COVID-19, as described above), the 2.5% average annual growth rate is reasonable if we consider that, during the last five years, the average annual growth rate for the two sectors combined is 2.5%. Using a 2.5% growth rate implies that the sector will need to find an additional 713 workers per year to meet the demand of an expanding sector (Table 4.8).

Table 4.8: Building Supply Sector Forecast Demand Expansion

NAIC/ NOC	Description	Employment	Average Annual Growth Rate	Total Annual Positions
416	Building Material and Supplies Merchant Wholesalers	11,830*	2.5%	296
444	Building Material and Garden Equipment Supplies Dealers	16,670*	2.5%	417
416 & 444	Building Supply Sector	28,500*	2.5%	713
0016, 0601, 0621	Senior Managers	9,279**	2.5%	232
6222, 6411	Technical Occupations	2,527**	2.5%	64
6421, 6611, 6622, 7511, 7521	General store staff	16,182**	2.5%	404
NA	All other related positions	512**	2.5%	13
Total				713

Source: WRLA BSS survey. Calculated using proportional factor.

* Employment Census 2021.

**Estimates calculated in Table 3.3.



4.2.5 Total hiring requirements

Based on survey data extrapolated to Alberta’s building supply sector, the replacement hiring requirements for the sector have been estimated using the average rates of turnover and retirement, as well as the estimated number of employees to meet the needs associated with the expansion of employment within the industry. Hiring requirement data for the major occupational groups and for the sector overall are presented in Table 4.9 (next page). In terms of the total number of required new hires, over the next five years 4,564 employees will replace existing workers who are projected to leave the sector, while an additional 3,563 employees will be required to meet hiring need associated with sector growth.

When the 791 current vacancies are taken into account, we estimate an approximate annual hiring requirement of 1,783 new employees to meet the sector’s overall employment need.

Table 4.9: Retail Sector Forecast Total Hiring Requirements

NOC	Role Description	Employment Census 2021	Current Vacancies	In 5 Years				Total Hiring Requirements*
				Total Exits, Excluding Retirements	Total Retirements	Total Replacement Hiring Need	Total Demand Expansion	
0016, 0601, 0621	Senior Managers	9,279	17	225	104	329	1,160	1,506
6222, 6411	Technical Occupations	2,527	61	362	115	477	316	854
6421, 6611, 6622, 7511, 7521	General store staff	16,182	330	2,030	459	2,489	2,023	4,842
NA	All other related positions	512	383	1,163	106	1,269	64	1,716
Total		28,500	791	3,780	784	4,564	3,563	8,918

Source: WRLA BSS survey. Calculated using proportional factor.

*Total hiring requirements equals the sum of current vacancies, total replacement hiring needs and total demand expansion.

4.3 RECRUITMENT AND RETENTION IN ALBERTA’S BUILDING SUPPLY SECTOR

SUMMARY

- Although employers reported hiring employees from non-traditional labour pools within the past year (females, youth, Indigenous persons, new Canadians, persons with disabilities), the overall proportion of employees from these under-represented populations accounted for only approximately quarter of new hires
- Among survey respondents, recruitment challenges included low starting salaries, particularly for entry level positions and lack of sector knowledge among labour pools
- A lack of professional development and training opportunities was identified as a challenge to retention
- Surveyed employers reported that it is more common to offer employees informal training, as opposed to more formal training or programming that might contribute to retention or career progression
- Two thirds of surveyed employers reported that their company does not have a written human resource strategy, designed to meet its medium- to long-term labour needs, in place
- The majority of employers identified the development of professional training and education programs as a key way to address the sector’s human resource challenges

4.3.1 Current labour supply sources

Among non-traditional labour supply sources, the majority of surveyed employees reported having hired females (83.7%) and/or youth (62.5%) in the past year, while under half of employers reported hiring Indigenous persons (41.7%) or new Canadians (33.3%) and only around one quarter (27.9%) reported hiring persons with disabilities. According to these employers, just over one third of the past year’s new hires were females or youth graduated from high school or college, while fewer new hires were new Canadians or Indigenous persons. Very few of new hires were identifies as persons with disabilities. Thus, although the majority of employers reported hiring employees from at least one non-traditional labour pool in the past year, the overall proportion of employees from these under-represented populations accounted for only approximately one quarter of new hires.

