

## EXECUTIVE SUMMARY

Working on behalf of the Food Processing Sector Partnership Steering Committee and with Saskatchewan Post Secondary Education and Skills Training, Trimension Group conducted research to identify the human resource and training needs of the food processing industry in the province and devise strategies for human resource and training planning.

### **INTRODUCTION**

In order to develop and implement the most appropriate strategies for a proactive human resource plan, the Food Processing Sector Partnership undertook a needs assessment with food processors and employees to identify current and future human resource and training needs of the industry. This report presents the results of this research.

### **METHODOLOGY**

The research undertaken involved both secondary and primary data gathering, followed by validation using industry representation by the members of the Steering Committee.

The following briefly describes the steps that were taken to complete the study and produce this report.

#### **Literature Review**

The literature review was completed with the objective of providing the Steering Committee with the necessary background information in order to establish the base for the human resource and training needs study. The literature for this report was limited to those publications dated 1991 to the present to ensure only current information was included.

#### **Education and Training Database**

Research was conducted to develop and establish a database of education and training programs for the Saskatchewan food processing industry. The database outlines both accredited and non-accredited education and training offered in Western Canada and Ontario and identifies the institution, program name, a brief description, length, method of delivery and contact information.

#### **Survey**

Trimension Group developed the survey instrument in consultation with the Food Processing Sector Partnership Steering Committee. Respondents were drawn from the Saskatchewan Food Processors Association directory. The sample was distributed to be representative of the industry in terms of size of company (number of employees) and location, in terms of rural and urban communities. Interviewers were instructed to speak to the general manager/owner or, where possible, the human resource or personnel manager. In total, 95 companies were surveyed.

The appropriate contact at large companies (20 or more employees) was called in advance to participate in the survey. Respondents were mailed a copy of the survey in order to prepare their responses. The purpose of these steps was to ensure a high completion rate.

NorSask Consumer Interviewing Services, a professional interviewing service in Saskatoon, was subcontracted to conduct the telephone surveys. Data was collected between March 3 and March 19, 1999. Data from the survey was analyzed by Trimension Group using *SPSS for Windows*, a statistical software package.

### **Industry Validation**

Four focus groups were conducted between June and July 1999 as part of the validation of the survey results. The focus groups were conducted with industry members, both employers and employees, and were distributed to reflect the views of various components of the industry. The following is an overview of the composition of the focus groups.

<b>Focus group 1:</b> large, urban, employers	<b>Focus group 3:</b> small company, non-union employees
<b>Focus group 2:</b> small, rural, employers	<b>Focus group 4:</b> large company, union, employees

### **Summary of Findings**

Food processing in Saskatchewan is primarily comprised of meat and bakery products, and prepared/specialty foods. Small, rural based businesses make up the majority of food processing companies in the province. 58% of companies surveyed were located in a community of less than 1,000 people and 81% were small processors with fewer than 20 employees. Most of the products made in Saskatchewan are sold in Saskatchewan, but 19% of food processors do export their goods.

Labourers, machine operators, butchers, bakers, sales representatives and administration managers are the largest occupations in the industry. With the exception of administration, all of these occupations and supervisory occupations are expected to grow in the next 5 years. Machinery operators are expected to grow the fastest at 36% over the next 5 years, and a forecasted 32% more butchers and 11% more bakers will be needed. Supervisors (19%), labourers (15%) and sales representatives (14%) are also expected to grow substantially.

The food processing workforce in Saskatchewan is typically young, well educated and more culturally diverse than the provincial averages. More people working in food processing are between the ages of 35 and 54 than in other industries. More people in food processing have completed high school than the provincial norm. Contributing to this trend is the tendency among large companies to look for a minimum high school education when hiring. While the provincial rate of Aboriginal employment in the province is 4%, in food processing it is 6%.

