

WHAT NOW?

The New Alberta **Talent** Advantage Not just a place, an experience

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The Problem

For decades, the *Alberta Advantage* has been framed by low taxes and higher than average incomes, but these factors are no longer enough to attract young talent to Alberta. After years of positive net youth migration, in 2016 Alberta began to experience a reversal of the trend. Though economic factors remain important to young people, economic conditions alone are not sufficient to provide a sustainable competitive advantage to attract and retain talent.

What is the Solution?

Research shows that young people today look beyond economic factors when they choose a place to live. They seek the kind of experiences that embed their core values and project their identity. For Alberta to build a sustainable advantage in the global competition for young talent, the province needs to leverage its wealth of natural and built assets and become a leader in delivering immersive, inclusive, shareable and citizen-centric experiences that appeal to young adults. Alberta needs an *Alberta Talent Advantage* to complement its investment attraction advantage.

Choosing Place

Choosing “place,” a region or city to set down roots, is one of life’s biggest decisions.¹ This choice is rarely spontaneous; rather it is based on values and perceptions evolved over a lifetime.

Today’s youth have distinct characteristics compared to those before them. Gen Z, those born after 1996, are the first to grow-up with the Internet and ubiquitous smartphones. Technology frames how they both see and interact with the world. This lens provides a powerful influence on their values and the identity they want to amplify. Moreover, this Gen Z cohort is the most culturally diverse generation in Canadian history.² These characteristics and the three factors below define a generation that views both life and the place they call home differently.

01 Identity & Purpose

The intersection of two critical issues has given this generation a deep sense of purpose and self-identity. First, this cohort is deeply committed to equity and inclusivity.³ Second, they are deeply committed to the environment and climate action.⁴ Together these form the foundation of both their value system and their self-identity. Neither of these are easily compromised or bought.

Place Implication: Deep commitments to the environment and to equity are foundational in youth life decisions. They view the *place* they live as not just a home but an embedded part of their identity. The risk for Alberta is that when young people were asked to define the province, two of the leading unprompted responses were *oil and gas* and *intolerance*.⁵

02 Work to Live

Though this generation is one of the most educated in Canadian history, it has come at a financial cost. The most recent Statistics Canada data shows that 53 per cent of young Albertans have accumulated student debt. This is a notable increase from just eight per cent in 2000.⁶ For 27 per cent, their debt is in excess of \$25,000. Moreover, this generation is up against previously unheard-of exploding housing costs. Yet even when faced with these financial pressures, 87 per cent of respondents to the survey in a Canada West Foundation-led study stated they “work to live, not live to work.”⁷

Place Implication: Economic drivers alone, including careers, compensation and housing costs, while important to this generation, can no longer provide Alberta with a long-term competitive advantage.

03 Empowered

This is the first generation for whom products and services were designed with the user at the centre. Consequently, youth have an expectation that products and services will be personalized to meet their unique wants and needs. This generation is also curious and open to exploring new things. The result is this generation is empowered and sees no need to compromise their values or expectations.⁸ These findings are from a study led by the Canada West Foundation, and detailed in our report *Work to Live: Alberta Youth Mobility*.

Place Implication: The combination of empowerment, a perception that the values of Alberta are incongruent with their values, and the importance of self-identity has contributed to a scenario where 69 per cent of survey respondents in Calgary and 50 per cent in Edmonton stated an intention to move from Alberta in the next three to five years. This is above the average of youth in other jurisdictions.⁹

66%

66 per cent of respondents (aged 18-45) surveyed in Calgary and Edmonton would leave Alberta for a better quality of life.

89%

89 per cent of respondents like the challenge of doing something they haven’t done before.

87%

87 per cent of respondents say living in an inclusive and welcoming community is important to them.

87%

87 per cent of respondents state they work to live, not live to work.



From a Place to an Experience

The above factors combine to create a generation that views *place* differently than their parents and grandparents. The *place* they choose to call home defines who they are and their place in the world. For them, *place* is not simply a collection of roads, parks, buildings and people. The *place* they call home is the stage on which to experience life, a stage on which they are at the centre.

