Peel Halton Workforce Development Group

PEEL HALTON EMPLOYER SURVEY

2022

# Recruitment of Workers in a Tight Labour Market

Peel Halton Workforce Development Group


## Acknowledgements

The first acknowledgement must go to the hundreds of employers who made the effort to complete our survey. In every year, we appreciate that employers take time from their busy schedule to provide their insights through our annual survey on the issues which are most pressing in our local labour market. In this post-pandemic period, with their challenges in recruiting new employees, the pressures on their time have been that much greater and so their contribution is that much more appreciated. We would also like to express our sincere gratitude to the following individuals and organizations who contributed to the success of this survey.

### Advisory Committee

These individuals provided suggestions regarding the focus and content of the survey.

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**Jodi O'Gorman**
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### Dissemination Partners

These organizations assisted in reaching out to employers to encourage them to complete the survey.

ACCES Employment
Achēv
Association of Administrative Professionals
Brampton Board of Trade
Bronte BIA
Burlington Economic Development
Caledon Community Services
Caledon Economic Development
Canada Manufacturers and Exporters (CME): Ontario
Canadian Black Chamber of Commerce
Canadian Small Business Women (CSBW)
Downtown Acton BIA
Downtown Oakville BIA
Halton Hills Chamber of Commerce
HRPA- Peel
Indus Community Services
Kerr Village BIA
Malton BIA
Milton Chamber of Commerce
Milton Downtown BIA
Mississauga Board of Trade
Mississauga Economic Development
Mount Pleasant BIA
Newcomer Center of Peel
Oakville Chamber of Commerce
Oakville Economic Development Office
Ontario Business Improvement Area Association (OBIAA)
Ontario March of Dimes
Ontario Opticians Association
Ontario Restaurant Hotel & Motel Association (ORHMA)
Ontario Trucking Association
Peel Multicultural Council (PMC)
Peel Poverty Reduction Committee
Polycultural Immigrant and Community Services
Region of Peel
Sheridan College
Skills for Change
The Centre for Skills Development & Training
The Ontario Headwater Institute (OHI)
Toronto Association of Business Improvement Areas (TABIA)
YMCA-HBB


### Peel Halton Workforce Development Group

The Peel Halton Workforce Development Group (PHWDG) is a community-based not-for-profit Corporation that serves the Peel and Halton regions. The PHWDG functions as a neutral broker of research, disseminator of information and facilitator of collaborative partnership development. The PHWDG works with the community to identify trends and opportunities in the labour market environment which impact our workforce. We then nurture the ideas, which emerge from our consultations and seek to develop partnerships to address these issues, to further help our community to thrive in our local economy. Operating as part of the Local Boards Network of Ontario, PHWDG is one of 25 local planning board areas funded by the Ministry of Labour, Immigration, Training and Skills Development to conduct and distribute local labour market research and engage community stakeholders in planning processes that support local solutions to local labour market challenges.


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Ontario

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*An electronic version of this document as well as the survey questionnaire are available at: https:// www.peelhaltonlepc.com/reports*

# Executive Summary

**This survey represents the 12th year that the Peel Halton Workforce Development Group has administered an employer survey. This year, the focus of the survey was on recruitment challenges faced by employers, skill gaps and remote work.**

The survey was administered between September 7 and October 15, 2022. The survey attracted 623 employers, with an average response of 471 answers per question, from a cross-section of employers in Peel and Halton Regions, as well as from the surrounding Greater Toronto Area.

The survey sample of employers was skewed toward larger employers, with approximately 7% of Peel and Halton employers with 100 or more employees responding to the survey.

In the six months preceding the survey, respondents reported a high level of job recruitment activity:

- 69% had recruited for entry-level occupations
- 74% had recruited for mid-level skill occupations
- 47% had recruited for senior-level skill occupations

When it came to hiring across all three levels of occupations, both Manufacturing and Transportation & Warehousing firms were about twice as likely as all other firms to have been hiring in all three categories (around 40% of firms in both industries).