Table 4.10: Proportion of Under-Represented Populations Hired in the Past Year

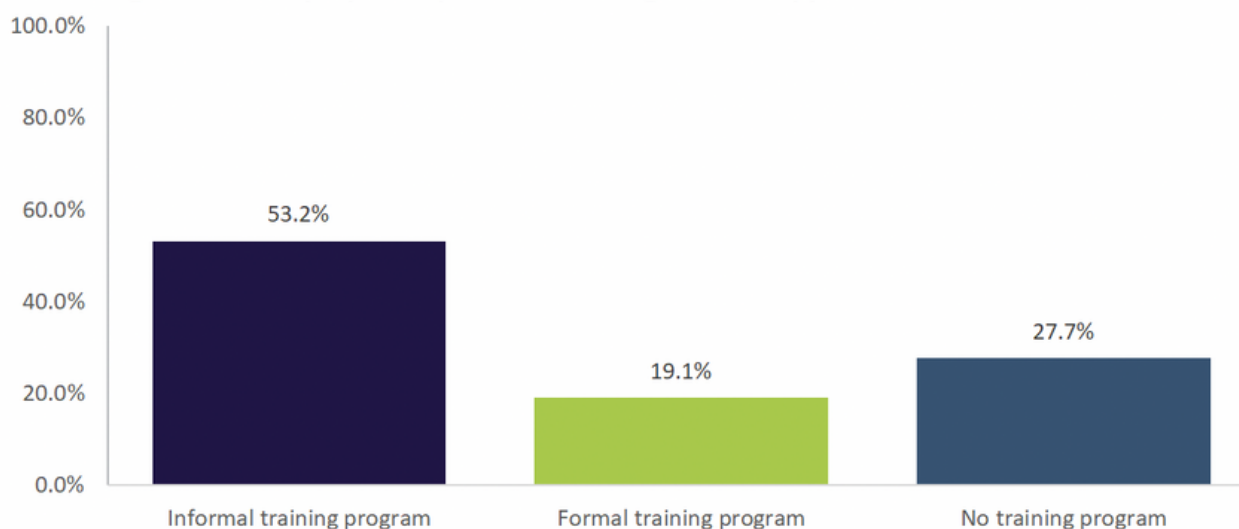
Under-represented population	Proportion of employers reporting having hired candidates from this labour pool	Average proportion of new hires from this labour pool
Females	83.7%	38.2%
Youth	62.5%	34.9%
Indigenous persons	41.7%	19.1%
New Canadians	33.3%	20.1%
Persons with a disability	27.9%	8.8%

Source: WRLA BSS survey, QD2ai-v, D2bi-v (n=various). ‘Don’t know’ and ‘Prefer not to answer’ responses excluded.

4.3.2 Barriers to recruitment and retention

Two thirds (64.3%) of surveyed employers reported that their company does not have a written human resource strategy outlining the company’s approach to meet its medium- to long-term labour needs.⁹ Further, offering formal training to employees was atypical. Indeed, only one fifth (19.1%) of employers reported having formal training opportunities in place to support employee retention and/or career progression. More commonly, surveyed employers reported having informal training to support retention or progression of employees within their workforce (53.2%). Notably, one quarter (27.7%) of employers stated that they did not offer any training or other programming to their employees.

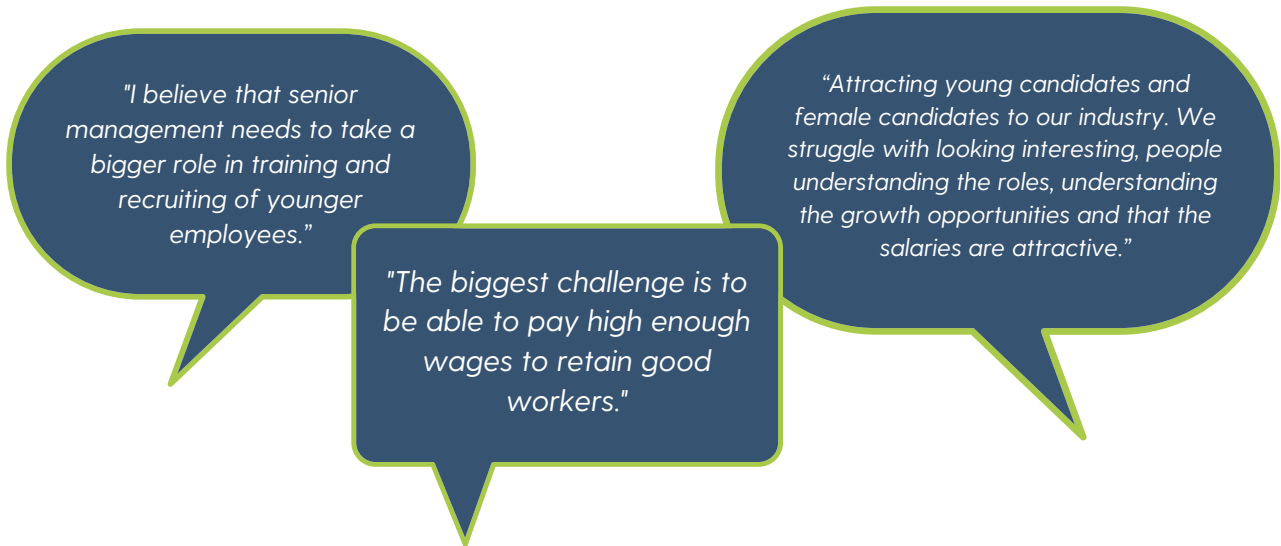
Figure 4.11: Employers Reported Have Programs to support Retention of Workforce