As many of the companies are small and rural, they find it difficult to attract workers to rural locations and are unable to offer wages competitive with larger companies. Large companies identified education and training as the main barriers to employment in the industry. This perspective is the result of the high level of technology used in large companies and the relatively high levels of education and training required to operate the equipment.

Large and small companies, rural and urban, indicated that turnover is not a problem in the industry. The overall turnover rate is 16%. Their reasons differed, however, depending on the size of the company. Small companies typically felt that a good work environment and family business atmosphere contribute to keeping turnover low. Large companies attributed high retention to high employee loyalty, good wages, light manual labour and shift flexibility. The most common reasons employees gave for leaving their jobs were better opportunities and wages elsewhere. An employee's motivation for leaving the Saskatchewan industry altogether was low pay and high taxes; many businesses felt employees are moving to more lucrative markets in Alberta and British Columbia.

Companies identified specific technical training needs within the industry. These include Hazardous Analysis and Critical Control Points (HACCP), ISO 9000, Food Handlers Safety, Statistical Process Control, Good Manufacturing Practice, computer literacy and safety. Industry prefers training delivered in-house using company resources. Employers ranked employees' employability skills quite high and indicated that in-house training is the best way of delivering employability skills training. Large companies have fewer difficulties delivering training to their employees as they have the financial resources to bring training to the workplace. Small companies, however, have difficulty finding the time or financial resources to attend training or send employees to training.

## ***KEY FINDINGS***

### **Company Information**

- The most common business areas of companies were meat (37%), bakery products (16%), and prepared/speciality foods (13%).
- 58% of the companies surveyed are located in a rural community (less than 1000 people).
- 81% of companies surveyed are small processors (less than 20 employees) and 19% are large employers (20 or more employees). The average size of the smaller companies is 7 employees and the average size of the larger companies is 74 employees. In total, 564 people work for the smaller processors surveyed and 1,340 work for the larger processors surveyed for a total of 1,904 employees represented in this survey.
- 19% of food processors are exporting and export sales are an average of 52% of their total revenue. Notably, 51 (or 54%) of the 95 companies surveyed generate 100% of their sales here in Saskatchewan.

## **Employment Projections**

- The five occupations with the largest number of employees include labourers in processing; machine operators and related workers; butchers and bakers; sales representatives; and administration managers. Companies expect growth in the next five years among machine operators and related workers (36%); butchers (32%) and bakers (11%); supervisors (19%); labourers in processing (15%); and sales representatives (14%).

## **Employee Profile**

- In terms of age of employees, the food processing industry employs younger people compared to the provincial employed labour force. 76% of workers are in the 35 to 54 year age group compared to the provincial average of 52%.
- Over half of workers in the food processing industry (62%) have completed high school compared to 22% for the employed labour force in Saskatchewan.
- Persons with disabilities and women are underrepresented compared to provincial labour force statistics. 6% of workers are Aboriginal people compared to the provincial rate of 4% while 3% are visible minorities, which is equal to the provincial statistic.

## **Recruitment**

- The requirement for “a good work ethic” emerged as the main barrier for potential employees in trying to get a job in the food processing industry.
- Half of companies agree that it is difficult to attract employees because of a rural location (54%) and because they are unable to offer competitive wages (51%).
- Most processors (87%) don’t feel employee turnover is a problem for their company due to having a good work environment, offering competitive wages and benefits, loyal employees, and their company being a family business.
- For an estimated total of 1,904 people employed by the companies surveyed, 11% voluntarily left their jobs last year, while 3% were terminated, and 2% were laid off. The overall turnover rate was 16%.
- The most common reasons employees gave for leaving their jobs include leaving for better opportunities elsewhere (38%) and leaving for better wages elsewhere (36%).
- Companies reported few vacant and underskilled positions.