Over 30% of employers in the following industries reported recruiting for more than 20 entry-level positions:

- Accommodation & Food Services
- Administrative & Support; Waste Management
- Finance & Insurance

Over 15% of employers in the following industries reported recruiting for more than 20 mid-level positions:

- Administrative & Support; Waste Management
- Finance & Insurance
- Transportation & Warehousing

Employers expressed a very high degree of challenge when recruiting, with around half (52%) saying it was very challenging in relation to entry-level occupations, and an even higher 61% to 62% saying it was very challenging for mid-level and senior-level occupations. This degree of the challenge was even more pronounced in the following categories:

- For entry-level occupations: employers in Halton and employers with 1-4 employees
- For mid-level occupations: Construction sector employers
- For senior-level occupations: employers with 1-4 employees

By far, the most frequent challenge which arose for employers when recruiting for each level of occupation was the lack of job candidates, with almost two-thirds (63%) stating that this challenge arose very often.

Otherwise, the next two challenges by level of occupation were as follows:

### Entry-level

- Job candidate did not appear job ready
- Lacked the experience qualifications we were looking for

### Mid-level

- Lacked the experience qualifications we were looking for
- Wage expectations higher than what we were offering

**When asked to volunteer the most important soft skills for entry-level occupations, Communication Skills were by far the most frequently cited by employers . . .**

Peel Halton Workforce Development Group

### Senior-level

- Lacked the experience qualifications we were looking for
- Wage expectations higher than what we were offering

Employers used the same strategies whether recruiting for entry-level, mid-level or senior positions. Only the order of importance assigned to each strategy varied slightly:

| ENTRY-LEVEL | MID-LEVEL | SENIOR-LEVEL |
|---|---|---|
| 1. Ensuring wages are competitive | 1. Posting jobs with on-line sites | 1. Posting jobs with on-line sites |
| 2. Posting jobs with on-line sites | 2. Ensuring wages are competitive | 2. Ensuring wages are competitive |
| 3. Seeking referrals from current employees | 3. Seeking referrals from current employees | 3. Seeking referrals from current employees |

The two least likely recruitment strategies used across all three levels of occupations were:

- Placing advertisements in traditional media
- Offering a signing bonus

The Manufacturing sector more than any other industry made greater use of a multitude of different strategies when trying to recruit for entry-level positions.

When asked to volunteer the most important soft skills for entry-level occupations, Communication Skills were by far the most frequently cited by employers. Coming in second was Positive Attitude. Other soft skills commonly cited by employers were: Teamwork; Willingness to Learn; Interpersonal Skills; Punctuality; and Self-starter.

Employers were equally divided between the following two options when asked how they would respond to difficulty in finding the right job candidate for a mid-skilled or high-skilled position:

- Hire someone with the right soft skills who is a good fit with your organization and then provide them with the necessary training (45% of employers said they would be very likely to follow this approach)
- Keep searching until you find someone with the right technical skills (41% were very likely to choose this option)

Only 17% said they would be very likely to adjust the offered wage (although 58% said they would be somewhat likely to adjust the wage). A larger proportion was not likely to adjust either the experience or the education requirements.

When asked what should be done generally to address skills shortages, employers were more likely to select the following approaches from a list of possible responses:

- Employers should partner more with educational institutions, to inform curriculum and help prepare students for employment
- Job candidates should do more to better prepare themselves for the labour force
- Employers should provide more training to new or existing employees

The experience of COVID and the impact of lockdowns has changed the practice of remote work (or working from home). Before COVID, around 92% of employers said that their non-essential workers worked primarily in the workplace. With the lockdowns ended, only 61% say the same thing. While there was a high level of remote work during the lockdowns, it appears that a significant minority of employers now rely on either hybrid work (27% of employers say their non-essential employees work 30% to 70% of their time from home) or largely remote work

(18% of employers say their non-essential employees work 80% to 100% of their time from home). Employers with 100 or more employees are much more likely to make use of hybrid work arrangements for non-essential employees.

