

**Remarks to the “Raising the Bar on Performance and
Sector Revitalization Conference”**

Social Housing Services Corporation

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(Check against Delivery)

- I want to thank the Social Housing Services Corporation for inviting me to address you today on the challenges that all sectors of our society will be facing as we try to recruit the next generation of workers.
- It's nice to be out of the city & in these beautiful surroundings. Periodically, we all need to take the time to sit back and reflect on our job and on our life.
- As was mentioned in the introduction, I am currently the Exec Director of the Institute of Public Administration of Canada – I have been there since mid-August 2006...almost one year now.
- Prior to that I was in the government of Ontario for over 16 years & ended that portion of my career as Associate Deputy Minister of Finance.
- So you are probably now thinking, this guy is a “bean-counter” and probably only deals with numbers. What is he doing here?
- True, I did deal with numbers – lots of them and with a lot of zeros at the end. But I also dealt with a vast array of policy issues and I was responsible for devising a HR Strategy for the Ontario Public Service Financial Community as well as implementing a training program for staff in the public service called “Modern Controllershship” which was really all about Modern Management and upgrading skills to meet the new realities of government.
- So I do have some experience in dealing with the issues that you are discussing today.
- Before I go on, I want to tell you a little about the Institute of Public Administration of Canada or IPAC.
- IPAC was founded 60 years ago – in 1947. I guess you can call it a baby boomer! IPAC is a membership based association of practitioners from all three levels of government – municipal, provincial and federal; practitioners from the broader public sector; and academics; as well as people interested in public management. IPAC has 17 regional chapters across Canada and is headquartered in Toronto

- IPAC's mission is to "promote excellence in public services". To promote this mission IPAC has three core functions: 1) The creation and dissemination of knowledge and best practice in public administration & management; 2) Capacity building in Canada and overseas using that wealth of knowledge; and 3) Celebrating innovation & people through our awards program.
- I have brought membership forms with me!
- Let me now turn to the challenge that all sectors of the economy, including the public sector are facing in terms of recruitment of the new cadre of the workforce.
- First allow me to paint the demographic picture. Given that I did work in Finance, I will start with some global statistics and projections and then talk about Ontario.
- Maurice Chevalier once said: "Old age isn't so bad when you consider the alternative"
- The population of the industrialized world is aging. Fertility rates are down, people are living longer (that's a good thing) and economic systems and social services are going to have to adapt and adapt quickly.
- By 2050, the number of older people in the world (over 65) will be greater than the number of children for the first time in history. While children worldwide outnumber older people by 3:1 today, by 2050 that ratio is expected to be 1:1.
- By 2050, some industrialized countries will actually experience a decline in population – Japan will shrink from 127 million in 2000 to 109 million in 2050, with the over 60 age cohort making up 42% of its population; Russia will see a decline from 145 million in 2000 to 104 million in 2050, with its over 60 cohort making up 37% of its population.
- By 2050, 15% of Japan's population will be over 80 years of age. In the space of 1 Century, Japan will have gone from a nation with 4.6 children for every old person to a nation of 3.4 old people per child.
- Even China will be experiencing the beginning of a decline in population by 2050. They will also be growing older with the median age of the population increasing from 30 in 2000 to 39 in 2025 and 44 in 2050. By 2050, China will have 437 million people over the age of 60 – larger than any country other than India!

- Our Southern neighbours – the United States – will also be experiencing similar population changes. The fastest growing age cohort will be that over the age of 85. Between the year 2000 and 2050 this cohort is expected to increase from 4.3 million to 18.2 million - a 323% increase!
- And incredibly those aged 100 and more will increase from approximately 60,000 now to 600,000 in 2050. Think about that for a moment!
- Now let's look at Ontario....
- Between 1985 and 2005, the median age of the Ontario population increased from 31.6 to 38 years of age. By 2025 it will rise to 42.1 years of age.
- The number of children aged up to 14 is expected to increase by 9% by 2025 compared to a 24.7 % increase in the population, so their relative share of the population will decline from 18.1% to 15.8%.
- The seniors group in Ontario is projected to grow at the fastest rate and increase from 1.6 million to over 3 million in 2025 – an 88.4% increase. Seniors will make up 19.4% of the population by 2025, up from 12.9% today. Those 75 years of age and older will increase from 4% of the population in 1985 to 8.4% in 2025 - 1.32 million people.
- Though our population will continue to grow in Ontario, the growth will be driven more by immigration than by fertility rates. The vast majority of that new growth will be concentrated in the GTA – it will account for 60% of Ontario's population growth by 2025.
- The GTA attracts 40% of all immigrants to Canada. It will grow by 33% between 2005 and 2025 (5.8 million to 7.7 million people).
- Central Ontario is projected to grow by 24 % (2.7 to 3.4 million), while Eastern Ontario will grow by 20% (from 1.7 to 2.0 million) and Southwestern Ontario will grow by 16%. Northern Ontario will experience a decline – 6% in NW Ontario and 7% in NE Ontario.
- Even within the growing areas, most of the population growth will be urban centres.