## **Skill Requirements and Training**

- Skill areas where more training is needed for employees include: HACCP, ISO 9000, Research and Development (R & D), and scientific knowledge and skills.
- Skill deficiencies among owners/managers include ISO 9000.
- 70% prefer to provide industry-specific skills training in-house either using company resources or bringing in trainers.
- Overall, companies feel that employees are strong in employability skills. The areas with the lowest average ratings were communication skills and literacy/numeracy.
- 67% would prefer employability skills training delivered in-house either using company resources or bringing in trainers.
- Among employees, there are skill deficiencies in terms of exporting skills, computer skills, strategic planning, and law. Owners/managers are lacking computer skills and exporting skills.
- 41% prefer business skills training delivered by an external training provider, association, or accredited training body, while 41% prefer in-house training.
- The greatest barriers to training include: cost of taking people off the job (48%), and the cost of living expenses to employees while not working (48%), and lack of time (46%).
- In terms of the impacts of seasonality on training, companies commented on the costs of turnover in terms of retraining new employees and the challenge of scheduling training due to fluctuating production levels.
- 56% of companies anticipate that the impact of information technology (computers, automation, the Internet) will affect their organization, employees, and/or labour market requirements in the next 5 years. Information technology will have an impact on training in that employees will need to have computer skills. Marketing and advertising will also be affected in terms of new communication technologies. As companies use more automated processes in production, they may require fewer workers.

## **Training Options – Awareness and Assessment**

- 55% (or 52 companies) provide training or upgrading to employees currently or have within the past three years.

- 38% (or 36 companies) provide internal training to employees using their own company trainers or employees. The main areas of internal training are job-specific training, machine operation, HACCP, food safety, orientation, and computers.
- 37% (or 35 companies) currently use training courses or programs provided by other training providers. Key areas of external training include computers, safe food handling, sanitation, HACCP, and business related topics.
- 55% of companies indicated they are willing to pay for training while 33% are not. 12% believe it depends on the situation. The willingness to pay for training depends on the benefits of the training.
- 23 companies were able to provide an estimate of the percentage of payroll spent on training. On average they allocate 5% of their payroll for training employees.
- 47% of companies stated that education and training programs in Saskatchewan meet their company's training needs, while 28% believe their needs are not being met. 25% are undecided or "don't know."
- There is a need for more awareness of what training is available for food processors in Saskatchewan, as well as improvements to meat cutting courses currently offered. There is also a need for baking training in Saskatchewan. Safe food handling, HACCP, and Occupational Health & Safety (OHS) also emerged as important areas.
- 77% of companies want direct access to information on food processing training. Among those who want more information, the preferred way to receive the information is by an industry newsletter or mail-out.
- 75% of companies want more information about the Food Processing Sector Partnership.

## Recommendations

# 1: *Develop a long-term strategy and provincial training team to address Saskatchewan food processing industry training needs.*

<b>Objectives</b>	<b>Action Steps</b>	<b>Partners</b>	<b>Possible Timelines</b>
1 Develop partnerships with stakeholders that represent industry, education & training providers, labour and government.	<ul style="list-style-type: none"> <li>• Presentation of study</li> <li>• Communicating/disseminating information (develop communications strategy)</li> <li>• Increase dialogue between trainers &amp; educators to develop mutual understanding of everyone's activities and plans</li> <li>• Identify sector partnership partners and what role each can play</li> <li>• Determine a suitable schedule of meetings for the sector partnership</li> </ul>	SIAST Unions Regional Colleges Aboriginal institutions HRDC PSEST Universities SFPA Food Centre	Within next 6 months
2 Identify and develop courses to address short term needs.	<ul style="list-style-type: none"> <li>• Work with representatives from various industries that make up the sector so they decide what courses, and approve course content.</li> <li>• Identify existing courses to meet those needs.</li> <li>• Determine applicability of those courses</li> <li>• Modify existing applicable courses</li> </ul>	Prairie Swine Centre (possibly modify HR courses) SIAST Food Centre Industry associations Universities Unions	12 – 18 months
3 Identify and develop courses that are transferable within the sector to address long term needs.	<ul style="list-style-type: none"> <li>• Identify common core needs.</li> <li>• Develop training to address training gaps.</li> <li>• Establish a system of Prior Learning Assessment Recognition for use by industry</li> <li>• Develop an evaluation process</li> </ul>	Industry SFPA Food Centre SIAST Universities Industry associations SLFDB	Long term

