

**The Role of Quality of Life:
Economic Development and Employee Recruitment and Retention
in Prince George, BC**

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Executive Summary

Traditional methods of economic development and employee recruitment and retention in Prince George has met with varying success. There is mounting concern regarding the challenges encountered in recruitment of key personnel, skilled employees and specialists across various industries. This challenge has significant impact on employers of all sizes, and affects the local economy in addition to the social aspects of the community. Quality of life (QOL) factors in the community is becoming an important factor in employee recruitment and retention, and relevant literature suggests that quality of life is becoming an increasingly important consideration in modern business location decisions.

The basis of study in this paper has two parts: 1) a review of the literatures on the relationship of QOL in recruitment and retention of employees and economic development practices, and 2) a research on the impact of QOL on employers in the Prince George region. The study includes interviews with 10 respondents from various firms located in the Prince George area. The literature review suggests that QOL is becoming an increasingly important determinant in employee recruitment and retention, while there is limited evidence of its effectiveness as part of an economic development strategy. The research on the importance of QOL has been difficult to amass, due to the nature of its definition and measures used to provide a basis for policy and strategies. However, it is important for local decision makers to understand the importance QOL factors has on employee recruitment, and how it influences firms of various sizes, industries, and corporate function, in addition to the economic and social health of the community.

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Section I Introduction

The purpose of this study is to identify how quality of life (QOL) factors relate to the employee recruitment and retention challenges in Prince George. By determining this relationship, opportunity arises to consider the aspects of QOL, and how the region can initiate improvements to help the area attract new residents and for firms to attract personnel. Through this relationship I had anecdotal considerations in the idea that quality of life can be used as an economic development strategy, by creating an environment that is attractive to broad groups of people who seek to live in Prince George. The result is the creation of an attractive region for enterprises to locate and benefit from the abundant supply of potential employees. These ideas will be studied in literature reviews and research interviews to determine the relevance and impact of QOL.

QOL is difficult to define due to the vast number of factors and attributes that contribute to this concept. Most studies and researchers have concentrated on a few selected contributors of QOL such as education, healthcare, recreation, cost and standard of living, cost of housing, weather factors, remoteness and commuting, and a variety of recreational and cultural services and activities (Hack, 1984; Bramlage, 1988; Boyle, 1998, Festervand *et al.*, 1998). This list is not intended to represent a comprehensive list of contributors of QOL, but rather a sample of the items considered in this study. The impact of local employee shortages has both social and economic consequences to the residents and employers in the region. Examples of such shortages have been documented. In 2003, the loss of a local pathologist resulted in delays in RCMP investigations as autopsies had to be processed outside of community (Way 2005). Even with a targeted campaign, over a two

year period from 2000 to 2002, the Northern Health Authority (NHA) achieved a net gain of only seven doctors to Prince George. The NHA recruited 32 doctors and specialists during the period, but 25 left the community (Paulsen, 2003). As Way (2005:1) notes, “While shortages of health professionals received the most attention, a range of other professional positions remained difficult to fill, including university professors, lawyers and city planners”.

While Prince George is characterized as a resource based region, there are factors that contribute to a broader economic development with the larger population, such as government and regional services providing additional amenities, like the regional hospital and university, which are not found in smaller resource communities. Yet, persistent long-term challenges in recruiting and retaining professionals are primary concerns of human resource managers in organizations, as well as concerns for the community as a whole. Local governments are engaged in a variety of initiatives and activities to promote economic development in an attempt to reduce the traditional reliance on one resource, thus ensuring stable growth in the future. These activities are designed to improve the region’s overall QOL in traditional provisions of infrastructures and basic recreational facilities. Local municipal government plans and economic development strategies are based on the implicit view of the firms as a cost-minimizing agent. In an attempt to foster a ‘business friendly’ environment by using a number of approaches offering favorable tax incentives, interest-free development bonds, favorable lease arrangement, and other cost reducing incentives, the city hopes to reduce the cost of business and successfully lure investment away from other areas. Despite the continued practice and popularity of fiscal incentive,

there is empirical research that indicates that it is relatively ineffective in altering business location decisions (Blair and Premus, 1987; and Morgan, 1964). There is also the suggestion that incentives drain scarce fiscal resources that could be spent on other development strategies, such as upgrading infrastructures and developing local amenities as general improvements to the QOL (Salvenson and Renski, 2002).

There is a growing body of research that suggests QOL is becoming an increasingly important consideration for business location decisions. These views also indicate that QOL, among other factors, influence business location decisions and is considered by firms as important in attracting and retaining a high-quality work force. This view supports my ideas of QOL as a unifying paradigm that satisfies the need for attracting business investment, while simultaneously working to improve the lives of existing and future residents. Despite these views, there is limited empirical evidence of the effectiveness of an economic development strategy based on QOL, while there is strong support to indicate that QOL is an important factor in attracting and retaining employees in communities and regions.

Scope of the Paper

The purpose of this paper is not to debate the merits of current economic development or employee recruitment and retention strategies. By looking at the current practices of employers and economic development agencies in the region, we are able to examine the specific challenges being faced, and identify some contributing factors to the problems while providing alternative views and suggestions for addressing these challenges. I trust

that this paper will provide relevant knowledge and serve as a useful foundation for future study. This study should be of interest to employers, policy makers, and agencies in the region involved in local and regional economic development.

This paper is organized into six sections and a conclusion. Section II provides background on Prince George, including a discussion of economic and demographic characteristics along with some description of the local economic development strategy. Section III provides further insight into the components of QOL, the impact of QOL migration and its relationship with the emerging group knowledge workers referred to as the 'creative class.' Recruitment and retention issues in Prince George will also be reviewed and discussed. Section IV provides the body of knowledge that has been surveyed in helping to understand the concepts related to business location decisions, the impact of QOL on location decisions, recruitment and retention, and economic development strategies. Business location theory and the traditional site selection process are well reviewed by policy makers, and as a result this section is brief. Section V reviews the research methodology used in this paper and provides a detailed account of the influence of QOL on employee recruitment and retention as described by research respondents. A summary of responses in the interviews will be assessed, related to QOL with variances according to industry, corporate function, firm size, and specific organization characteristics. A summary of the results and findings are discussed in this section. Section VI links the key findings with discussions in the literature as it relates to QOL issues of and on recruitment and retention in Prince George. Finally, section VII of the paper concludes by summarizing the major

findings of the study, offering recommendations for application of the research results and areas for future study, and some limitations encountered in the research paper.

Section II

Economic Characteristics of Prince George Population & Employment characteristics Economic Development Strategies

This introductory section will review and discuss briefly the economic background of Prince George, the trends in population and employment in the region, and the economic development strategy used to address the issues of economic diversification and unemployment in the region.

Prince George is considered 'BC's Northern Capital' based on the central geographic location, size, and level of services along with the economic region's level of transportation infrastructure. The natural resources and the lumber industry have been essential in the city's economic development. Prince George is also a regional hub in transportation, connecting the major Vancouver metropolis through the regional center to the province's northern portion via railway and highway; in addition, providing access to the northwest coast of British Columbia through to Alberta in the east. The lumber and pulp and paper industries have had significant effects on regional growth and the local economy.

Prince George has developed as a resource-based town, highly dependent on the forest industry, with a high percentage of industrial developments around the city in the primary industry sector. This has led to the local economic cycles of rise and fall depending on the global markets for local forest products (Mullins, 1967, Hayter, 1976, Marchak, 1989).

With the growth of the primary resource sector, supporting services and commercial sector employment followed and has resulted in spin-off growth in supporting industries generally termed 'multiplier effect' from the basic resource industry (Halseth, 1991). This growth resulted in rapid increases in population from the periods of mid 1960s to the early 1980s. There have been contributing factors in population growth and economic development that are important events in the growth and development of Prince George. These include the changing forest industry, the development of the College of New Caledonia, and the opening of the University of Northern British Columbia.

Prince George Population

Prince George has primarily been a resource base industry town and as result been very susceptible to economic market fluctuations. It was reported by Halseth (1991) that during the early 1980s, an economic recession in the forest industry had a noticeable impact on the Prince George population. Economic development in the community slowed considerably and the city's population remained virtually unchanged between 1981 and 1986. By the early 1990s the forest industry had recovered from the recession and the population stagnation of the early 1980s was ended. There has been recent information released by Stats Canada and BC Stats that suggest different population figures for Prince George in 2006. As reported by Mark Nielsen of the Prince George Citizen,

While StatsCan census figures released Tuesday showed Prince George's population at 70,981 as of 2006, B.C. Stats' says 77,343 were living in the city, according to figures released in December. Moreover, while the census says the city's population is two per cent smaller than in 2001, B.C. Stats says it grew by 2.3 per cent.

Also reported by Dave Paulson of the Prince George Citizen,
Instead of a modest population increase that might have been expected, Prince George showed a drop of two per cent since 2001, or about 1,400 residents, to a shade under 71,000. The city's "metropolitan area," which includes surrounding areas outside city limits, also fell by two per cent to 83,225.

This decrease in the city population was commented by Greg Halseth, "the decrease is in keeping with a pattern for most of northern B.C. and the advent of a more efficient resource sector that needs fewer workers". These comments help to summarize the trends in the population changes and the impact of the resource economy on the population of the city.

Demographic Characteristics of Prince George

Demographic information provided by Statistics Canada illustrate the characteristics of a community of young families. This feature is common in many resource-based communities that attract young families and workers to higher paying jobs. The general demographic trend in Prince George is a maturing and aging population; a trend in line with the rest of the province based on the aging 'Baby Boomer' generation. A significant difference between the Prince George population and the BC average reveals that the percentage of people over age 65 represents just 7.6% of the population, compared to 13.6% for provincial average. A discussion with local economic development agencies attributed this variance to the lack of senior housing and home support, in addition to the common practice of retired professionals relocating to warmer climates in regions with higher levels of amenities and services for seniors. A growing need that has, and will, develop in the future as the population of Prince George ages increasing the demand for health services and amenities. Prince George also has a higher percentage than the provincial average age of people between the ages of 0 and 45. The university and college

has also contributed to the retention and increase of people between the ages of 18 and 24 as a result of students staying and coming to the city to attend school. In the past, this demographic group would leave the city to attend post secondary education. Population and demographic changes in Prince George has been shaped by economic restructuring and investments in its recent development.