When it comes to supporting their human relations functions, employers are most interested in getting help in finding funding for workplace skills training. Other assistance they would find relevant is help in recruiting for all levels of occupations, for job retention strategies and for accessing student co-op or internship placements.

The survey invited employers to add any additional comments that the survey questions brought to mind. Several employers complained about what they felt were low levels of commitment to a job on the part of many job candidates or expressed their disappointment at being ghosted for a job interview or having new hires quit work after a few days. Others emphasized how difficult it was to recruit new workers or wished that it would be easier to hire international students.

As a follow-up to the survey, 13 employers were interviewed to obtain further qualitative insights. All interviewees described the impact of a tighter labour market and in many cases, each had their own circumstances which made their predicament that much worse. These circumstances may include jobs that had to be performed at weekends or on overnight shifts, or enterprises that relied on occupations that had become depleted during COVID, as incumbent workers sought alternative employment during lockdowns while others retired early. Health care occupations faced additional recruitment challenges as the number of new trainees declined when there were limitations placed on classroom education, workplace training and certification exams. Finally, some employers were dealing with the longer-term consequences of a depleted talent pipeline, primarily among the skilled trades.

# Contents

# Introduction

**This survey represents the 12th year that the Peel Halton Workforce Development Group has administered an employer survey. In recent years, the survey has chosen specific workforce issues for its themes. This year, the focus of the survey was on recruitment challenges faced by employers, skill gaps and remote work.**

The survey was administered between September 7 and October 15, 2022. This survey was distributed electronically through various channels such as social media (e.g., LinkedIn, Twitter), the PHWDG website, e-mail campaigns and PHWDG's community partners. The large number of responses which this survey generates is a consequence of the efforts of many partners who send out the survey to their stakeholders and e-mailing lists.

## Methodology

In total, 662 employers started the survey, but that number was reduced to 623 after the survey was "cleaned up" – surveys with no substantive answers were eliminated. As well, where respondents provided contact information, their response relating to their industry classification was checked and where necessary corrected. For the remaining questions, the average number of respondents per question was 471.

When it comes to the analysis of the survey results, cross-tabulation tables were created for each question, based on select groupings, such as employee size or industries, to compare responses.

The survey is not a random sample survey. It is based on which employers are contacted and which employers chose to respond to the survey. The survey sample is compared in its various characteristics (in particular, industry and size) to the distribution of all employers in the survey target area as one gauge of the degree to which the survey represents the universe of employers in Peel and Halton Regions. We also believe that the cross-tabulated comparisons provide insights into how different labour market issues were experienced by employers depending on their industry and the number of their employees.

## Profile of employers

The PHWDG survey, while focusing on Peel and Halton, also attracts employers across the Greater Toronto Area, as local partners who disseminate the survey through their e-mailing lists often engage with employers beyond the boundaries of these two regions. As a result, while a clear majority (73%) of the respondents are employers in Peel and Halton, many come from other parts of the GTA (Table 1). Also, many who list themselves as "Other" often indicate that their business has several locations, whether in Peel or Halton or also across the GTA.

In order to gauge how representative, the survey sample is, Table 1 focuses on the responses from Peel and Halton and compares how the survey distribution matches the actual distribution of establishments with employees in Peel and Halton. According to these results, employers from Oakville, Milton and Burlington are somewhat over-represented in the survey sample, while employers from Brampton are under-represented.