<p>4 Develop accreditation process that indicates a course is approved by industry and/or a post-secondary institution.</p>	<ul style="list-style-type: none"> <li>• Partner with SIAST to get approval/SIAST accreditation</li> <li>• Partner with universities</li> <li>• Partner with national industry associations</li> <li>• Gain approval from government (ie SaskHealth, SAF)</li> <li>• Develop a mechanism for employer/industry recognition</li> </ul>	<p>Industry SFPA SIAST Universities PSEST Provincial government SIIT DTI</p>	<p>Long term</p>
<p>5 Develop an evaluation process for short and long term training &amp; education courses and programs.</p>	<ul style="list-style-type: none"> <li>• Work with trainers, educators and industry to develop &amp; implement the evaluation process</li> </ul>	<p>SIAST SIIT DTI Universities SFPA Industry</p>	<p>Long term and on going</p>

**# 2:** *Develop an effective communication strategy to assist industry and individuals in assessing all food processing related training opportunities in the province.*

<b>Objectives</b>	<b>Action Steps</b>	<b>Partners</b>	<b>Possible Timelines</b>
<p>1. Develop a communication process that provides information in a timely manner, is relevant to the industry, is readable and accessible and can be delivered in a cost effective manner.</p>	<ul style="list-style-type: none"> <li>• Make presentations to stakeholders/partners</li> <li>• Include information in newsletter and on website</li> <li>• Work with unions</li> <li>• Speak at conferences about training</li> <li>• Involve federal and provincial government</li> <li>• Make presentations to Aboriginal employment and training organizations</li> <li>• Make presentation to SLFDB and provincial government</li> <li>• Develop relationships with stakeholders with the</li> </ul>	<p>SIAST Universities Food Centre Regional Colleges Private trainers Unions/UFCW SFPA WD SECD SAF PSEST Federal Government</p>	<p>Immediate:</p> <ul style="list-style-type: none"> <li>• Get information out in industry and government newsletters</li> </ul> <p>Long term</p> <ul style="list-style-type: none"> <li>• Develop strategies as the group works together</li> </ul>



	<p>goal of including them in the partnership</p> <ul style="list-style-type: none"> <li>• Ensure all stakeholders, especially industry, are aware of what's available and how they access it</li> </ul>	<p>SaskHealth DTI SIIT</p>	
<p>2. Make industry aware of the value of investment in training.</p>	<ul style="list-style-type: none"> <li>• Gather and distribute testimonials</li> <li>• Develop industry training champion programs</li> <li>• Develop industry mentorship program where companies speak to other companies about what they learned and benefits provided to them.</li> <li>• Develop relationships with the media to enhance industry and training profile</li> </ul>	<p>Industry Training providers Unions SFPA Food Centre SLFDB</p>	<p>Short &amp; long term</p>
<p>3. Update communication strategies on a regular basis.</p>	<ul style="list-style-type: none"> <li>• Develop a multi-party agreement to fund this update.</li> </ul>	<p>SFPA SECD Food Centre HRDC AFIF Industry</p>	<p>To be determined based on communications strategy (SFPA responsible)</p>

<p>4. Establish a process for organizing meetings with education and training providers to review and discuss the reports and training database.</p>	<ul style="list-style-type: none"> <li>• Conduct a meeting with education &amp; training providers</li> <li>• Presentation of report at meeting</li> <li>• Discuss forming a provincial working group</li> <li>• Develop joint strategy</li> </ul>	<p>           SIAST            UFCW            SFL            U of S Extension            U of R            DTI            SIIT            Regional Colleges            WD            Industry            Food Centre/SAF            PSEST            HRDC            SECD            SLFDB            Business Development            Bank of Canada         </p>	<p>Short term (prior to end of June 2000)</p>
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# 3: *Develop a funding strategy.*