Source: WRLA BSS survey, QD4 (n=47). ‘Don’t know’ and ‘Prefer not to answer’ responses excluded.

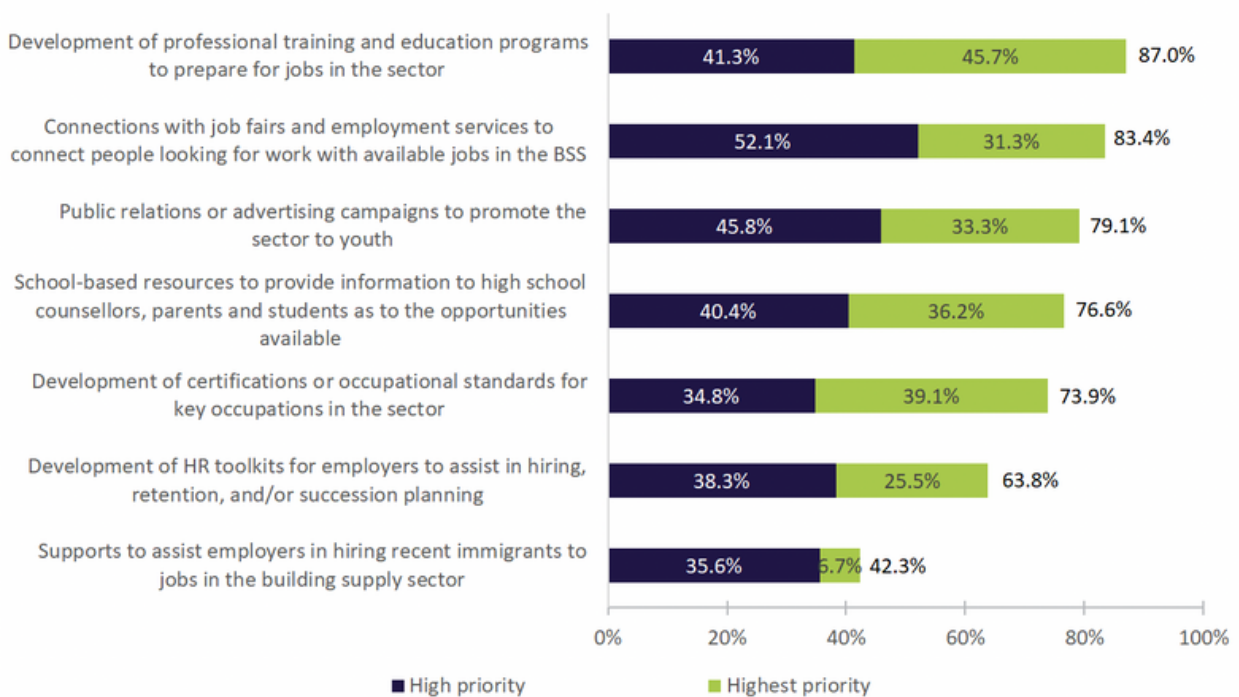
⁹ WRLA BSS survey, QD3 (n=47).

When employers were asked to identify key human resource challenges impacting the building supply sector, the ability to pay higher salaries (particularly for entry level positions) was most frequently identified. Additional identified challenges included: a perceived lack of knowledge of the industry among candidates; a lack of capacity to offer more training opportunities; and an inability to bring new staff to the industry.¹⁰



As part of the survey, employers were asked to rank the relative priority of a range of strategies aimed at addressing human resource challenges. Priorities of highest identified importance included developing training and education programs to prepare people for work in the sector and making greater use of employment venues (e.g. job fairs) to connect job seekers with employment opportunities. Promotional activities targeting youth were also considered to be important in addressing human resource challenges going forward.