**For many industry sectors, the proportionate share of the Peel and Halton survey respondents rather closely matches the actual share present in Peel and Halton.**

**Table 1: Distribution of survey respondents by municipality**

| Municipality | SURVEY | | Actual in Peel/Halton |
|---|---|---|---|
| | Number | Percent | |
| Brampton | 46 | 10% | 33% |
| Mississauga | 172 | 38% | 36% |
| Caledon | 29 | 6% | 4% |
| Oakville | 81 | 18% | 11% |
| Milton | 54 | 12% | 5% |
| Halton Hills | 10 | 2% | 3% |
| Burlington | 64 | 14% | 9% |
| **TOTAL PEEL + HALTON** | **456** | **100%** | **100%** |
| City of Toronto | 96 | | |
| Durham Region | 2 | | |
| York Region | 15 | | |
| Other (please specify) | 53 | | |
| **TOTAL OUTSIDE PEEL + HALTON** | **166** | | |

Actual distribution of Peel and Halton employers from Statistics Canada, Canadian Business Counts, June 2022.

Table 2 profiles the distribution of survey responses by industry. Two calculations have been provided. Firstly, the actual number of all responses by industry, together with their percentage distribution (the first and second column of figures in Table 2). Then, the percentage distribution of only those survey responses from Peel and Halton, is compared to the actual percentage distribution of employers in Peel and Halton (third and fourth columns).

For many industry sectors, the proportionate share of the Peel and Halton survey respondents rather closely matches the actual share present in Peel and Halton. There are, however, two sectors where there is a considerable difference:

- Manufacturing (22.2% of the survey responses compared to 4.6% of all employers)
- Transportation and Warehousing (5.3% of the survey responses compared to 20.8% of all employers)

The only other sector where the spread is greater than 5% is among Professional, Scientific & Technical Services, which make up 10.3% of the survey responses but make up 16.9% of all employers in Peel and Halton.

**Table 2:** Distribution of survey respondents by industry

| Industry | TOTAL SURVEY | | PEEL AND HALTON | |
|---|---|---|---|---|
| | Number | Percent | Survey Percent | Actual Percent |
| Accommodation and Food Services | 27 | 4.3% | 3.7% | 4.9% |
| Administrative & Support, Waste Management | 18 | 2.9% | 3.1% | 4.0% |
| Agriculture, Forestry, Fishing and Hunting | 4 | 0.6% | 0.9% | 0.3% |
| Arts, Entertainment and Recreation | 21 | 3.4% | 2.6% | 0.8% |
| Construction | 42 | 6.8% | 6.6% | 8.4% |
| Educational Services | 37 | 6.0% | 5.7% | 1.2% |
| Finance and Insurance | 27 | 4.3% | 4.4% | 3.0% |
| Health Care and Social Assistance | 66 | 10.6% | 9.4% | 8.4% |
| Information and Cultural Industries | 12 | 1.9% | 0.9% | 1.0% |
| Manufacturing | 120 | 19.3% | 22.2% | 4.6% |
| Mining, Quarrying, and Oil and Gas Extraction | 1 | 0.2% | 0.2% | 0.0% |
| Other Services (except Public Administration) † | 63 | 10.1% | 10.3% | 6.8% |
| Professional, Scientific & Technical Services | 72 | 11.6% | 10.3% | 16.9% |
| Public Administration | 5 | 0.8% | 0.7% | 0.0% |
| Real Estate and Rental and Leasing | 6 | 1.0% | 1.3% | 3.7% |
| Retail Trade | 40 | 6.4% | 6.6% | 8.5% |
| Transportation and Warehousing | 26 | 4.2% | 5.3% | 20.8% |
| Utilities | 4 | 0.6% | 0.4% | 0.0% |
| Wholesale Trade | 31 | 5.0% | 5.5% | 5.9% |
| **TOTAL** | **629** | **100.0%** | **100.0%** | **99.8%** |

Actual distribution of Peel and Halton employers from Statistics Canada, Canadian Business Counts, June 2022
† Such as automotive repair, hairdressing or dry-cleaning services

**. . . only the distribution of survey respondents located in Peel and Halton are profiled, so that a comparison can be made with the actual distribution by size of establishments present in Peel and Halton.**

Table 3 profiles the survey respondents by the number of employees. Once again, only the distribution of survey respondents located in Peel and Halton are profiled, so that a comparison can be made with the actual distribution by size of establishments present in Peel and Halton.