A recent study identified 24 potential factors that influence how young people choose place that can be clustered into five categories:¹⁰

Professional (e.g., careers)	Learning (e.g., education)	Creative (e.g., entertainment)
Active (e.g., recreation)	Enablers (e.g., transportation)	

A simple approach would be to rank these and invest in the factors that have the potential for the greatest impact. However, young people do not compartmentalize experiences, rather they seek a convergence of experiences across both the off and online worlds.¹¹

FIGURE 1

Why Engage in Experiences?

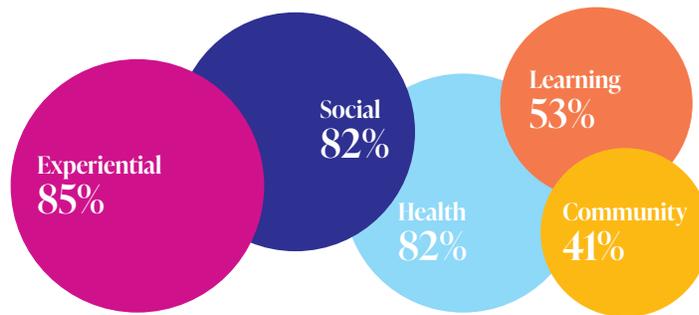


Figure-1 reflects the overlapping motivations of people to engage in experiences. For young people, an experience is never just an experience; it is a conduit to build relationships, be entertained, learn, exercise and give back to the community.

The value young people apply to *experiences* has enormous implications on their choice of place. Policymakers may want to rethink the levers they could use to attract and retain young people. For three decades the *Alberta Advantage* was a commitment to being one of the lowest taxed jurisdictions in North America. This strategy proved exceptionally effective in attracting investment, jobs and, until the recent past, talent.¹²

When Alberta's tax advantage was threatened as other jurisdictions lowered taxes to attract investment, Alberta was forced to follow suit to maintain the *Alberta Advantage*.¹³ Similarly, Alberta's private businesses used economic incentives to attract and retain talent. As evidence, Alberta household incomes peaked at 23 per cent above the national average in 2014.¹⁴ Youth earnings have also been higher than the Canadian average. Between 2010 and 2018, 16-24-year-olds in Alberta earned, on average, at least \$2,000 more annually than their counterparts across Canada. For 25-34-year-olds, the difference was more than \$8,000.¹⁵ But despite higher incomes, Alberta could not maintain its attractiveness to young adults. The province experienced negative net interprovincial migration 2016 through 2020.¹⁶

Economic factors alone do not develop long-term place loyalty. Loyalty and commitment are rooted in a relationship of shared values and shared benefits that include other factors such as social and environmental.



***The Economist's* Intelligence Unit ranked Calgary as the 3rd most liveable city globally in 2022.**



Edmonton hosts more than 60 festivals including the Edmonton Street Performers Festival and the Edmonton Folk Festival.



There are 157 art galleries throughout the province.

Images: Unsplash

A New *Alberta Advantage* for Talent Retention & Attraction

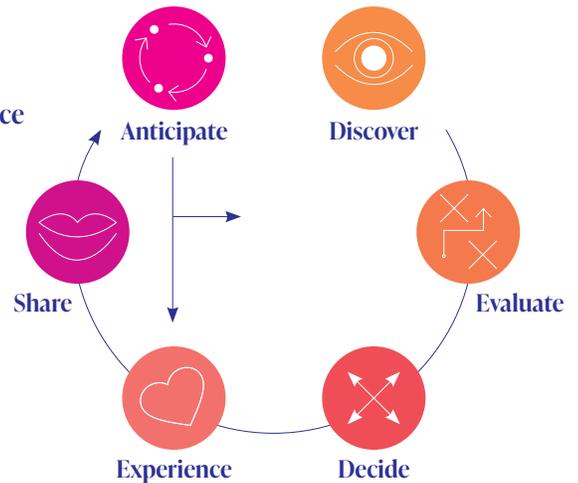
A sustainable competitive advantage is the *intersection of something that is valued, rare and difficult to replicate* and has traditionally been framed in economic terms such as sustained profits.¹⁷ Though economic factors remain critical, economics alone will not provide the foundation of a sustainable competitive advantage in the attraction and retention of young people. Alberta continues to maintain both a tax and income advantage over other jurisdictions to ensure profits for citizens and business but, despite these traditional advantages, in 2016 the province began to lose more young people than it attracted.