Table 1.1
Population for Prince George & Age Characteristics including BC: 2001

Population Estimates**		Age Distribution	Prince George	
Year	Prince George	2001 Census**	Male	Female
2001	75,568	All Ages	36,240	36,165
2002	75,288	0-14	8,015	7,420
2003	76,641	15-24	5,675	5,560
2004	77,826	25-44	11,230	11,760
2005	77,148	45-64	8,750	8,470
		65+	2,590	2,955

Source: BC STATS

Source: Statistics Canada

Employment in Prince George

This section will examine the issues of employment and labour industries in Prince George. The information from Statistics Canada shows that 13.6% of the population is directly employed in the Logging and Forest Products industry in comparison to the provincial percentage of 4.7% (Statistics Canada, 2006). Despite continued efforts in local economic diversification, the forestry sector continues to be a major economic sector in Prince George. Canfor is the largest employer in the Prince George region with over 3056 employees. There are questions and concerns regarding the continuing role of the forest sector, with the mountain pine beetle infestation and its potential future economic impact. Other major employers include the Prince George Regional Hospital, Northern Health Authority (NHA), School District 57, the Government of BC, and the City of Prince George. One major sector with strong economic and social impacts is the education sector

including the University of Northern British Columbia (UNBC) and the College of New Caledonia (CNC). Combined, the university and college employ over 1400 people. Not only has the university and college been major employers, they have contributed significantly to the local economy through enhancement of faculty, staff, and institutional spending combined with earnings of alumni in the local economy.

Despite the growth in industries beyond forestry and lumber, the unemployment rate for the Prince George region has consistently been above the provincial average over the last 5 years. Prince George also features a lower percentage of workers compared to the provincial average in the industries related to arts, entertainment and recreation, scientific and technical services, and information and cultural industries. Prince George has previously experienced considerably higher than provincial average unemployment rates due to economic downturns and declines in the lumber industry. During 1998, the unemployment rate in Prince George reached 16.6%, double the provincial and national average of 8.2% and 8.0% respectively. This trend continued through to current statistical data. The most recent information from Statistics Canada reveals a Prince George unemployment rate of 5.8%, higher than the provincial average of 4.0% (seasonally adjusted) as of March 9, 2007 (Statistic Canada, 2007).

Economic Development Strategies of Prince George

In an effort to address high unemployment rate 2003, the City of Prince George and its local economic development agency, Initiatives Prince George (IPG), launched a campaign to attract the Synovate call center to invest in the region. The economic development

strategy was a 'quick fix' (Initiative Prince George, 2004) to local economic challenges. Initiatives Prince George was created in 2000 and is a municipally-owned corporation mandated to undertake programs and projects designed to grow and diversify the local economy. The primary economic development strategy adopted by Initiatives Prince George (2005) is to promote core services comprised of: Business, Export, Tourism, Events, Film, and City Center Ventures. Investments and activities have been focused on attracting industries and employers to address the unemployment challenges and diversify the local economy. Initiatives Prince George has experienced success in attracting call centers and big box retail to the city, helping to meet the goals of employment and economic diversification. While this is a success, the question remains: How can Prince George attract employers in professional and technology based industries? Such an attraction will further address the issues of economic diversification and employment in skilled and knowledge based industries where educated professionals are hired. This goal is a better economic development option when compared to industries dependent on employment in low wage, casual, or part time positions targeted towards students or low skilled employees. One major economic success for Prince George has been the development of the university and college. The economic impact of CNC and UNBC in Prince George was \$721.4 million in 2004/05. This figure includes the combination of faculty and staff spending, student spending, institutional spending, visitor spending and alumni earnings (Prince George's Education Economy, 2006)

Currently there are numerous initiatives underway through Initiatives Prince George which presents opportunities for the region. A challenge faced by Prince George and its region is

attracting and retaining skilled and trained professionals. There are efforts by the City of Prince George and IPG to market the community to potential residents and employers the city amenities, its resources, and available infrastructures that include transportation and communication systems as well as overall QOL. In reviewing the profile of Prince George, the challenges related to its economic condition and industries, and the goals of improving employment and economic development through diversification; this paper attempts to raise questions and potentially provide some alternatives and recommendations.

Many firms are adapting to the new economic environment as a result of a number of factors: the strong economic condition of BC, increased use of technology in industries, a high demand and competition for skilled labour, and industry shifts to knowledge workers. These factors have also contributed to the difficulties faced by firms in employee recruitment and retention that will be examined further in the study, and in the responses of the interviews. We will look at the public service and QOL factors in Prince George and examine the issues of recruitment and retention challenges. The focus of the paper is to help answer the following questions:

Can infrastructure investments supporting improved QOL in Prince George be used as an economic development strategy?

Can this strategy help to address the challenges related to Recruitment and Retention in Prince George?

This section reviewed the economic and demographic aspects of Prince George as a resource based community, the economic impact of the forest industry in the region, and the challenges to expand and diversify outside of this industry. The employment

characteristics have been heavily influenced by the forest industry in the past, and the trends in an aging population present potential challenges that will need to be addressed in the replacement of a retiring 'baby boomers' workforce. The College of New Caledonia and the University of Northern British Columbia have become major employers and have significantly contributed to its economic health by helping to diversify the regional industries and attract students and residents to the area. The literature review on the economic development and migration theories related to QOL and research interviews will assist in identify some of the challenges employers encounter in the recruitment and retention process.

Sections III

Defining Quality of Life

Migration and Quality of Life

"Rise of the Creative Class" and Implications on Economic Development

Recruitment and Retention Issues in Prince George, BC

This section will review and identify some common patterns that contribute to QOL, the existing factors in Prince George that determine QOL, and review of those studies completed over a 30 year period related to employee migration and QOL. The recent publications and concepts of Richard Florida in the 'Creative Class' will be reviewed to further identify the potential impact and opportunities for Prince George. Employee recruitment and retention issues in Prince George will be discussed along with a review of research on this subject completed by Laura Way in 2005.

A general term used to describe (QOL) is the social and economic well being of the population. QOL is very difficult to define due to the vast number of factors and attributes

that contribute to this concept. Most studies and researchers have concentrated on a few selected contributors of QOL. Festervand *et al.* (1998:20) noted: "Despite the increasing importance of quality of life factors, there is little, if any, agreement among industrial site location professionals as to what this nebulous concept really is." The phrase is commonly used to describe an array and combination of qualities that contribute to a population's well being, such as education, healthcare, recreation, cost and standard of living, cost of housing, weather factors, remoteness and commuting, social and economic environment, childcare, pollution and crime, environment, and a variety of recreational and cultural services and activities. (Hack, 1984; Bramlage, 1988; Boyle, 1998, Festervand *et al.*, 1998). These factors were included in the definition used to describe QOL in the interview questions. However, it was not intended to represent a comprehensive list of contributors of QOL, but rather as a sample of the items considered. Education is expected to be one of the most valued QOL attractions (Brown, 1987; Rooney, 1986).

Prince George benefits from the recreational aspects that are associated with the region's natural and geographical characteristics. The outdoor enthusiast will enjoy the activities associated with lakes and mountainous terrain, such as downhill skiing, hiking, mountain biking, cross country skiing, snowmobiling, fishing, camping, etc.. Other QOL factors that Prince George offers are the relatively lower cost of housing compared to major regions and cities such as Kamloops, Kelowna, Vernon, Vancouver, and Victoria. The relatively smaller urban sprawl dictates much shorter commutes to and from work. Cost of living, housing, culture, restaurants, cinemas, and local live theatre entertainment have all been

shown to be important QOL factors that relate to the recruitment of key personnel (Browning, 1980).

The cost of housing, cost of living and short commute are key QOL benefits that are being recognized and marketed to potential employees from outside of Prince George by employers in the region. It is also emphasized that Prince George is 'a good place to raise a family' for some of the reasons of low housing cost, short commute, and low crime relative to major cities in BC. It has been noted that before QOL can be used by economic development officials to market their community to potential businesses, they must identify the elements that constitute QOL and the relative importance of each to their potential targeted business (Festervand *et al.*, 1998). An area of QOL that is improving in Prince George is the increase of cultural and social diversity. Prince George has updated and expanded the Art Gallery, the Prince George Symphony, and the Multiplex, which hosts a number of concerts, sporting, and entertainment events. There has also been a parallel increase in the number of ethnic restaurants in the region, providing further diversity of amenities. Myers (1987) has claimed that items normally considered critical, such as entertainment, culture, and restaurants, are not as influential from a relative perspective when compared to education and cost of living.

QOL aspects in Prince George that are considered negative include the air quality, which receives regular media attention, remoteness or distance from other major city centers, the winter climate, city appearance (particularly the downtown core), limited entertainment and culture, and lack of a cohesive community image/spirit. The Prince George air quality is

the most significant 'push factor' found by Laura Way (2005) in her study of recruitment and retention challenges in Prince George. It is considered the most significant QOL factor for many existing and potential residence of Prince George. It was noted by Bamberger & Parham (1984) that some cities are actively pursuing economic development policies that target what is referred to as 'amenity infrastructure' investments that are entertainment related. The local climate is considered important to local labour pool attraction and Graves (1980) would suggest it to have a direct impact on recruitment and retention challenges experience in Prince George. Image and community spirit are elements of the local environment that includes the public perceptions of the appearances and image of the city and regions. Prince George has continued to be challenged with downtown business revitalization, and creating a positive image for the city core. In fact, cities often make extensive investments as a matter of public policy for the protection or development of local image (Bamberger and Parham, 1984). The redevelopment of the downtown core will make significant improvements to the perceptions of Prince George and its image as a destination city. This vital economic decision could improve the downtown revitalization initiative efforts.

Migration and Quality of Life

This section will briefly review the work completed by Alex Michalos in 1996, the relationships between migration, or residential mobility, and the QOL in Canada and the United States. It has been determined that migration is more prevalent among professional workers than managers and proprietors, and more prevalent among the latter than among labourers (Bogue, 1969). One would expect that migration increases with the education

level, since education is related to occupation type (Long, 1973). It was also found that the larger the family, the less likely it is for the family to move; whereas unmarried, divorced, or widowed persons are more likely to relocate than married people (Zuiches, 1980). Research suggests that the primary reason for migration is to seek an economic advantage, but people can be motivated to move to another region for reasons other than economics. Fuguitt (1985, p. 270) has written:

Economists continue to argue the 'chicken-egg' question of whether people follow jobs or jobs follow people...This research has provided evidence that both processes are at work and so opens the door to suggestions that amenity-based, or non-economically motivated, migration may result in increased economic opportunities.