Very small enterprises (1-4 employees) account for two-thirds (67.5%) of all establishments with employees in Peel and Halton, but a much smaller proportion of survey respondents, at 12.2%. Instead, survey respondents tend to represent larger firms, and the largest size category, 100 or more employees, accounts for over a quarter (27.3%) of all Peel and Halton survey respondents, whereas this category only accounts for 2.0% of all employers. However, for the sake of this survey, we feel there is a healthy distribution of responses by different size categories, allowing us to analyze deeper the differences in responses between employers.

The last row of Table 3 takes the actual number of survey responses by size category which came from Peel or Halton only and expresses it as a percentage of the actual number of employers in that category in Peel and Halton. The results show that among very small firms (of which there are very many), 0.1% of them in Peel and Halton answered the survey, whereas, among firms with 100 or more employees, 7.2% answered the survey (one in fourteen). In fact, three out of every 100 firms with 20 or more employees in Peel and Halton responded to this survey.

When it comes to analyzing the survey results, we will refer to differences in responses by these various sub-categories (industry, size or geography) where there exist significant outliers. We defined outliers as scoring lower or higher (by 25% or more) than the average score for any response.

**Table 3:** **Distribution of survey respondents by number of employees (Peel and Halton)**

| | Number of employees | | | |
|---|---|---|---|---|
| | 1-4 | 5-19 | 20-99 | 100+ |
| **ACTUAL DISTRIBUTION OF EMPLOYERS BY SIZE IN PEEL AND HALTON** | | | | |
| **Actual number** | 57,381 | 18,861 | 7,148 | 1,671 |
| **Actual percent** | 67.5% | 22.2% | 8.4% | 2.0% |
| **DISTRIBUTION OF EMPLOYERS BY SIZE AMONG PEEL + HALTON RESPONDENTS** | | | | |
| **Survey number** | 54 | 137 | 132 | 121 |
| **Survey percent** | 12.2% | 30.9% | 29.7% | 27.3% |
| **RATIO OF SURVEY RESPONDENTS TO ACTUAL** | | | | |
| **Survey as percent of actual in Peel and Halton** | 0.1% | 0.7% | 1.8% | 7.2% |

Actual distribution of Peel and Halton employers from Statistics Canada, Canadian Business Counts, June 2022

Sub-categories were selected based on enough responses in that category to ensure that the sample was robust. The sub-categories used for cross-tabulation were as follows:

### Number of employees:

- 1-4 employees
- 5-19 employees
- 0-99 employees
- 100 or more employees

### Industry sector:

- Construction
- Health care & social assistance (abbreviated as Health/Social)
- Manufacturing
- Professional, Scientific & Technical Services (abbreviated as PST)
- Services (Accommodation & Food Services; Arts, Entertainment & Recreation; Retail Trade)
- Other Services

### Geography:

- Peel
- Halton

## Incidence of hiring

A major part of this year's survey focused on the challenges employers faced when hiring, to what they attributed these challenges and what strategies they used to recruit new employees.

In exploring these topics, the survey distinguished between three levels of occupations, as follows:

