

Competition hot for employees now

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Record Staff

It's a changing world out there, and businesses need to adapt and create new strategies to attract and retain employees in the new labour market.

"People know this at an intellectual level, but we don't see a lot of change in the way people are practising in their businesses," said Cathy McLellan, senior advisor for organizational development at Meyers Norris Penny, a chartered accountancy and business advisory firm.

McLellan and Wendy Lewis, a chartered accountant and partner in Courtenay, shared strategies for attracting employees and keeping them happy with tax-effective compensation during the 1st View building forum Jan. 17 at the Westerly Hotel.

Two of the biggest changes in the market are a labour shortage and low unemployment.

With the aging population, for the first time in history, more people are leaving the labour market than coming in, said McLellan.

"What we're seeing now is just the tip of the iceberg. It really is a global issue. We're competing across industries, across communities, provinces and across a lot of provinces."

Workplace values are also changing, as there are now four generations in the workplace, she said.

To deal with the changes, companies need to look at attracting, selecting, developing and retaining employees.

One way to attract new employees is to work with organizations in the community that have money for training, workplace accommodations and work experience programs to connect them to your workplace, said McLellan.

In selecting employees, it is important to look at who is doing the selecting and ensure the process is open.

"Remember while you are selecting them, they are selecting you because people do have opportunities now," she said.

The best strategy for keeping people is to keep them happy, said Lewis, and employees want to be paid in a tax-efficient manner.

"What we're looking for is ways we can give a benefit to our employee that's non-taxable for them but still deductible to our company."

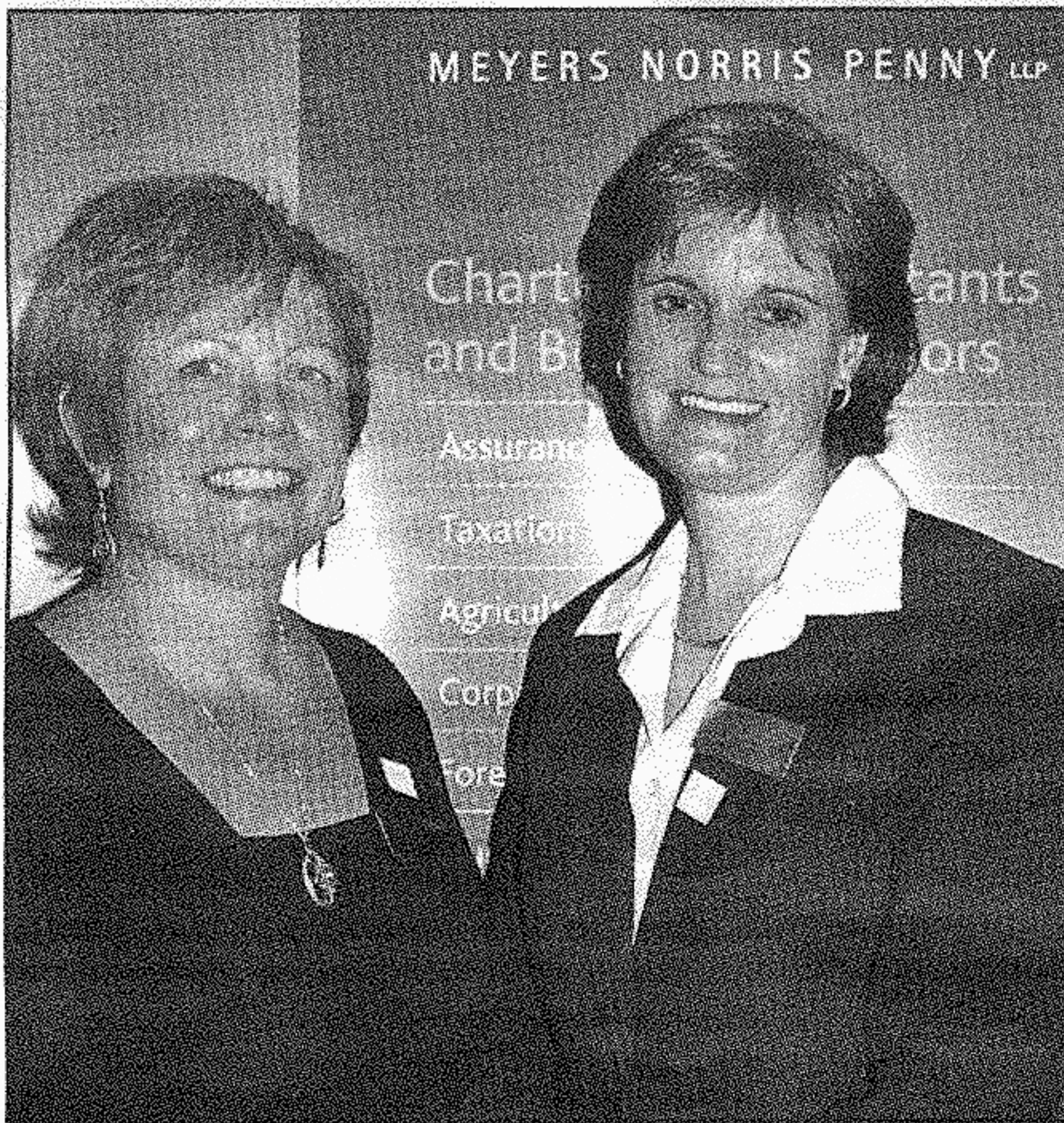
The Canada Revenue Agency allows employers to give employees up to two non-cash gifts or awards a year with a value no more than \$500, she said.

Another option is to provide private health services plans, which are contracts between an employee and employer for the employer to pay for health and dental benefits on a tax-free basis.

"If you're a smaller company, this is a really attractive thing to have a benefits package," said Lewis, noting employers can deduct the full amount of expenses incurred through the plan.

Employers can also offer individual pension plans, in which an employer contributes to a trust account to fund pension benefits.

Individual pension plans have some benefits similar to RRSPs, she said. They are not taxable to the employee until he or she retires, and they are deductible to the company right away.



CATHY McLELLAN (left) and Wendy Lewis of Meyers Norris Penny spoke about strategies for a changing labour market.

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