This statement is summarized by Michalos in that while people may be motivated to move for some reason that is not economic, they also find some economic advantage in moving. This is referred to as the Tiebout (1956) hypothesis in economic literature. It suggests that individuals or households choose to live in communities that provide the maximum benefit of public goods and services at the minimum cost, assuming all other factors are roughly equal.

A summary of studies reviewed provide substantial evidence that people tend to move in order to improve the quality of their lives in a variety of specific respects, and they continue to move until they achieve majority of their goals (Michalos, 1996) The most frequently reported motive for relocating was job-related, including searching for jobs and for locations closer to a jobsite. The presence of family, friends, and people of the same ethnic or racial group is considered attractions at the receiving site. Other attractions include mild climate, minimum pollution, low crime rates, good health services, and good

educational facilities. It was found that job-related and house-related responses were cited as the top two reasons for both planning to move, and as reasons for picking a particular area. It was also found that compared to the average citizen of any country, migrants are typically younger, better educated, employed in secondary industries or professions, unmarried or recently married with comparatively fewer children, and are renters rather than home owners. There is also evidence from economic literature to indicate that people migrate to areas with relatively good provision of public goods and services, such as social security, educational facilities, and clean, safe, healthy environments. However, it was noted by Michalos that because areas with expanding public goods and services are typically also those with expanding economic opportunities. The fact that people migrate to such areas is not conclusive evidence that they are migrating primarily in the interests of obtaining such goods and services. This idea will be examined further in the literature reviews and studies, and work done by Richard Florida, economist and author of *The Rise of the Creative Class*.

This section reviewed the different services and amenities that contribute to QOL values, and the corresponding effects on employee migration. Prince George benefits from many QOL factors, including low housing costs, short commutes, and extensive outdoor recreation opportunities. While these factors are positive for potential residents, by helping to attract new employees to the area. However, there are a number of QOL factors classified as 'push factors,' and potential deterring new residents from moving to Prince George. It was noted that before QOL can be promoted by economic development officials to potential businesses, they must identify the elements that constitute QOL and their

relative importance of each to each individual businesses targeted. The second issue to note regarding the current strategy of using QOL to attract new residents and economic development, is that the responsible agencies or local municipal government does not influence some of the QOL factors being marketed and emphasized in recruitment efforts by employers.

The next section will discuss the specific types of QOL components being recognized as important amenities and factors in attracting the ‘Creative Class’ or knowledge workers with specialized skills. The ‘Creative Class’ comprises professionals, engineers, and skilled workers that Prince George economic development agencies and employers are being challenged to attract and relocate to Prince George. This practice is a significant issue to help address the skilled labor shortages and recruitment challenges in the region, as well as achieving economic development objectives to diversify the local economy. This section will also help to identify some potential QOL factors that can be influenced and improved by local government and economic development agencies, by investing into the community as an economic development strategy.

“Rise of the Creative Class” and Implications on Economic Development

The Rise of the Creative Class has been described by Glasier, 2004 as the most popular book on regional economies in the last decade. The book has received awards and acclaim from sources such as the *Washington Monthly*, *Harvard Business Review*, *Money Magazine*, *the Phoenix*, *New Times*, and *Entrepreneur.com*. While some critics of his work have come from economically conservative groups like the Manhattan Institute, anti-

immigration and homophobic groups have described Florida's thesis as an attack on big-box business oriented development strategies, suburban lifestyles, and on 'family values'.

Florida's thesis began in 1999, with a series of studies to answer the question, 'How do you choose a place to live and work? From this study he developed the concepts and ideas to support his thesis concerning the rise of the Creative Class. Florida suggests that 'creative professionals' of the highly educated, well-paid segment of the workforce work in knowledge-intensive industries such as technicians in medicine, scientific research and healthcare, business management, financial services, and high-tech represent a high level of human capital. This group of people, contribute more than intelligence or computer skills, they add creative value. Florida suggests that creativity is increasingly valued by firms and organizations for the results that it can produce and by individuals as a route to self-expression and job satisfaction. As creativity becomes more valued, the creative class grows and becomes more influential. Florida 2002, describes characteristic of the creative class in that its members engage in work whose function is to 'create meaningful new forms.' The super-creative new class includes scientists and engineers, university professors, poets and novelists, artists, entertainers, actors, designers, and architects as well as the 'thought leadership' of modern society: nonfiction writers, editors, cultural figures, researchers, analysts, and other opinion makers.

It is noted that this group includes industries that have been identified in Prince George as below the provincial average in the industry sectors employment. The Creative Class possesses considerable economic power as a result of its earning potential. Florida (2006)

indicates that in the US alone, approximately 40 million people now work in the Creative Economy, roughly 30% of the entire US workforce, accounting for \$2 trillion, nearly half of all wages and salaries. In Canada, 3.8 million creative workers account for 25% of the workforce. It is not surprising that regions with large concentration of creative class members are also among the most affluent and growing economic regions.

Florida (2002: 3) also states that most civic leaders have failed to understand that what is true for corporations is also true for cities and regions, "Places that succeed in attracting and retaining creative class people prosper; those that fail don't." This view is echoed by Baris (2003: 42) who states: "Ensuring that creatives are welcomed, by extension, becomes the new task for cities. Thus, the old mode of people moving to follow jobs is turned on its head. In order to compete in the new race for talent, cities must restructure themselves for the Creative Class's needs much as companies have already done."

The question of why some habitats become destinations for the creative while others do not is similar to the economic term of 'low entry barriers'. As firms can easily enter new markets and regions, the same theories would apply for people and places where newcomers are accepted and fit in the social and economic networks. These are identified to by Florida, 2002 as 'plug and play' communities, where anyone can adapt and adjust quickly, where people can find opportunities, build support structures, be themselves, and are places likely to attract a greater number of talented and creative people. Talented people seek environments demonstrating acceptance and opportunity to differences and diversity. Florida (2002) suggests that cities and regions that attract lots of creative talent are also

those with greater diversity and higher levels of quality of place. This being location choices of the creative class based to a large degree on their lifestyle interest, and these go well beyond the standard 'quality of life' amenities that most experts think are important.

These lifestyle interests include nightlife and entertainment such as music venues, neighborhood art galleries, performance spaces, and theatres. The Creative Class seek out tolerant, diverse, and open communities, rich in amenities that allow them to maintain a work-life balance with demanding work schedules. Florida and Gates (2005: 131) argue that;

One of the primary indicators of these diagnostically critical conditions of openness and tolerance is the conspicuous presence of gays and lesbians, characterized here as the 'canaries of the creative economy', because of the way in which they signal a 'diverse, progressive environment'.

They also favor active, participatory recreation over passive institutionalized forms and value active outdoor recreation very highly. The Creative Class are attracted to places and communities where outdoor activities are prevalent, including traditional ones like hiking, bicycling, kayaking, and more adventurous ones such as trail hiking and snowboarding. In contrast to the economist Thomas Friedman's view, the world is flat, and people can 'plug in and play' anywhere, Florida suggests that the Creative Class migrate from major city to major city that have the desired amenities and QOL values. The Creative Class is also described by Florida as likely to reject suburbia, with its 'generica' of chain stores and malls; instead, they look for 'organic and indigenous street culture' and a range of other features such as walkable streets, with a profusion of coffee shops, art and live-music spaces. As noted by Peck (2005; 6) "Creatives want edgy cities, not edge cities."

As cities such as Seattle and Austin thrive and attract the Creative Class, many other cities are failing to adapt to the demands of the current knowledge economy and creative age. It is not through lack of effort, but rather that civic leaders are doing the limited things they think can spur innovation and economic growth. To this Florida (2002: 10) states;

But most of the time, they are either unwilling or unable to do the things required to create an environment of habitat attractive to the creative class. They pay lip service to the need to “attract talent”, but continue to pour resources into recruiting call centers, underwriting big-box retailers, subsidizing downtown malls, and squandering precious taxpayer dollars on extravagant stadium complexes.

Florida refers to this as ‘institutional sclerosis’ as a symptom of places that grow up and prosper in one era, yet are challenged and often unable to adapt to the new organizational and cultural patterns, regardless of the benefits. The question then becomes: ‘How would Prince George become a truly creative community - one that can evolve and prosper in this emerging age?’

Florida asserts that any urban center has an opportunity to ‘turn it around’ if they possess the essentials - a good university, ‘authentic’ neighborhoods, knowledge-intensive based industries, QOL, and cultural amenities that are important to the Creative Class. In the example of a city working to evolve is Providence, Rhode Island, Florida suggesting the strategy in creating ‘a whole new model of university-community redevelopment’. Universities can play a leading role in the adaptive reuse of older urban facilities, “renovating the downtown core and surrounding areas as a seamless work-live-learn-play environment”. (Catalytix and Richard Florida Creativity Group, 2003:2) Florida’s critics include Malanga (2004: 45) who point out that “the production of authentic neighborhood cultures through deliberate public policy interventions is a daunting task, if not infeasible”.

In this respect, the Florida creative-cities script identifies the nature of the challenge, the necessity for action and mobilization, and a warning to civic leaders. The warning by Florida is the threat is becoming a global one: competition for talented workers is no longer a domestic issue, and the next threat on the horizon is an international 'flight of the creative class' (Florida, 2005b). Florida informed the readers of *Money* magazine that the talent war is globalizing and cities in Australia, Canada, Ireland, New Zealand, and Sweden will increasingly be the ones to watch (Florida, 2005b).

This section reviewed and summarized the work of Richard Florida in identifying and defining the group referred to as the 'Creative Class.' As described, this dynamic group represents the group of professionals and specialized knowledge workers sought by Prince George employers to attract and recruit. This group presents enormous economic influence, due to their earning potential and impact on the success of employers and the regional economy. Discussed were the issues and challenges involved in attracting this group, and the types of amenities and services Prince George features, that are appealing to this group. Some QOL values are described that can be reviewed to help identify any 'shortfalls' in amenities or the strategy designed to attract this group of knowledge workers. The strategy that Florida suggests is a focused approach to the types of investments made into the community, and the group for which these investments are intended. It cannot be determined as a certainty that this strategy will provide complete success in addressing the region's recruitment challenges and to economic development, but it provides ideas and alternatives to be considered as a long term development strategy for Prince George.