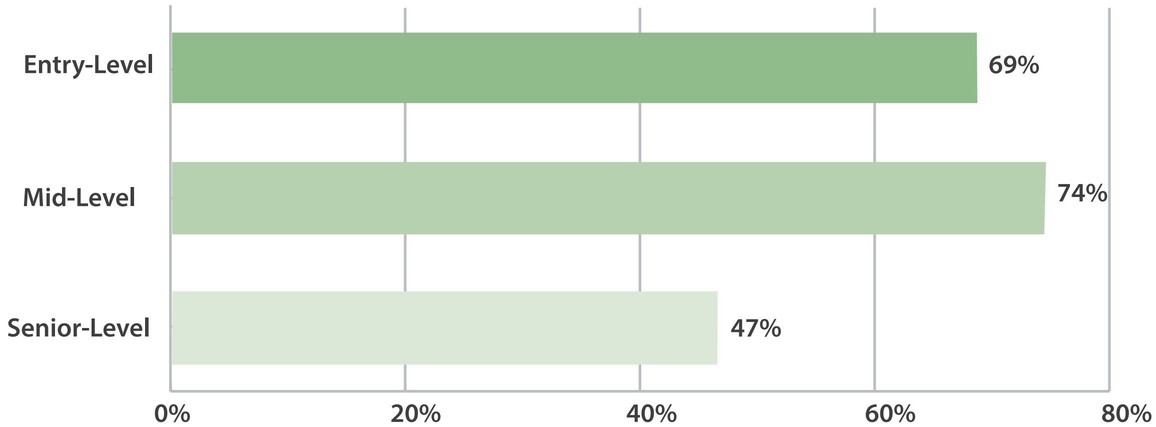
**Entry-level or low-skilled workers:** Jobs usually requiring a high school diploma or less, such as cashiers, shelf stockers, retail salespersons, cleaners, production workers, labourers

**Mid-level or mid-skilled workers:** Jobs usually requiring a trades certificate or a post-secondary diploma/degree, such as skilled tradespersons, technicians, technologists, supervisors

**Senior or high skill-skilled workers:** Jobs usually requiring a post-secondary diploma/degree, such as managers, professionals (e.g., accountants, engineers, lawyers), nurses, teachers

The survey first asked whether employers had hired or had a job opening for any of these three levels of occupations in the previous six months. Chart 1 shows the responses by the level of occupation.

**Chart 1: Incidence of hiring in the previous six months, all employers**



**Manufacturing and Transportation & Warehousing firms were about twice as likely as all other firms to have been hiring in all three categories . . .**

Clearly, there was a lot of recruitment taking place during this period. Almost three-quarters of firms (74%) had been hiring for mid-level occupations, almost an equal amount (69%) for entry-level positions and almost half (47%) for senior-level positions.

There were noticeable variations by sub-categories in the target occupations for which they were hiring.

### For entry-level workers:

- Manufacturing firms were far more likely to be hiring (87% compared to the average of 69%)
- The larger the firm, the more likely they were to hire entry-level workers

### For mid-level workers:

- Services firms were less likely to be hiring (55% compared to the average of 74%)
- The larger the firm, the more likely they were to hire mid-level workers

### For senior-level occupations:

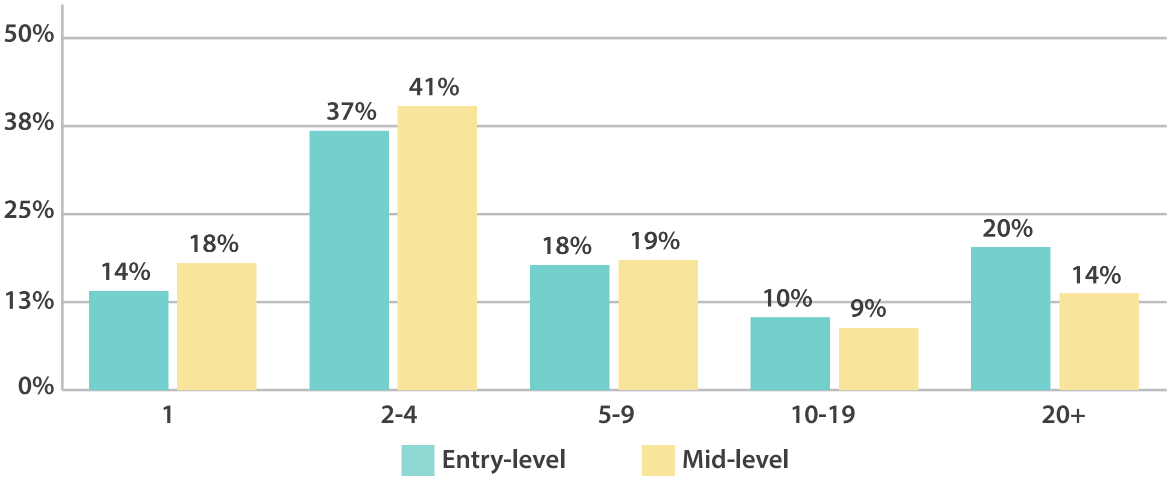
- Health Care & Social Assistance firms were far more likely to be hiring (67% compared to the average of 47%)
- Professional, Scientific & Technical Services firms were far more likely to be hiring (61% compared to the average of 47%)
- Services firms were far less likely to be hiring (19% compared to the average of 47%)
- The larger the firm, the more likely they were to hire senior-level workers (72% of firms with 100 or more employees were hiring compared to the average of 47%)