There has been an evolution in recruitment and retention strategies. Employers have begun to adopt a more holistic view that includes social and environmental attraction and retention initiatives, such as fostering greater work-life balance, personal and professional development, health and wellness, and a commitment to corporate social values and responsibility.¹⁸ The result is increased loyalty and commitment.¹⁹

The *Alberta Talent Advantage* of the future will be to leverage the province's rich assets to establish a unique and sustainable competitive talent advantage – one that is valued, rare and difficult to replicate and reflective of current priorities. That is, to become a global leader in immersive, inclusive, shareable and citizen-centric experiences.

Today Alberta is home to a diverse and rich range of professional, active, creative and learning experiences. This includes access to natural assets from the Rocky Mountains to the Prairies, all of which contribute to Albertan's exceptionally active lifestyle. Moreover, Alberta possesses a depth in the arts, culture, entertainment, learning and professional experiences that offer the potential to deliver

FIGURE 2
Holistic
Experience
Design



this new *Alberta Advantage*. Yet today there remain barriers to leveraging experiences as a foundation for attracting and retaining young people. Regardless of their quality, current experiences are largely siloed, transactional and, for some, increasingly out of reach.

Two decades ago, sectors ranging from travel to healthcare to financial services, faced similar competitive challenges. For years, customers in these sectors were simply viewed as transactions to be processed. Not surprisingly, these experiences were designed to maximize efficiency. For example, airports were designed as a series of isolated transactions, including parking, ticketing, security, baggage and fast food. Lost in this transaction-centric model is the customer journey across all the transactions. The result was low customer satisfaction and loyalty, which directly impacted financial performance.²⁰

An understanding of this challenge led the sectors to fundamentally rethink their experience design model.²¹ They flipped the model upside down and replaced the transaction-centric model with a customer-centric model. The development of the new model required a detailed, end-to-end map of their customers' transactions (Figure-2). They found breakdowns that negatively impacted both customer satisfaction and overall efficiency. The new model established a culture of empathy as employees were mandated to look beyond their narrow silos and identify areas to enhance the overall customer experience journey. The airport experience expanded to include ways to enjoyably spend both time and money. The result was a dramatic improvement in customer satisfaction, loyalty and financial performance.²²

Delivery of the New Alberta Talent Advantage

To deliver the new Alberta Advantage, we propose a five-pronged strategy (Figure-3).

STRATEGY 01

The Experience Journey

To become less transactional and more experience-oriented requires experience producers in Alberta to step back and adopt a more holistic citizen-centric experience design model that leverages all the assets in the experience ecosystem (Figure-4).^{*} The mapping of these experiences means transcending their individual silos and exploring how the journey between these silos can be enhanced to increase citizen satisfaction and loyalty.



FIGURE 4

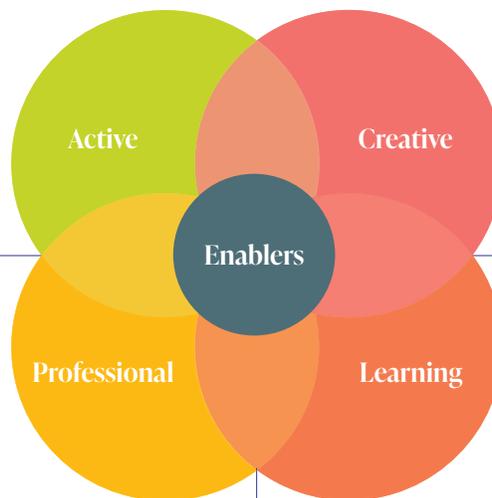
The Experience Ecosystem

Active Experiences

- Organized sport
- Active recreation
- Health and wellness

Professional Experiences

- Diverse
- Scaffolded
- Anchored to identity



Creative Experiences

- Arts
- Culture
- Entertainment
- Hospitality

Learning Experiences

- Certified
- Non-certified
- Informal

Enablers

- Tangible (e.g. transport)
- Intangible (e.g. inclusivity, public safety)
- Digital (e.g. finding, sharing)