Recruitment and Retention Issues in Prince George, BC

This section will review research on recruitment and retention issues in Prince George, BC. In 2005, Laura Way conducted a research thesis on recruitment and retention challenges as part of her Masters Degree in Political Science. I will review and outline some key points in her research and discuss the recommendations that have resulted from her study.

Way tested the idea that Prince George experiences the same recruitment and retention issues as other small resource based communities. Despite being the largest city in northern BC, Prince George has faced ongoing challenges in recruiting and retaining professionals in the community. Way (2005:1) describes the situation, “While shortages of health care professionals received the most attention, a range of other professional positions remained difficult to fill, including university professors, lawyers and city planners”. An example of the health care shortage occurred during December 2002, when the special care nursery at Prince George Regional Hospital was closed due to staffing shortages (Hoekstra, 2002). The central questions that were examined were: “*how do new residents perceive Prince George; and what community attributes are they looking for?*” (Way, 2005: 4). Way also tested which pull and push factors were consistent with the types of communities, and conducted a survey of new residents as well as human resource professionals. The results of the study confirmed that Prince George shared many of the pull and push factors of many smaller resource-based communities.

The pull factors identified by Way (2005) as having a positive effect for newcomers include employment as the primary reason for moving to the city. The natural setting of

Prince George is considered a positive geographical characteristic. Community size is considered a positive pull factor and negative push factor. The smaller city size, when compared to major urban sprawl in other regions, provides the ability to purchase housing and also allows for short commutes. The size of the community is considered a positive factor for young families who are raising children. The presence of post-secondary institutions is another favorable pull factor for recruitment for since it enhances the ability to continue further education and provides an option for their children. Listed below is the top 10 positive pull factors identified in Way's survey results.

<u>Attribute</u>	<u>Relative Score</u>	
	<u>Rank</u>	<u>Score</u>
Employment Opportunities	1	205
Proximity to Nature	2	56
Presence of Family and Friends	3	53
Size of the Community	4	52
Friendly nature of the community	5	47
Commuting Distance	6	45
Post Secondary Education	7	47
Spouse already in Prince George	8	38
Year Round Recreation	9	37
Good Place to raise children.	10	35

The undesirable characteristics of Prince George are those factors that tend to drive current and potential residents away. The primary push factor for Prince George determined by Way (2005) was the poor air quality, with 78 percent of survey respondents ranking it among the top five undesirable characteristics. Other push factors that received consistently high rankings were: climate, isolation from other major centers, and the economic attributes associated with a resource-based economy. The relative small size of the city also presented some negative perceptions that included the lack of shopping options as a source of dissatisfaction. Way states (2005:92), "It was important to note that respondents

who have families evaluate Prince George's attributes on the basis of how they think Prince George will meet their family needs". New residents who were single had other concerns. Way (2005) discovered that single professionals found it difficult to integrate themselves into the community; only 30 percent of single respondents were satisfied with their social interactions compared to 76 percent of married respondents in the study. It was determined that securing an offer of employment is often the first step to relocating to Prince George, and new residents placed varying degrees of weight on community factors.

The conclusions from Way (2005) identify a number of themes. Resource based communities have difficulty in attracting not only professionals that are experiencing country wide shortages but also other professionals, this challenge is often related to the inherent community characteristics. The second theme is that the reasons individuals move to, and from, resource based communities are push and pull factors related to overall QOL (Way, 2005). This is reflected in the comment that the ability to enhance pull factors, or resolve push factors, that are not directly related to the employment are largely outside of an employers control (Way, 2005). The third theme from the study suggests that the newcomer attitudes depended on demographic factors. It was recommended that when marketing to new group of professionals, employers will need to emphasize other characteristics of Prince George, rather than relying on its reputation as a good place to raise children as only 33 percent of the newcomer respondents had children (Way, 2005). While HR professionals in Prince George firms continue to emphasize community benefits in the recruitment process, their organizations continue to rely on the 'golden handcuffs' of a good salary and benefits package as a retention technique. This strategy was found to be

inadequate in addressing the recruitment and retention challenges in Prince George. Way, (2005:114) commented, “This thesis demonstrated that this approach is insufficient. Retention strategies must also incorporate broader QOL concerns.”

This section outlined the specific qualities that are evaluated as both positive ‘pull’ factors and negative ‘push’ factors that attract or deter potential new residents to relocate to Prince George. This work was vital in providing an outline of the specific issues that can and need to be addressed to help improve and develop the local economy as a way of attracting new businesses and residents. Reinforced were the ideas that employers continue to rely on traditional means of attracting employees with compensation and benefits while it was found that many factors used to consider relocation to Prince George were not employment related. Also noted were the concerns that this strategy is inadequate to address the recruitment challenges and that QOL concerns needed to be addressed by the local government and community. It is important to consider this information and address the issues in the recruitment and economic development strategies used by employers, local governments and economic development agencies.

Section IV Literature Review

Determinant of Location

Quality of Life and Location Decisions

Role of Quality of Life in Technology Based Firms

Impact of Quality of Life on Recruitment and Retention

Quality of Life in Economic Development Strategy

The literature review section is a summary of studies on the impact of QOL on the location decisions of firms, and the impact on recruitment and retention of key personnel. The

literature review includes traditional industrial location theories, and the role of QOL in technology based firms, on recruitment and retention, and in economic development strategies. This review was completed to build an understanding of the theories and studies on QOL issues and the impact on recruitment and retention.

Traditional industrial location theories have been based primarily on cost minimization that includes resource such as land, labour, materials, and transportation costs. Locations are selected by firms based on profit maximization and economic theories. Most of the early studies on industrial location focused primarily on the minimization of transportation costs (Blair and Premus, 1987) which is still prevalent in the process for many industrial firms today. Additional cost minimization factors included taxes, property values, construction costs, local regulations, and strength of local labor unions. Indirect costs and benefits may have significant impact on an organization's bottom line and operational success, some of which are government services, availability of infrastructures, climate, and local environmental quality. Past studies have been based on tangible and direct cost factors versus the intangible and indirect factors that are associated with QOL and public services that with technological, environmental, and economic change has become more significant.

The decision to expand or relocate are understood as strategic decisions by an organization and are part of the larger corporation planning process (Blair and Premus, 1987; Cohen, 2000). Early studies on industrial location decisions highlight the cost-minimization along with profit maximization considerations as the primary factors in the decision process. An example of which is; at the locations where the combined costs of transportation of raw materials to the location and transportation of the output to the market was at the lowest

point. This is in addition to the location where the discounted net present value of its production is greatest. This profit-maximization assumption is followed in many locational decision processes today. The next step in the location decision is to compare the potential locations against 'must have' and 'would like' item lists of amenities. The 'must have' items are essential to the firm operations and strategic objectives, while the 'would like' list includes desirable factors but not instrumental to firm operations. This process also includes consideration of negative factors as part of the process. It has been found that when the major factors or 'must have' items have been met in locations, other amenities and benefits are considered in the location decision. Schmenner (1982) noted that when several locations match on the most important attributes, seemingly idiosyncratic or insignificant factor can play a large role in deciding the ultimate choice. The final stage of analysis considers the attributes of particular communities and/or alternative sites.

Quality of life factors are generally of lesser importance for manufacturing sectors, which are most sensitive to the traditional economic factors of locations. However, economists have become aware that many decisions, including location, are not based purely on profit maximization (Walter, 1975). Today, an increasing number of industries can operate successfully in a variety of locations, as a result of changes in production and communication technologies, possessing cheaper and faster forms of transportation, and due to changes in the industrial composition of economic regions. It is noted by Schmenner (1979) that firms often consider several low-cost sites, and a seemingly inconsequential item tips the scale in favour of one site. It is imperative for local planners and economic development groups to understand and highlight these in their concern to create

employment and economic opportunities in the region. Business relocations are frequently cited as the most direct way to enhance a region's economic base. Furthermore, when relocations do occur, the vast majority are over very short distances, often within the same community (Schmenner, 1982).

Determinant of Location

The most comprehensive analysis of industrial location determinants have been based on surveys because they allow researchers to probe the significance of long list of variables, some of which may be qualitative (Blair, 1987). For instance, QOL is important to many firms, but it is a concept that is difficult to quantify. Morgan (1964) reviewed locational studies prior to 1963, and of the earlier industrial location literatures lead to the conclusion that traditional location factors were dominant influences on industrial location, negating the influence of non-economic factors. QOL and other nontraditional factors were not significant in these earlier studies (Blair, 1987). Blair considered the most comprehensive survey of high technology location decisions was based on the work of Premus for the Congressional Joint Economic Committee of the United States (Premus, 1982). The study is based on the survey response of 691 high tech company executives, where the dominant considerations were identified as availability of technical labour and the cost of the labour pool. Schmenner (1980) also interviewed executives from 29 high tech firms and found that they were oriented to technical expertise in the labour market. Other location factors considered important included community attributes (QOL factors) such as good schools, space for expansion, local transportation, recreational, and household amenities (Blair, 1987). High Technology firms have been a growing sector in the economy and are highly

prized by economic development officials (Salvensen and Renski, 2002). High Technology firms are usually defined by large expenditures in research and development with a percentage of employees who are technicians, engineers, and scientists. The availability and cost of technical labour is perhaps the most important determinant of location for high-tech firms, followed by proximity to universities (Schmenner, 1982; Premus, 1982). Research and development firms, a subset of the high tech industry, are highly sensitive to QOL issues, primarily caused by their need to recruit and maintain knowledge workers (Ritter, 1990). Premus (1982) also identified taxes, cost of living, and transportation as important regional determinants of high-tech locations.

In general, the executives of high technology firms listed QOL factors ahead of traditional business location factors. A review of past studies reveal that industrial location decisions were primarily based on access to market, labour market, transportation costs, and access to raw materials. To a large extent this is still the most influential for industrial and manufacturing firms. The list of location decision factors expands and shifts for technology based firms, to include business climate, labour skills, and local physical infrastructures. These nontraditional location factors dominate the location choices of high tech industry firms; thus indicating that as the province's industries continue to shift to more advanced technologies, the degree of reliance on nontraditional locational factors including quality of life will increase.