When it came to hiring across all three levels of occupations, both Manufacturing and Transportation & Warehousing firms were about twice as likely as all other firms to have been hiring in all three categories (around 40% of firms in both industries).

Employers were further asked to estimate the total number of positions for which they recruited over the previous six months, in each of the entry-level and mid-level categories. They were given a range of responses. Chart 2 shows the distribution of responses for both levels of occupations.

Interestingly, the distribution by number of hires is almost the same, with the largest difference being in the category of 20 or more hirings, but even there the difference is relatively small, with 20% of employers who had recruited entry-level workers indicated they posted for 20 or more positions, while 14% of employers who had recruited mid-level workers indicated they posted for 20 or more positions.

**Chart 2: Percentage of employers by number of positions posted over previous six months, by entry-level and mid-level occupations**



Which industries were more likely to recruit for a larger number of employees? Table 4 shows the percentage of employers by industry who participated in the survey that recruited for larger numbers of positions (10-19 positions and 20 or more). The table only shows those industries where at least 15 employers had responded to the survey (the number of survey respondents by industry is provided in the first column). Values of 15% or more are shaded green.

**Table 4: Percentage of all employers by industry recruiting for a larger number of positions, by entry-level and mid-level occupations**

| # in survey | INDUSTRY | ENTRY-LEVEL | | MID-LEVEL | |
|---|---|---|---|---|---|
| | | 10-19 | 20+ | 10-19 | 20+ |
| 27 | Accommodation and Food Services | 26% | 30% | 0% | 11% |
| 18 | Administrative & Support, Waste Management | 6% | 33% | 0% | 17% |
| 21 | Arts, Entertainment and Recreation | 10% | 19% | 5% | 5% |
| 42 | Construction | 0% | 12% | 7% | 2% |
| 37 | Educational Services | 3% | 8% | 5% | 11% |
| 27 | Finance and Insurance | 0% | 33% | 4% | 19% |
| 66 | Health Care and Social Assistance | 3% | 9% | 5% | 14% |
| 120 | Manufacturing | 9% | 16% | 10% | 6% |
| 63 | Other Services (except Public Administration) | 6% | 10% | 5% | 6% |
| 72 | Professional, Scientific & Technical Services | 1% | 3% | 8% | 8% |
| 40 | Retail Trade | 8% | 10% | 0% | 0% |
| 26 | Transportation and Warehousing | 15% | 15% | 8% | 15% |
| 31 | Wholesale Trade | 19% | 7% | 3% | 10% |