Figure 4.12: Strategic Priorities to Address Human Resources Challenges



Source: WRLA BSS Survey, QD6 (n=various). 'Don't know' and 'Prefer not to answer' responses excluded.

¹⁰ WRLA BSS survey, QD5 (n=17).

When asked what training and education employers would like to be available to companies in the sector, few had any suggestions. Among those who provided suggestions, training in sales was identified as needed; management training, including training that supported career progression, was also suggested.¹¹

“The building sector should spend more time on leadership, team and management development. Taking people off the tools and expecting them to have the skillset to properly manage people, time management and resource management is a huge weakness in this sector.”



¹¹ WRLA BSS survey, QD1 (n=33).

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 CONCLUSIONS

There are many challenges currently impacting the building supply sector in Alberta, including major labour market challenges that are affecting operations. While the COVID-19 pandemic resulted in broken supply lines across a wide array of sectors, exacerbated by an integrated global economy in which countries and regions rely on each other for raw materials and finished goods, demand for new and renovated housing in many provinces, including Alberta, continues to rise.

Despite the devastating impacts of the COVID-19 pandemic and subsequent supply chain issues, Alberta's building supply sector has experienced overall steady growth over the past twelve years. Between 2017 and 2023, Alberta experienced overall growth in new building investment, renovation investment, property conversion and new housing starts.

Alberta's building supply sector comprises approximately 2,126 establishments, representing approximately 28,500 employees. The building supply sector workforce is primarily composed of males aged between 25 and 44 years. Across Alberta's building supply workforce, vacancies accounted for between 1% and 5%, with higher vacancy rates among general store staff and other related sector occupations; indeed, three quarters (75.0%) of all surveyed employers reported long-term vacancies in general store staff positions.

In terms of attrition, employers estimated two thirds (63%) of departing employees will leave the sector altogether. In addition, over the next five years the average anticipated rate of retirement is estimated to be 19%, or just under 4% per year. At the same time, almost three quarters (72%) of employers expect to see an increase of approximately 15% in the overall size of their workforce, due mainly to increased sales and expansion of the operation's market share. Based on a modal employer estimate of a 10% increase in the total number of workers over the next five years, the overall annual growth rate of Alberta's building supply sector is estimated to be 2.5%.

In order to fill current vacancies and meet anticipated sector growth demand, 1,783 new employees will be needed every year for the next five years.

5.2 Recommendations

In order to fill vacancies and support sector growth, employers will need to move beyond traditional recruitment sources and explore new or innovative ways of meeting labour demand. To this end, there are a number of avenues that can be explored.

Building supply sector members must aggressively expand target labour pools.

Although employers reported hiring from non-traditional populations within the past year (females, youth, Indigenous persons, new Canadians, persons with disabilities), the overall proportion of employees from these under-represented populations accounted for only approximately quarter of new hires. Further research should be done to identify how best to reach and attract these populations.

Building supply sector employers must enhance employee remuneration.

Employers identified low salaries, particularly for entry level positions, as a challenge to recruitment. This challenge could be exacerbated in Alberta, where the oil and gas industries can offer attractive salaries and benefits packages to relevant labour pools. The building supply sector must consider how it can enhance total compensation packages, including salary (particularly starting salary) and benefits, in order to compete with the oil and gas industries. Further research focusing on innovative compensation methods would support recruitment strategies.

Sector employers must work together to increase awareness of the sector.

In order to attract new hires to the industry, sector members should work together to develop marketing materials that explicitly identify, describe and promote the benefits of working in the sector. This should include an investment in developing or establishing training opportunities that clearly or directly lead to careers in the building supply sector. Further research should be undertaken to identify what training could most helpfully entice and encourage new hires, particularly from non-traditional labour supplies, to enter the building supply sector.

Sector employers should develop formal training and career progression strategies

In terms of retention, employers identified a lack of professional development and training opportunities for existing employees. Indeed, employers reported that it is more common to offer employees informal training, as opposed to more formal training or programming that might contribute to retention or career progression, despite the fact that the majority of employers recognized the development of professional training and education programs as key to addressing the sector's human resource challenges. Sector members should thus work together to develop sector-relevant training that supports employees within their existing roles, but also supports employees to move into managerial positions. This could be supported through the development of forward-looking corporate human resources strategies that are designed to meet medium- to long-term labour needs.

ANNEX A: EMPLOYER SURVEY QUESTIONNAIRE

The employer survey questionnaire has been provided separately.