Role of QOL in Technology Based Firms

Four approaches to job creation has been sought by public and private economic development organizations; attraction of new businesses, expanding existing businesses, retention of existing businesses, and formation of new businesses. Blair and Premus (1987) concluded from their extensive review of literature on the major factors influencing industrial location, advised the United States government to focus its efforts on improving the overall locational attractiveness of regions, emphasize long-run tax policy, management-labour relations, and quality of life factors. Industrial development would largely be a by-product of an improved, overall business climate, and a better community in which to live.

This new approach recognizes the increasing importance of QOL in business location decisions (Love and Crompton, 1999). QOL has been reported in studies as being influential for high technology industries companies involved in research and development, as well as firms that employ highly skilled workers in information and knowledge-based services (Schmenner, 1982). This emphasis on QOL recognizes the economic success of business is dependent on a quality workforce. QOL is not only important in relocation, expansion, or initiating decision, it is also important in employee retention, as it is expensive to go through the recruitment process particularly for key personnel (Love and Crompton, 1999). This view is supported by Taylor (1987) who asserts the quality of employees' lives have a direct impact on an employer's bottom line through absenteeism, loyalty, turnover, productivity, and health care costs.

In a study by Love and Crompton 1999, the results of research illustrated that the highest ranked factors among sampled firms were labour costs combined with daily living concerns. A relatively low ranking of QOL was not anticipated in their study, given the increasing focus in business relocation literature on the role of QOL in business location decisions. Their study also provided insight into the characteristics of companies that placed a relatively high importance on QOL;

- Small companies employing fewer than eight employees placed significantly higher importance on QOL compared to large companies with 88 employees or more.
- Footloose companies, defined as businesses whose financial performance is relatively independent of location decisions placed significantly more importance on QOL factors as there is limited dependence on raw materials, natural resources, energy supplies, or local geographical market.
- Companies in which the primary decision maker relocated with the company place significantly more importance on QOL than those companies in which the primary decision makers were in a different location, ie head office.

The study of technology based firms provide a basis of information that are considered in the location decision of these companies. This is important to consider in the economic development of Prince George and the strategies that can be employed to attract such industries in effort to diversify the local economy. Also important is the influence of QOL in the location decisions of such firms.

Impact of Quality of Life on Recruitment and Retention

Glaser and Bardo (1991) conducted exploratory research for improving public sector economic development, through QOL investments to assist the business community's ability to attract and retain key personnel. Their study concluded that the business identity has substantial bearing on the values assigned to QOL factors for key personnel recruitment and retention. Across all business types, access to quality key personnel is an important component for business success and economic growth, yet the literatures concerning this relationship are limited. Public sector investments in QOL not only highlight the community as a more attractive place to live, but also contribute indirectly to economic prosperity (Glaser and Bardo, 1991).

A significant portion of the literatures on QOL as it relates to economic development indicate that issues of key personnel recruitment and retention are not specifically addressed (Graves, 1980; Porell, 1981). Although there are relationships between the attraction and retention of key personnel and an area's QOL, there is limited information about the relative significance of various QOL attributes. Furthermore, many employers have found it difficult to recruit, transfer, and relocate highly skilled workers to remote locations (Glasmeier, 1986; Harding, 1989). A warning was presented by Myers (1987) that cities must consider quality of life assessments seriously if they expect to remain economically competitive. Failure to improve local QOL can result in a situation in where businesses will find it necessary to pay special fees or 'disamenity incentives'. Access to better job opportunities is the primary draw of professionals to larger urban areas (Herzog and Schlotman, 1986, 1989). While the small town environment, fosters 'traditional values'

that are attractive to professionals wishing to balance work, family, and community (Daniel, 1993). Despite preferences for rural QOL benefits, most high-tech and knowledge professionals choose to live in large metropolitan areas (Glasmeier, 1986; Markusen *et al.*, 1986).

QOL in Economic Development Strategy

This section reviews the literature on arguments for using amenities as an economic development tool. Though limited, articles that review theoretical, survey, and econometric literatures on amenity-oriented firms location and employment growth indicate that there is little evidence that firms base location decisions solely on QOL factors. Gottlieb (1994) examines the evidence for the use of an 'amenities strategy' in local and regional economic development. Noting that such a strategy would differ from traditional economic development strategies in its focus on QOL as a key determinant of firm location. Most economic development officials believe that local amenities affect their ability to attract jobs, but few would make the provision of such amenities the centerpiece of their economic development program.

Business retention and expansion are pointed to in the literature as being a more effective economic development policy in comparison to business recruitment (Glasser and Bardo 1991). Economic development means business retention and expansion rather than employee recruitment to the vast majority of communities (Rancer, 1979; Rooney, 1986).

Glaser and Bardo (1991) suggest that the most obvious and important conclusion from their findings is the targeting of business type in a planned economic development strategy.

Recommendations are made to economic development groups to target efforts according to the business types, as the specific needs and values of businesses will affect the QOL for key personnel. It was also noted that established industries provide easier targets for further focus in the short term, while industry diversification offers long term protection against fluctuations in the local economy, but is consequently more difficult to target. This concept is a fundamental decision to the important economic planning considerations in business targeting (Glaser and Bardo, 1991). When local development agents are assessing key personnel recruitment and retention strategies, care should be taken to separate issues according to the extent to which they are addressable through policy action. Certain quality of life attributes are of a fixed nature. The best example in this study relates to local climate. Climate was a moderate priority for key personnel in selected businesses but was clearly unimportant to others. Since climate is fixed, localities with less than attractive climates may want to target businesses types that consider climate of lower priority.

These findings lead to some general conclusions for local government and economic development strategies. QOL is an important factor for retaining or recruiting key personnel and is arguably an important issue in economic development strategies. An initial assessment of labour force requirements to business needs is critical for an effective economic development policy. It is also interesting that the findings in the study indicated technological support from a university was a common theme for CEOs who were experiencing difficulties recruiting key personnel. This trend would further suggest that local regions would be well served by paying closer attention to QOL attributes that are considered significant, and that can be modified through a conscientious investment

strategy, such as local recreation and entertainment facilities in addition to public education and health services. Areas that are able to attract and retain skilled workers are most likely to be successful in the near future, and pools of highly educated and technically skilled labor can only be maintained in areas with an appealing QOL and favorable amenities (Schmenner, 1982). This point is reinforced by the more recent work of Richard Florida.

The literatures and studies conducted have for the most part, been limited to key personnel issues and personal QOL preferences of CEOs and their influence on locational decisions. Direct interviews with key personnel would likely provide further enlightening insight regarding their motivation for site selection and relocation. Further research is also needed in analysis of differences based on business types.

Section V Methodology
Key Informant Interviews
General Aspects of Retention in Prince George
General Aspects of Recruitment in Prince George

The methods of research in previous studies have been a combination of extensive surveys to regional interviews. It was intended to use a sample of 10 firms/sources for interview to gain insight to the relative importance of public service (health, education, and recreation) and QOL in the recruitment and retention challenges of firms in the region.

There was effort made to include organizations of small, medium, and large sizes in the various industries to gain breadth and depth in the sample. The purpose of this process was to explore the scope of QOL considerations by human resource managers in organizations.

A sample of 10 respondents was used to allow enough time for probing with some depth in the interviews, with a limited sample intended to be illustrative, not representative of the region's organizations and employers. By using a cross section of different industry types, this study was intended to gain a broad sense of HR managers' QOL awareness and considerations across industries in the region in their recruitment and retention efforts.

The sample of firms included in the interview process was selected from a list of organizations in the region. Using a list of 25 major employers in the city provided by the City of Prince George and a list of organizations in the community provided by Living Working Prince George. From this random list of employers, I began to contact the firms until I had 10 interviewees who agreed to be interviewed. This constituted the final sample in the study. I did not attempt to conduct a comprehensive survey of businesses from a large sample, due to both time and resource constraints by the nature of this research project. Respondents in most cases were either the head of the firm or the manager of human resources, were asked to identify the importance of QOL in the organization's recruitment and retention efforts. The interview process was used to obtain similar information from multiple individuals. Using a structured interview guide, containing both structured and unstructured questions, both open and closed questions to enhance the reliability of the results (Hedrick, 1993). Each interview contained general questions around the following themes: 1) does their organization have concerns regarding employee retention and what methods are used to retain employees; 2) does the organization have concerns regarding recruitment and what methods and costs are associated with employee recruitment; and 3) do QOL issues in Prince George affect your employee recruitment and

retention efforts. There were two benefits to the interview method used: first, the type of data received was not limited by the constraints of survey responses inherent in its inflexibility and second, the questions allowed the respondents the opportunity to add additional issues and information to the interview process (Babbie, 2001). Again, the purpose of the study was to gain insight into the relative importance of QOL in the recruitment and retention of organizations in Prince George.

Interviews were conducted to obtain employer perspectives on the relative impact of QOL on the recruitment and retention aspects of their human resource management practices. Interviews were conducted primarily with human resource managers of the companies and organizations. The research conducted through interviews included ten participants in Prince George. The organization participants include the following evaluative variables;

Public and Private Sector:

- Five (50%) of the participants were from public sector organizations and five (50%) were from private sector organizations.

Employers grouped by number of employees:

- Two (20%) of the organizations were small employers with less than 30 employees.
- Four (40%) of the organizations were medium employers with less than 150 and more than 30 employees.
- Four (40%) of the organization were large employers with more than 150 employees.

Organizational Structure:

- Two (20%) of the organizations have a private ownership structure.

- Two (20%) of the organizations are non-profit organizations.
- Three (30%) of the organizations are public/municipal organizations.
- Three (30%) of the organizations have public ownership structures.

The following section will review the responses and common themes regarding employee retention in Prince George. The interview questions attempted to identify any existing concerns in employee retention and methods of employee retention.

General Aspects of Retention:

A question that was included in the interview related to issues of retention.

5) Does your company have concerns regarding employee retention?