- What this also means for governments is that
 - Economic growth will be impacted as these demographic trends continue.
 - There will be a shift in consumption patterns as the population ages that will likely impact government tax revenues – the young spend more.
 - Given that we spend more on health care as we get older, there will be increased pressure to increase health care spending from its current 50% of total government spending. That means less for everything else.

- So what does all this mean to our society and our economy? What does it mean to you as a Social Housing provider?

- Before I answer that, let's look at the issue of employee recruitment & retention in the public sector. You will no doubt make the link to the demographic profile I have just laid out.

- At the Federal level, in the Canadian Public Service, 1 in 3 employees is over the age of 50...approximately 33% of federal employees are eligible to retire by 2015. In British Columbia, 45% of managers and 35% of bargaining unit employees are eligible to retire by 2015. The same general pattern holds true for all government's across Canada as well as for the Broader Public Sector employers such as yourselves.

- At the same time as this employee demographic time bomb was ticking away in the 1990's, governments and public sector employers were providing early retirement incentives to their employees and not hiring new employees as they struggled to balance budgets.

- We now have an aging workforce and a period of little or no recruitment, so that you have situation like in BC where only 7% of the public service is less than 30 years of age while in the general labour force it is 26%. Other governments are in the same boat, though maybe not as dramatically.

- In Ontario, the core working age population is projected to grow at a slower over the next 20 years than in the past - 17% vs. 35.1% - the annual rate of growth will decline from 1.6% to just 0.2% by 2025. This means that will be increasingly difficult to find employees.

- Now that I have maybe scared you about the overall future, let's turn to the employees and what we can do to recruit & retain the "Net" generation.

- This new generation is quite different from the ones that came before – but haven't we always said that all the way back to the ancient Greeks?
- This "net" generation grew up with computers and the Internet from a young age. They were connected to people around the world and have at their disposal a plethora of information without ever having to leave their computers. This is the generation of the MySpace, FaceBook and You Tube, who have hundreds of friends around the world.
- When I first went to University, we used punch cards to program in FORTRAN or COBOL and then had to wait until midnight for our printout. When I mention that to my younger colleagues, they look at me as if I'm a dinosaur...but it wasn't that long ago & I don't feel that old!!
- There are several studies that have commented on the mobility of the younger generation. They have the ability & the inclination to travel and to try new experiences. With the change in employment patterns and the shrinking labour pool, one will no longer work for one employer for your whole career. You are likely to move around and experience new jobs.
- Being instantaneously connected to what is happening anywhere in the world also means that this generation wants to make a difference through their work and they are, as we once were, impatient regarding change.
- Look at organizations that have been set up by this younger generation. Organizations such as *Engineers without Borders* that sends young engineers to do voluntary work in developing countries. There is even an organization called *MBA's without Borders*. These organizations speak directly to the desire of the Net Generation to want to make a difference in the world.
- They have more outside interests beyond work and will strive for a better work/life balance. It has been noted that the reason baby boomers worked so much was that there are so many of them that to be noticed one had to constantly work.
- You will have to compete with other organizations for this new talent. And don't for a moment think that other organizations have not already started to plan for active recruitment strategies. It will be a "sellers" market".

- So what should you do to recruit people to your sector:
 - Develop a strategy to interest the younger generation. Play to your strengths and their interests – making a difference in people’s lives.
 - Band together as an organization to create communication vehicles aimed at the younger generation – in high school, in colleges & universities – to let them know about the opportunities in your sector and the importance of your sector.
 - Don’t forget about the immigrant population as a pool of talent – remember that population growth in Ontario will be driven by Immigration – it makes up more than 70% of net population growth.
 - Be sure to provide opportunities to your staff for continuous learning – to stay on top of your business you must ensure that your organization is a true learning organization. Leading organizations devote 3-6% of their payroll to training.
 - Work with educational institutions – Colleges, Universities – to develop educational programs for your sector. There has been a tremendous increase in Public Administration/Public Policy programs in Universities in Ontario.
 - Make sure you provide for a balance between work and outside interests. Be flexible, and allow staff to take time off to pursue some focused interests.
 - Develop a “creative” organization

- As you think about this in the short-term, also start to think about the longer-term implications of the demographics that I have described. What should you do to prepare for the future? What is the role of social housing in this new paradigm? Who will be your clients in the future and where will they be located? What other support programs do your future clients need to succeed in society?

- Given the changing composition of Ontario and Canada, you must start to think about and answer these questions as you position yourselves for the future.

- Thank you for giving me the opportunity to speak to you today & I hope that I have left you with some interesting questions to ponder.