<b>Objective</b>	<b>Action Steps</b>	<b>Partners</b>	<b>Possible Timelines</b>
1. Identify appropriate funding sources (SFPA to take the lead).	<ul style="list-style-type: none"> <li>• Identify funding for design and development of training</li> <li>• Identify funding to help industry access training</li> <li>• Include funding agents in provincial training team</li> <li>• Develop a process to access funding</li> <li>• Communicate funding opportunities to industry via communications strategy</li> </ul>	<p>SAF PSEST HRDC CARDS</p>	<p>Short term and on-going</p>

**# 4:** *Create an environment that encourages the development, retention and recruitment of a skilled workforce.*

<b>Objectives</b>	<b>Action Steps</b>	<b>Partners</b>	<b>Possible Timelines</b>
1. Develop a marketing plan to promote career opportunities to youth, underemployed and unemployed in Saskatchewan and promote the industry to attract people from outside the province.	<ul style="list-style-type: none"> <li>• Explore co-op and workplacement programs between industry and training providers</li> <li>• Integrate with present communication strategy</li> <li>• Educate government on the food processing industry</li> </ul>	Universities SIAST Technical training providers SFPA Food Centre CSCES HRDC Aboriginal institutions Provincial government	Short term and on going
2. Encourage the industry to become more involved in promoting opportunities in the industry.	<ul style="list-style-type: none"> <li>• Participate in career days, high school workplacement programs, junior achievement, and others</li> <li>• Develop partnerships between industry and education &amp; training providers to work towards creating a positive work environment</li> </ul>	Industry SFPA Training Providers High Schools SLFDB PSEST All Sector Partnerships	

**# 5:** *Work to create a forum for all industries to work together.*

<b>Objective</b>	<b>Action Steps</b>	<b>Partners</b>	<b>Possible Timelines</b>
1. Develop a province wide approach to address Saskatchewan human resource and training needs.	<ul style="list-style-type: none"> <li>Approach SLFDB to co-ordinate a workshop to develop a provincial strategy.</li> </ul>	SFPA UFCW SLFDB PSEST All Sector Partnerships Dept. of Education SLFDB	Long term



### **Next Steps**

The Saskatchewan Food Processing Industry Sector Partnership has formulated an opportunity for future and ongoing human resource development and training through this project. The need for a long-term strategy to address the industry's training needs, along with effective communication strategies and creating an environment for development, retention and recruitment of a skilled workforce, are important aspects to undertake.

To begin the process to implement the recommendations and the objectives set by the Steering Committee, the industry and the Saskatchewan Food Processors Association must undertake the following steps:

1. The Saskatchewan Food Processors Association must organize a meeting with key stakeholder representatives and the education and training partners to enhance the Steering Committee so they can begin to prioritize and develop strategies for implementing the objectives set forth in this report.
2. The members of the Steering Committee undertake initiatives to communicate the research findings to their representative members and organizations.

It is noted the research and report has already been presented to the Board of Directors of the Saskatchewan Food Processors Association and to the affected locals of United Food & Commercial Workers Local 1400. The results have been the acceptance of the study by the Board of Directors of the Saskatchewan Food Processors Association and the two locals of United Food and Commercial Workers Union have submitted names of interested members to assist with Phase Two of the initiative.

3. The Saskatchewan Food Processors Association produce and distribute the results of the study using a variety of means to ensure coverage and communication to the industry.
4. The Saskatchewan Food Processors Association in co-operation with Saskatchewan Post-Secondary Education and Skills Training prepare a news release to announce the completion of the study and the next steps.
5. The enhanced Steering Committee to begin work with the Saskatchewan Labour Force Development Board to develop a province wide approach to address the human resource and training needs for Saskatchewan industries.