- Number of respondents who said yes: 4
- Number of respondents who said no: 6

Some of the common concerns regarding employee retention drew upon the trend of an aging workforce; this creating the need to find and develop replacements for the aging 'Baby Boomers'. Other issues in employee retention include the casual or part-time employees who pursue full-time employment outside of the organization or leave because of relocations of their spouse or partner. This has been spurred by the improvements in the economic health of Prince George and recent declines in unemployment where there are more employers looking to fill permanent full-time positions. Other concerns expressed included the issues of supply and demand in the skilled professions where there are opportunities in many regions outnumbering the qualified candidates. This has resulted in

positions that are unfilled for extended periods of time; a particular issue in the health cares professions.

A specific aspect of employee retention depends on the industry type. For example, some industries or companies employ educated professionals who use the experience in Prince George as a development stage and pursue higher levels of training and employment outside of the region. Respondents in both the non-profit and public sector employers expressed this view. The respondents with private ownership structures indicated that employee retention is not a concern, and turn-over is moderate or below industry average. This view was shared with respondents of medium sized employers; in contrast to the respondents of the large employer segments who were more likely to have retention concerns due to employee retirement issues. One respondent stated, "Its getting them up here that is the hard part, once they come and see what we have to offer, retention is not as challenging."

6) What are methods used to retain your employees in the company and in Prince George?

Table 1.2

Listed below are some methods used by respondents to retain employees

Method	Frequency Mentioned
Competitive compensation and benefits package	100%
Market comparison of compensation for industry positions	60%
Bonus Program & matching RSP contributions	60%
Employee performance and service recognition	30%
Health and wellness programs	20%
Efforts to engage participation and gain employee feedback	20%
Encouraging work/life balance	20%

Providing competitive compensation and benefits package is the primary retention tool for employers. A respondent had indicated that this was further developed to enhance the retention process by creating accommodating working conditions, and providing supplement income to retain specialized professionals in the region. The associated costs to some employers have increased as a result of higher compensations and benefits to retain skilled employees. In general, it has been the 'golden handcuffs' that are used by employers to retain employees. Way (2005) suggested that this strategy was found to be inadequate to address the long term recruitment and retention challenges in Prince George. It is also being identified as an increasing source of pressure for employers who are required to provide higher levels of compensation and benefits to retain employees, increasing pressure on the financial resources and management of the organization.

7) Are there common reasons employees leave your company and Prince George?

Table 1.3

Listed below are some reasons employees leave their employers

Reasons	Frequency Mentioned
Employees retiring and leaving	40%
Employees are recruited by other industry employers	30%
Employees leaving Prince George for more 'amendable' locations	20%
Limited opportunities of industry in Prince George	20%
Nature of the industry, high work related turn over	20%
Employees leaving with spouse employment relocations	20%
Economic & Employment prospects of industry in Prince George	20%
Employees leaving for higher levels of professional development	20%

The responses to this question highlighted the growing concerns with respect to employee retirement and its effects on company staffing. This is particularly difficult for some sectors who are also faced with high competition from other regions that are considered more

'amenable' based on weather and climate, location, and city amenities such as Kelowna, Kamloops, Vernon, Victoria, and Vancouver. Another common concern is the increased level of competition for employees among employers within the same industry in Prince George, this has been as a result of decreased unemployment rates. The employees who left their employers as a result of spouse relocation were commonly secondary income earners in their families and/or part-time working mothers.

The respondents with concerns regarding retirement were primarily from large and medium organizations in both the public and private sectors. Respondents who experienced employees leaving to join other firms were mostly from the private sector, while employees leaving for more amenable locations occurred in both the private and public sectors. Some of the reasons identified for employees leaving were industry specific that included high work related turnover rates, limited advancement opportunities in Prince George, and leaving to pursue further career development.

The respondents identified some prevalent methods that are used to retain employees. These methods have been focused on the compensation and benefits package for employees. Despite these efforts, employers continue to encounter employee retention challenges. One common theme in employee retention is workforce aging and retiring 'baby boomers'. This issue was a concern for employers in both private and public sectors, and more relevant to large and medium sized organizations. The decreased unemployment rate in Prince George was also suggested as an important employee retention factors

challenge. The responses suggested that the primary influence on employee departure related to improved employment opportunities in other industries or regions.

The following section will review the responses and common themes regarding employee recruitment. The interview questions attempted to identify any existing concerns in employee recruitment, methods of employee recruitment, and costs associated with recruitment efforts by Prince George employers.

General Aspects of Recruitment:

8) Does your company have concerns in regards to employee recruitment?

- Number of respondents who said yes: 9
- Number of respondents who said no: 1

The interview responses to this question clearly indicate that employee recruitment is a challenge for Prince George employers. Respondents with recruitment challenges were from all respondent variable groups: large, medium and small organizations, public and private sectors, as well as all organizational structures (private ownership, non-profit, public/municipal and public ownership organizations). Similar to employee retention issues, recruitment efforts have been heavily impacted by the changes to the local and provincial economy as well as the local and provincial employment rates. Decreasing rates of unemployment translate to higher levels of competition among employers for qualified and trained candidates. A common theme among respondents is the trend to extend employee recruitment for specific industries and professions outside the community, a direct result of the limited pool of qualified candidates in the region.

The challenge to fill vacancies within the organization have required the firms and HR managers to consider alternative options. These options include creating developmental roles or 'fast track programs' that allow employees to train and gain experience in entry/mid level positions before they can fill the vacated postings. Some medium and large organizations have the resources to encourage movement employees within the organization used this method. A second option respondents identified for dealing with recruitment challenges involved recruitment efforts in other regions of BC and western Canada such as Alberta, Saskatchewan, Manitoba, and the Yukon. This method was most common in medium and large organizations and respondents in both public and private sectors. A respondent in the private sector considering even further options in recruitment, "I have been thinking about recruiting outside of Canada." This option is most available to organizations that employ skilled, educated professionals such as those in the medical field, as commonly evidenced by the migration of South African doctors to northern and rural locations of British Columbia. This option is also available for firms in the engineering industry, since the training and designations earned by professionals are frequently recognized internationally. To further comment on this issue, the same respondent also suggested that "everyone with skills and experience is working" at this time unless experiencing extraordinary circumstances. This comment clearly reflects the reduced unemployment conditions in the region and across the province.

For respondents, employee recruitment was clearly a greater concern for employers in contrast to employee retention concerns, as suggested by the interview response. Some of the challenges faced by centers on overcoming the more common negative stereo types of

northern BC. Some of the negative stereotypes include; a city full of loggers and ‘red necks’, isolation and remoteness, and concerns of weather and climate. These concerns emerged frequently among the interviewees across industry types. One respondent suggests that potential candidates being recruited from the lower mainland have “no idea where Prince George is.”

The following section will review the responses and common themes regarding employee recruitment. The interview questions attempted to identify employee recruitment methods, and if this method varied depending on the type of position that is being recruited.

9) A. What are methods used to recruit your employees to the company and Prince George?

Table 1.4

Listed are common methods of recruitment used by employers

Methods	Frequency Mentioned
Local media - The Citizen paper	90%
Company/Organization website	70%
National Advertising (Print Media- National Post)	60%
Industry/Trade Journals	40%
Recruitment Fairs (local & external)	40%
Employee Referral program	30%
Recruiting from competitors	30%
Foreign Recruitment	20%
Head Hunters & National Placement Agencies	20%

The above list identifies the methods used by respondents to attract candidates for vacancies in their organizations. The most prevalent methods were local media and the company website. These two options were used for all job types and entry/administrative

positions within the organizations. The advertising undertaken by respondents would vary in regions, but commonly is concentrated on BC and western Canada.

There were some common comments made by respondents on non-employer related factors that impact recruitment efforts as well as some of the challenges in the process. Half of the respondents observed that they are aware of competition from other regions for skilled, or trained professionals. Factors such as climate and perceptions of remoteness remained a potential challenge for recruiting candidates from outside the central interior of BC. Three respondents also indicated that these factors were dependent on the candidate's current location. If the candidate was from the BC interior, it was not a concern; however, if the candidate was from the lower mainland or outside BC, it could create a potential challenge. A manager in the public sector indicated a large portion of the relocation decision is, "not associated with the work or compensation and the focus is on the location, amenities, and climate." This comment was supported by another respondent who suggested that when recruiting outside the BC interior region, a candidate's decision to relocate to Prince George, "Is not 100% about the job or organization and it is more about the area and location and what it has to offer the individual and family". These comments were made by respondents in large and medium employer types. A respondent in the small employer category stated, "compensation is not enough" to attract the necessary skilled professionals as a stand alone incentive. This statement is made in the context of competing with other employers and regions, when dealing with the challenges of limited resources to provide cash incentives.

Some indirect costs and methods associated with the recruitment process described by respondents include higher training costs for new employees with less experience and training than is required. This calculation also includes the use of developmental roles and positions, to provide the required training and experience for employees to fill specific positions within the organization. This situation results from an inability to find candidates with the required training or experience. One respondent suggested that the desired employee segment being targeted are the older workers, or 'baby boomers', while the applicants received are from younger, less experienced candidates. When employers are marketing their employment positions in different media sources, whether locally, regionally across the BC interior or nationally, there is a pronounced emphasis on city amenities such as the college and university, multiplex, hospital, as well as outdoor recreation, cost of living, and the regional lifestyle of affordable housing, limited commute, and small town lifestyle with city amenities. This was a common practice among nine of the 10 respondents. These factors while important are not influenced by the employers and are recognized as the positive QOL that employers rely heavily on to attract employees to the city.

B. Does this process vary for different levels of staff and management?

The methods to recruit management, administrative staff, and specialists are different for 7 of the respondents, with 3 respondents indicating they use the same methods for all positions. The three respondents who used the same methods of recruitment for all positions were from the small and medium size organizations.

The respondents who indicated a different strategy of recruitment for administration, directors, and managers all used marketing methods outside the region to ensure extensive coverage of the province and western Canada. This tactic was also followed on a national level for executive positions. The level of marketing also involves higher costs to advertise via national newspapers such as the *National Post*, as well as using 'headhunters' or hiring agencies to fill executive level or specialist positions. Primarily large organizations use this method of recruiting executives in both the public and private sector. The challenges in recruiting skilled and trained professionals are compounded when recruiting from outside the BC Interior region.