^{*}Experience producers are those who deliver creative, active, learning, or professional experiences.

STRATEGY 02

Community-centric

Alberta is a province of over four million people, hundreds of geographically dispersed communities and tens of thousands of experience producers. However, the strategy for successful delivery of experiences does not mean thinking bigger, it means thinking smaller. Community-based experience producers need tools to collectively map the journey of their shared audiences. Edmonton and Calgary are cities of one million and 1.4 million people respectively. Both are composed of over 150 communities supported by community associations, leagues and business districts. Each of these organizations provide a foundation to rethink experiences in their own communities.

STRATEGY 03

Inclusivity

Inclusivity and equity are core values for this cohort. Experience producers will want to embed inclusivity and equity at the core of their productions. Experiences are powerful mechanisms that build both community and loyalty, but there must be intentionality in the design to ensure it is accessible and open to the diversity of lived experiences, thought and capabilities.



In 2021, Calgarians and Edmontonians elected mayors with South-Asian roots, Jyoti Gondek and Amarjeet Sohi. Gondek is also Calgary’s first female mayor.

Alberta is home to Camp Firefly, Canada’s largest “leadership retreat for queer and trans youth ages 14-24.”

MAKING COMMUNITY PERSONAL

Funded through the *Canada Summer Jobs* grant, in 2020, a team of Mount Royal University students worked with five Calgary business improvements areas (BIAs) to support community experience design. This project involved four steps:

01

Students toured each community and did a detailed audit of the experience assets ranging from parks to retail to restaurants and transportation.

02

Using secondary data, students profiled two audiences in each community. These audience profiles allowed the students to better understand the factors that influence experience decisions at every point of the journey.

03

Based on the asset audit and profiles, students developed community journey maps for each audience. These maps tracked an audience’s journey minute by minute to identify opportunities for enhancement.

04

The final component was the development of a detailed experience enhancement plan. These plans identified both small areas of breakdown (e.g., signage, parking) and larger areas, such as opportunities for collaboration between different community experience providers and development of community apps.



Key Finding

One of the goals of this initiative was to test whether this type of experience could facilitate a higher level of community engagement by these students. Most had never visited their assigned community, but after six weeks the success of the community and people in it became personal.

Image: Jyoti Gondek, Bittobola

STRATEGY 04

Government as an Enabler

The adoption of a citizen-centric experience model redefines the role of governments. Governments at both the municipal and provincial level need to provide the thousands of experience producers with the resources to collaborate and develop experiences that appeal to all, including an efficient process to adapt or remove barriers to delivering holistic experiences. The citizen-centric model was adopted in Hamilton, Ontario. Historically, the delivery of community experiences depends on multiple departments of a municipal government from planning to transportation. Each department has its own mandates and policies. In Hamilton, city officials recognized siloed departments were a barrier to a citizen-centric design, because it put the organization before people. To overcome this, the city created a *Planning & Economic Development department* to unify economic development, planning, building, engineering, transportation, cycling, public transit, parking, bylaws, arts and culture, tourism and livable streets. This department had the authority to develop not only a plan, but also tools to execute the plan. For example, when it launched an ambitious live music strategy, the department had the authority to immediately expand concert venues by rezoning places of worship to allow concerts, modify noise bylaws to allow patio concerts, modify loading zone bylaws to make it easier for musicians and venues, and introduce new public and active transportation routes to connect venues together.

