

‘HOW DO YOU HELP PEOPLE CONTINUE TO BE PRODUCTIVE?’



One of the lucky ones: Bill Richardson, a partner at McCarthy Tétrault, is set to take a well-earned sabbatical after putting in 12 hour days, which easily stretch to 16 when he has a case on the go.

COLIN O'CONNOR FOR NATIONAL POST

Keeping staff by sending them off

By DEENA WASSBERG

In a few weeks, litigation lawyer Bill Richardson will travel halfway around the world to Africa to meet with local partners of a non-profit organization called Street Kids International, which educates street kids about sexual health and drug use, and fosters entrepreneurship. Mr. Richardson, who serves on the board of directors of the organization, will also speak to youth who have participated in Street Kids' programs. He is able to go "into the field" for two months because the law firm he works for, McCarthy Tétrault LLP, offers a paid sabbatical.

"We asked, 'How do you help people continue to be productive in such a demanding environment?'" says Kirby Chow, Ontario regional managing partner at McCarthy Tétrault, which has offices across Canada. The answer the firm came up with was sabbaticals.

Although only 12% of Canadian companies now offer paid sabbaticals, ac-

ording to a new survey conducted by Hewitt Associates, that number is expected to rise to 20% by 2009. That is because Baby Boomers age and a labour shortage continues to grow, employers are looking for ways to retain valuable employees.

"The sabbatical is part of a range of flexible workplace programs employers are offering, including buying vacation

Number of employers offering sabbaticals to jump to 20% by 2009

weeks, job sharing and flex time," says John Tompkins, principal and senior benefits consultant at Hewitt Associates, a global human resources services firm.

Sabbaticals are more widespread in some industries than others, although it really does come down to the culture of

the organization. "In the legal and IT industries, sabbaticals are fairly common, but not in financial services because that industry is very profit driven and there are concerns that sabbaticals would affect the bottom line," says Mike Buckner, a partner at Ronest Professional Search in Calgary, which specializes in recruiting for the financial industry.

Many companies have restrictions on who qualifies for a sabbatical. At McCarthy Tétrault and Bull, Housser & Tupper LLP in Vancouver, sabbaticals are only open to partners, not associates, and those partners must have worked at the firm for at least seven years. At credit union Coast Capital Savings in greater Vancouver and Victoria, you need to work for the company for approximately five years to be considered for a leave of absence. That said, Mr. Tompkins notes that some companies are starting to offer mini-sabbaticals to retain younger workers who place a high value on work-life balance and are not willing to wait seven to 10 years to get a personal growth opportunity.

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FIRMS SLASH RETIREE BENEFITS

GOING TO GET WORSE

By DARYL-LYNN CARLSON

More employers are reducing retirement benefits such as dental and prescription drug plans, a national survey concludes.

The trend, which mirrors benefit cuts in the United States in recent years, is being spurred by escalating costs of coverage coupled with a rising number of retirees.

The survey, by Mercer Human Resource Consulting, found 25% of 213 companies polled plan to reduce post-retirement benefit programs during the next three years, and 18% have already made cuts.

As a result, retirees "are going to have to pay more for their health care than they do today," says Ellen Whelan, leader of Mercer's post-retirement benefits group, which conducted the survey.

Employers are preserving their coverage for active workers. "But once they're retired, what benefit is it to the company to provide a deluxe package of health care coverage?" Ms. Whelan says.

Yet unlike their U.S. counterparts — many of which have outright eliminated dental, drug and life insurance coverage for retirees — Canadian companies feel compelled to preserve some benefits as their contribution to the "social good," Ms. Whelan adds.

In the survey, 44% of responding employers say they intend to continue to provide some post-retirement benefits because they deem it important, whereas 40% will maintain benefits because of a contractual obligation to their unions.

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Fast-growing firms have no talent retention plans

Although workforce compensation represents almost half the total budget for fast-growing companies in the United States, and executives fret a shortage of skilled workers could limit growth, only a minority have programs designed to retain talented employees, according to the latest Barometer Survey by PricewaterhouseCoopers. The survey shows most executives don't see long-term job development as a top priority. Of the 312 chief

SHORTAGE OF WORKERS

executives of the fastest-growing private companies polled in the second quarter of 2006, less than a third said they discuss employee retention in management meetings or understand why key employees leave. Companies spend valuable hours hiring and training employees, and as the CEOs noted, workers are the single largest business expense, accounting for 49% of their total budget when salaries, bonuses, employee bene-

fits and compensation plans are included. In the next 12 to 18 months, 63% said they expect workforce-related costs to rise. Overall, workforce expenses are expected to rise by an average of 6.9%, the survey shows, with worker-intensive service companies expecting a 7.8% hike. Interestingly, 52% of CEOs said that improving the retention of key employees would likely benefit business. *Dow Jones*