A large contributing challenge in recruiting from outside of the region is the unfamiliarity of candidate in the city's locations, amenities, and QOL. Compounding to this challenge is the fact that executives, specialists, and trained professionals have the capacity and ability to relocate to regions of their preference and are not limited by employment opportunities or regions looking for skilled professionals in the current employment market.

10) What are the costs to recruit and fill a position within your organization? Is this cost different for different levels of staff and management?

Many of the respondents have indicated that there are no accurate measures of the cost to the organization in recruiting local and external candidates to the region. The most common costs were associated with the marketing and advertising in local and external print media, such as in trade journals, the *Prince George Citizen*, *Vancouver Sun*, *Province*, and *National Post*. Estimates for this recruiting method range from \$300 to \$3000. Other

recruitment expenses involved the costs of travel and relocation, training, and development. One respondent in the public service sector estimated the cost to recruit is up to half the candidate's salary for the position. Another respondent in the private sector suggested the cost to use a 'headhunter' to fill a management position is as much as \$20,000 in fees. Additionally, some respondents in the private sector are relying more on referral and 'word of mouth' recruitment, where bonuses are paid to employees who refer a new hire to the organization. The referral bonus pay ranges from \$500 up, depending on the position and experience level.

The recruitment and retention efforts by employers have been the traditional methods of using incentives and compensation. While it has been effective to some degree, the challenges in recruitment by employers in the region still persist. Despite not having accurate estimates of the real costs in recruitment efforts, the estimated direct and indirect costs suggest a large amount of resources in time and money to fill essential positions. The most difficult positions to fill are the management, specialists, and executive positions. These positions are the most costly to recruit and are often remain unfilled for extended periods of time. This indicates that employers in the region, regardless of employer size, sector, or organization type, are in a difficult position to attract the candidates who are higher skilled and/or have specialized training. The controllable factor that employers possess in this effort is the compensation and benefits packages that are offered to the candidates. All other factors are uncontrollable, and are influenced by local and municipal government in terms of public services and infrastructures, recreational facilities, and services of the region. The region's housing costs, cultural, arts, and entertainment

offerings including restaurants and night life are also influenced by private investment. It was also identified that employers place a much higher rate of concern in recruitment as compared to retention. This was identified in the 30 percentage higher number of respondents who indicated concerns regarding recruitment compared to concerns regarding retention concerns regarding recruitment compared to concerns regarding retention.

Question 16) Do QOL issues in Prince George affect your employee recruitment?

- Number of respondents who said yes: 9
- Number of respondents who said no: 1

The majority of respondents indicated that QOL issues in Prince George has a material effect on their employee recruitment efforts. Some of the QOL factors have been discussed in the previous section, and how these factors are heavily marketed with the recruitment efforts in regional and national media. The literature review indicated that higher skilled employees and the technology industries are more sensitive to QOL factors, in the location decisions of businesses and migration of employees. This idea was supported by Richard Florida's research on migration patterns of the 'Creative Class', and the focus on QOL factors. A respondent in the public sector supports this idea and view in "recruiting a group that can live and work anywhere." When the recruits make the decision to relocate and have the ability to move to any area, the focus on QOL factors are magnified in importance.

The limitation to this question is that it does not measure the degree of importance QOL factors are on recruitment efforts. The QOL factors that impact the recruitment efforts

include both the positive and negative factors. The negative factors are considered in some aspects more important than the positive factors. Another respondent in the public sector stated that QOL is “clearly” important, and as simple as the “air quality” in Prince George. The Prince George air quality was identified by Way (2005) as the most important ‘push’ factor in her study of recruitment challenges in Prince George. Respondents also commented that QOL was becoming more of a factor and that they are more aware of this in their role. One respondent indicated that the overall QOL in Prince George was overall positive, citing outdoor recreation, housing affordability, improved art and cultural facilities, but also identified air quality as the primary negative issue. Skilled professionals exhibit a higher sensitivity to QOL factors and public services, as indicated by the respondents and supported by the information in the literature review.

17) Do QOL issues in Prince George affect your employee retention?

- Number of respondents who said yes: 6
- Number of respondents who said no: 4

The responses to this question indicate that employee retention and QOL issues are less of a factor in retention when compared to recruitment. These responses are in line with the percentage of responses with concerns regarding retention challenges by employers. It was discussed that employees generally do not leave because of lack of services, and the reasons for leaving are primarily for career and employment reasons. A few comments were made by respondents from the public service sector about the issues of new families making connections and developing ‘roots’ in the community. It was noted that new employees who relocate to the region and do not have family or create a social network will leave much quicker than new employees with family in the region or who created local

social connections. Another respondent added that one of the most critical factors is the challenge of integrating the new employee's spouse into the community. Important considerations in this process are the region's cultural and social aspects, since spouses generally are very conscious of these two factors. A further hurdle is the influence that children have on retaining employees, and if they are happy with schools and activities. This feature relates to the frequent comment made by respondents that Prince George is a 'good place to raise children'. Way (2005) had suggested in her research that when marketing to new groups of professionals, employers will need to emphasize other characteristics of Prince George, rather than relying on its reputation as a good place to raise children since only 33 percent of the newcomer respondents had children.

Some of the respondents who indicated that QOL were issues in employee retention cited concerns regarding the geographic location, including distance, and remoteness from major urban centers as retention factors. The distance from major centers is considered an issue for both professional and personal reasons, which include connection to industry and lifestyle benefits of living in a major urban center versus a small community. Major urban centers such as Vancouver and Calgary are the locations of corporate head offices, while the city amenities provide QOL and lifestyle factors that are not found in smaller centers. These lifestyle factors include more amenities in retail, restaurants, shopping, entertainment, nightlife, arts, cultural events, organized recreational and competitive sports, including professional sport franchises.

Section VI Interview Results and Findings

The interview responses by the managers and human resource managers in this section highlight some of the issues concerning the role QOL plays in employee recruitment and retention. It was found that employee recruitment is a challenge for employers in all sectors, of all organization size or structure. Contributing to this challenge are the strong economic conditions in the province and Prince George along with declining unemployment rates in the region. Employee recruitment was indicated by respondents as a much greater challenge compared to employee retention. The recruitment efforts by local employers greatly emphasizes the regional 'lifestyle' factors of outdoor recreation, low cost of housing and commute, city services, and amenities such as the university, in an effort to attract candidates to the region.

The challenges discussed in the recruitment process include overcoming perception problems of isolation, climate, and remoteness. Other challenges in recruitment discussed were competition between different employers and industries both within the region and among other communities and regions. The costs associated with the recruitment process are significant for all employer types and sizes, regardless of public or private sectors. The results and responses from the respondents suggest that larger organizations have a higher level of awareness of the challenges in employee recruitment and retention compared to small and medium sized firms. Large organizations have the resources and capacity in human resource management departments to address these challenges more appropriately. Small organizations are limited in its resources and capacity to address these challenges and are the most significantly impacted by the inability to use more resources to fill

specific roles in the organization and in having these positions unfilled for extended periods. Medium sized employers are aware of the challenges, while not as significantly impacted as small organizations, do not have the resources and capacity to address the issues in the same manner as large organizations.

The expenses associated in the recruitment process includes direct and indirect costs such as marketing, hiring 'headhunters', travel and relocation costs, training fees and financial losses in having the position vacant for extended periods of time. Yet the only controllable factor that employers have in this process is the marketing of the position, and the compensation and benefits packages that are offered to fill it. Wage rates for professionals are commonly set at national levels and tend to not vary significantly among local labor markets (Topel, 1986). Because compensation levels for professionals generally vary slightly between regions, professionals tend to distinguish locations according to quality of life factors rather than wage rates (Morgan and Sayer, 1998) The compensation is the primary method used by local employers to attract and retain employees in the organization. This identifying the shortfall in this strategy of using the 'golden handcuffs' and point to the level of success achieved in attracting the necessary employees to the community. While a significant factor in the recruitment process includes the candidates assessment of the QOL factors that will benefit the candidate in terms of city services, amenities, recreation, arts and culture, entertainment, and life style factors. Many of these QOL factors are subject to local government policy. It is important that local economic development policy be based on a foundation of understanding the QOL priorities and its effective use of local economic development resources.

The impact of QOL on economic development was not explored in the interview process, as most interviewees were human resource managers with the primary theme of the interviews related to recruitment and retention challenges. While there is evidence to suggest that public sector investments in QOL not only make the community a more attractive place to live but also contribute indirectly to economic development; further research focused on the economic development aspects of QOL would be beneficial for further contribution to the study.

The following section is a discussion of QOL, in recruitment and retention as well as the impact on the region's economic development strategy. Included is a discussion of how the literatures reviewed supports and differs from the research responses in the interviews. Recommendations are made to address these issues in Prince George with a description of the limitations of the current study and suggestions for further research.

Section VII Conclusion

Discussion of analysis related to the literature review

Results & recommendations

Limitations & further research

The purpose of this study was to determine the role and impact quality of life has on economic development and employee recruitment and retention. There exists a prevailing perception that a high QOL is available in rural areas and in Prince George, with some valued amenities such as outdoor recreation opportunities, less traffic commute, and lower cost of housing, all of which are constantly promoted in an effort to attract new employees to the city. There are other QOL factors that are more common in larger centers and

metropolitan areas, generally associated with threshold city sizes such as Vancouver and Calgary. Several perspectives emerge in the literatures that suggest how amenities and other QOL factors influence business location decisions through labour force preferences. Understanding the demand for their skills and services, knowledge workers including the 'Creative Class' are highly mobile and choose to live in amenity rich areas that display the locational preferences.

The interview responses strongly indicate that QOL factors affect their recruitment efforts regardless of employer type or size to varying degrees, with greater influence on potential employees from outside of the region. Also identified was the greater challenge in attracting the higher skilled employees in positions of management, executives, and specialists among the different organizations in the city. This is identified in the literatures that suggest that failure to improve local QOL can result in a situation in which businesses will find it necessary to pay special recruitment fees or 'disamenity incentives' (Myers, 1987). Cost of living, housing, culture, restaurants, and local area entertainment all have been shown to be important QOL issues that in some way are related to the recruitment of key personnel in literatures (Browning, 1980, Hack 1984, Levy, 1981). Entertainment measures are a composite including restaurants and cultural opportunities, all of which have overlap and significant appeal to the 'Creative Class' as suggested by Richard Florida (2005). The most significant finding regarding QOL in recruitment is in the policy perspective since QOL related investment to the local environment could be achieved in the short-run, although they will require public-private sector cooperation by local government and private organizations. In summary, business type and size has some bearing on the

values assigned to various QOL elements, while the importance in personnel recruitment and retention is consistent with few exceptions.