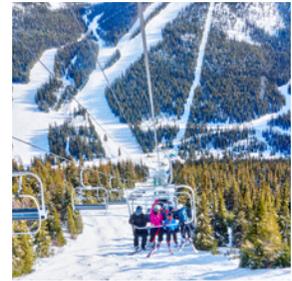
STRATEGY 05

The Experience Brand

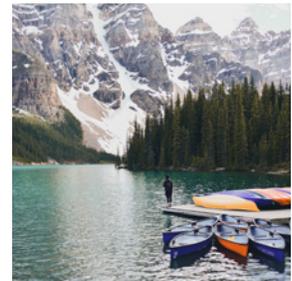
Great brands from Disney to Apple to LEGO are consistent and have sustained over decades. This consistency is what insulates them from the success or failure of a single product, service or news cycle. Like great brands, great *place* brands are built over decades and are designed to be insulated from political or economic cycles. However, our study shows that, among young Canadians, Alberta is intrinsically associated with oil and gas. We believe the province has an opportunity to differentiate its brand story by leveraging its rich experience assets to become recognized as a world leader in delivering quality experiences for everybody.

Conclusion

Alberta's future prosperity will be defined by its capacity to attract, retain and develop talent. However, after decades of positive youth migration, the province has recently witnessed a reversal of this trend. Drivers of youth migration today extend beyond mere economics. For youth today, *place* is a projection of their values and their place in the world and the historic *Alberta Advantage* defined by economic factors is too limited. To compete in this new world of talent, an updated *Alberta Talent Advantage* is required to showcase the province as a global leader in immersive, inclusive, shareable and citizen-centric experiences that leverage the unique assets of the province, while reframing both its value proposition and the story it tells the world.



34 ski resorts with 131 ski lifts and a total of 611 kms of ski slopes can be found in the province.



There are just over 170 publicly accessible beaches in the province for various water activities including fishing, swimming, canoeing/kayaking, paddleboarding, wind surfing.



500 provincial parks are located across Alberta's Rocky Mountains, Badlands, and prairies.

Images: Unsplash

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<https://www.ipsos.com/en-ca/knowledge/society/Opening-up-after-COVID-19-Why-Gen-Z-thinks-we-need-more-immigrants-to-help-Canada-bounce-back>

³ <https://environics.ca/report/gen-z-social-values-segmentation/>
<https://www.ipsos.com/en-ca/knowledge/society/Opening-up-after-COVID-19-Why-Gen-Z-thinks-we-need-more-immigrants-to-help-Canada-bounce-back>

⁴ The City of Calgary in 2020 conducted a study of the attitudes of young Calgarians. For example, we see a divergence of thought between the younger and older cohorts on issues related to the environment, transit, inclusivity, and affordability. This data is further reinforced with the younger cohort seeing more urgency to action on both discrimination (82 per cent versus 68 per cent) and climate change (89 per cent versus 73 per cent) relative to the older cohort. Retrieved from <https://www.calgary.ca/content/dam/www/cfod/csc/documents/fall2020-cssr/2020-Calgary-Attitudes-and-Outlook-Survey-FINAL-Report.pdf>

⁵ Lane, Laverty and Finch. *Work to Live: Alberta Youth Mobility*. Canada West Foundation. 2022

⁶ Student debt from all sources, by province of study and level of study. *Statistics Canada*.

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⁸ <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/consumer-business/welcome-to-gen-z.pdf>

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¹⁰ This list excludes proximity to family and friends as this is an extraneous factor outside of a jurisdiction’s control.

¹¹ <https://hbr.org/2021/03/where-brands-are-reaching-gen-z>
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¹² For additional background on the *Alberta Advantage* refer to: <https://www.fraserinstitute.org/sites/default/files/end-of-the-alberta-tax-advantage.pdf>

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¹⁴ As evidence of this, 2014, incomes in Alberta were 23 percent higher than the national average, declining to 13 percent in 2021. Refer to: <http://www.businesscouncilab.com/wp-content/uploads/2021/12/Albertas-Economy-Economic-Overview-FULL.pdf>

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