There are several perspectives pertaining to how amenities and QOL factors influence business location decisions through labour force preferences. The perspectives in the literature argue that local amenities can affect a firm's bottom line directly by lowering wages and reducing costly labor force turnover for key personnel related to local QOL (Granger and Blomquist, 1999, Gottlieb, 1994, 1995; Taylor, 1987). This view has been practiced for many decades prior to the shifts to technology or knowledge based economies. As Stein (1952, p. 3) argued in the design and development of the resource based town Kitimat, BC:

The purpose of Kitimat is the industrial success of the plant. That success will depend on the degree that workers are content, that they like living in Kitimat. Unless the town can attract and hold industrial workers, there will be continuous turnover and difficulty... . The workers must find Kitimat more than temporary acceptable. They must be enthusiastic about it as a particularly fine place in which to live and bring up their families. It must become the plan they want as homeland, the town they are going to make their own.

Under this model, workers are more acceptable of lower wages and higher housing costs to live in amenity rich areas, as currently experienced in different regions of the province. This change in economic development perspective is based on the assumptions and notions that what are attractive for skilled and knowledge based employees are beneficial for organizations, industry, and economic regions.

It is unclear whether the QOL strategy would be a more effective economic development strategy than traditional methods (Gottlieb, 1994). There is mounting evidence that suggests QOL factors are an important location determinant for both highly skilled workers and 'footloose' businesses. These businesses also present opportunities to Prince George in helping to attract further investment into the community, thus further diversifying the local economy. While it is unquestionable that QOL is important, the subjective nature and vagueness of the concept presents challenges to identifying its effectiveness as an economic development policy strategy. The second challenge to this strategy is investment into amenities that present a much longer term approach to attracting firms, businesses and employees, whose payoffs may not be realized for years, making for potentially difficult decisions by local and municipal governments to support. In the concluding section, I examine these findings and offer translation as they apply to broader economic development policy and in the recruitment and retention strategy of personnel.

Recommendations

The first discussion of recommendations is in regards to the broad economic development policy related to QOL in Prince George. Wholesale abandonment of traditional economic development strategy in favor of an active QOL strategy is likely difficult to achieve or be supported by local government. It has been found that while most economic development officials recognize the importance of local amenities in attracting jobs, few are committed to undertaking a widespread amenity strategy at the expense of more traditional tools (Gottlieb, 1994). There is evidence that a wave of economic development strategy is emerging likely due to an awareness of the limitation of past policy efforts in light of the

shift from an industrial to a knowledge-based economy (Segedy, 1997). This shift in industries suggests a higher level of focus is required on QOL, and is in fact warranted for the local economy to prosper in this new economy. Economic development recommendations include:

- 1) Coordination of QOL initiatives by Public--Private Sector for the improvement of local amenities and 'lifestyle' factors, such as parks, walkways, and city trails.
- 2) Development of a focused economic growth strategy on QOL factors, improvements of specific characteristics for short-term QOL improvements.
- 3) Development of QOL economic-planning considerations that are necessary in business targeting and industry diversification over the long term.

Unmistakably, QOL is an important asset for retaining or recruiting top-line personnel, and is arguably an important issue in economic development policy (Glaser and Bardo, 1991).

The recommendations related to employer recruitment and retention is constrained by the fact that employers have limited influence of QOL factors and are limited by their resources available to use as incentives in personnel recruitment and retention.

- 1) Utilizing a focused recruitment strategy, and coordination with the resources and initiatives of local economic development agency's marketing strategies.
- 2) Greater focus on the marketing and recruitment of university and college graduates in the region has not been adequately addressed in the past.
- 3) Openness to immigration practices and need to develop working environments that are appealing to new employees and residents of the city and country.

There are important considerations in the strategy to recruit new college and university graduates that are related to the QOL factors and addressing the recruitment and retention challenges. Many community leaders would suggest that the group of people they would want to attract are likely successful married couples in their 30s and 40s - with middle to upper income jobs. It is important to consider the information that was presented by Micholas (1996) in the discussion of migration. It was also found that compared to the average citizen of any country, migrants are typically younger, better educated, employed in secondary industries or professions, unmarried or relatively recently married, with relatively fewer children, and are renters rather than home owners. This was supported by Way (2005) in her findings that only 33 percent of the newcomer respondents had children. In rapidly changing industries, the most recent graduates predictably possess the most up to date skills. Second, college-educated people postpone marriage longer than the national averages, and regions will have to offer a climate that satisfies this group's social interests and lifestyle needs, as well as address those of other groups to maintain a wider candidate pool (Florida, 2005). The City of Prince George and its industries play important roles in influencing the QOL issues, and addressing the issues of economic development and recruitment and retention in Prince George.

Limitations and Further Research

The nature of the study limited both the type of research completed and number of interviews completed. Further research would be suggested to increase the sample size and include more specific measures of QOL factors. Further research is also suggested to include interviews with employees of organizations to gain their perspectives on QOL

issues – where possible it would also be interesting to include prospective employees who declined to come to job offers in Prince George. It is also suggested to include more respondents from each firm to include participants of employees to provide their views and perspectives on the issues of employee recruitment and retention in the region. The interviews that were conducted resulted in a narrow focus on the recruitment and retention issues, and the nature of the study dictated limited information and research gathered related to the economic development aspects of QOL. There is a need to perform more empirical research into the relationship between QOL and business location decisions. Further study is needed since the interest in QOL as an economic development strategy has grown considerably, while the research done in large scale studies have been done to limited degrees. These studies and research can benefit the local community in helping to contribute to the local economy and quality of life enjoyed by all community members.

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Appendices

Appendix A Interview Questions for Key Informants

Appendix B Interview Consent Forms

Public Service Definition-Specific

Prince George public services specific to infrastructures and facilities related to public education, public health services and community recreation. (*examples are; college and university, regional hospital and specialist services and parks, swimming pools and ice rinks.*)

Quality of Life Definition-Broad

General quality of life (QoL) issues that include, public and social services, community pollution and crime, weather factors, cost of living and commuting, housing affordability, economic health and remoteness.

General Company Background

1. How long has your company been located in Prince George?
2. What were the most important factors in the decision to locate/expand in Prince George?
3. How do public services compare to other factors in your decision to invest in PG?
4. How does QoL compare to other factors in your decision to invest in PG?

General Aspects of Retention

5. Does your company have concerns in regards to employee retention?
6. What are methods used to retain your employees in the company and Prince George?
7. Are there common reasons your employees leave your company and Prince George?

General Aspects of Recruitment

8. Does your company have concerns in regards to employee recruitment?
9. What are methods used to recruit your employees in the company and Prince George?
Is this process different for different levels of staff and management?
10. What is the cost to recruit and fill a position within your organization? Is this cost different for different levels of staff and management?

Public Service Issues

11. Do public services in Prince George affect your employee recruitment?
12. Do public services in Prince George affect your employee retention?
13. How important are public services (health/education/recreation) to your employee recruitment?
14. How important are public services (health/education/recreation) to your employee retention in Prince George?
15. How important are public services (health/education/recreation) to your company's operation in Prince George?

QoL Issues

16. Do QoL issues in Prince George affect your employee recruitment?
17. Do QoL issues in Prince George affect your employee retention?
18. How important are QoL issues to your employee recruitment?
19. How important are QoL issues to your employee retention in Prince George?
20. How important are QoL issues to your company's operation in Prince George?

Company Profile

21. What sector does the company operate in?
22. What ownership structure does the company have? (*owner operator?*)
23. What types of employees do you have? Permanent, part-time, contract
24. How many employees and managers do you have in your company?
25. Is your company more sensitive to QoL factors or public services in Prince George due to;
 - high demand and competition for skilled labour
 - strong economic condition of Prince George and BC
 - technology changes to business location requirements
 - industry changes to knowledge based workers
 - other factors
26. Is there anything else around QoL factors or public services in Prince George that you think affects your company's operations?

What Impact Does Public Services In Prince George Have On Private Investment; And Effects On Recruitment And Retention

Interview Consent Form

Purpose – The purpose of the project is to examine the impact of public services in Prince George on economic development and recruitment and retention. The research will consist of key informant interviews with business managers and Human Resource managers of companies in Prince George. The goal is to provide businesses and community groups with information relevant to present and future community economic development planning and public service infrastructure investments.

How Respondents Were Chosen - The interview participants were selected from local business groups, economic development agencies, and local government officials in order to obtain views from people actively engaged in economic development and business operations. The interviewees were selected from publicly available lists as well as suggestions received from community economic development agencies in the Prince George area. The interviewees were selected for their potential to provide information about issues relevant to present and future public service needs related to education, health care and recreation so as to inform community planning.

Anonymity And Confidentiality - The names of participants will not be used in any reporting, nor will any information which may be used to identify individuals. All information shared in this interview will be held within strict confidence by the researcher. All records will be kept in a locked storage at the interviewer's place of residence and will be accessible only to the interviewer. The information will be kept until the final project report is complete. After this time, shredding will destroy all information related to the interview.

Potential Risks And Benefits - This project has been assessed by the UNBC Research Ethics Board. The researcher does not consider there to be any risks to participation. I hope that by participating you will have a chance to provide input into issues relevant to public service needs by businesses and employees in Prince George so as to guide future planning and investments.

Voluntary Participation - Your participation in the research project is entirely voluntary and, as such, you may chose not to participate. If you participate, you may choose to not answer any questions that make you uncomfortable, and you have the right to end the interview at any time and have all the information you provided withdrawn from the study.

Research Results - In case of any questions that may arise from this research, please feel free to contact Dr. Greg Halseth (250-960-5826) in the Geography Program at UNBC. The final project report will be distributed to all interviewees.

Complaints - Any complaints about this project should be directed to the Office of Research, UNBC (250) 960-5820 <reb@unbc.ca>.

I have read the above description of the study and I understand the conditions of my participation. My signature indicates that I agree to participate in this study.

(Name -please print)

(Signature)

(Date)