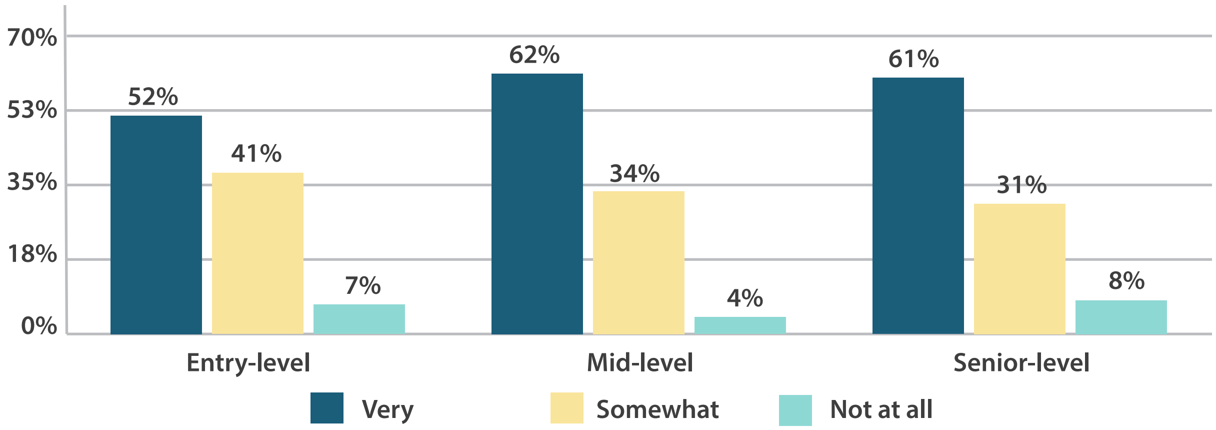
It is not surprising that Accommodation & Food Services would be hiring large numbers of entry-level workers, as this sector also has many employers with 20 or more employees. Administrative & Support includes temp agencies, so they also would be recruiting many individuals, in this case for both entry-level and mid-level occupations. Transportation & Warehousing had a significant number of employers hiring among entry-level and mid-level positions as well. It is noteworthy that Finance & Insurance employers had high proportions of employers hiring not only for mid-level occupations, but also entry-level occupations (these likely refer to office support occupations and customer services representatives).

. . . employers express a very high degree of challenge when recruiting, with around half (52%) saying it was very challenging in relation to entry-level occupations . . .

## Level of challenge when hiring

**Employers who had been recruiting in the previous six months were asked to rate the level of challenge they faced when recruiting. Chart 3 illustrates the responses across the three levels of occupations.**

**Chart 3: Degree of challenge experienced by employers when recruiting for different levels of occupations**




The percentages reflect the responses of those who provided an opinion (that is, it excludes those who answered, "Don't know," which represented only 1% to 2% of the responses in each category). Clearly, employers express a very high degree of challenge when recruiting, with around half (52%) saying it was very challenging in relation to entry-level occupations, and an even higher 61% to 62% saying it was very challenging for mid-level and senior-level occupations. Looked at another way, the proportion of employers who said it was not challenging was at most 8% (one in 12 employers) and as low as 4% (one in 25 employers) when recruiting for mid-level occupations.

There were differences in the level of challenge depending on the level of occupation and the sub-category being analyzed.

**For entry-level occupations**, employers in Halton expressed a higher degree of challenge, with 65% saying it was very challenging, compared to the average of 52%. Similarly, 67% of small employers (1 to 4 employees) indicated that it was very challenging.

**For mid-level occupations**, 79% of the Construction industry stated that it was very challenging to recruit workers in this category, compared to the average of 62%. This likely would reflect their difficulties in finding skilled tradespersons. On the other hand, a much lower 46% of employers in the Professional, Scientific & Technical Services industry felt that it was very challenging to recruit mid-skill level workers.

**For senior-level occupations**, 80% of employers with 1 to 4 employees stated it was very challenging to recruit, whereas only 46% of Services industry employers (Accommodation & Food Services; Arts, Entertainment & Recreation; Retail Trade) indicated that it was very challenging. (For these senior-level occupations, it should be noted that the sample size was smaller so these interpretations should be treated with caution.)

## Frequency of specific challenges when hiring

Employers were further asked how frequently a specific challenge arose when recruiting. They were given a set of challenges and asked to indicate whether this occurred "very often," "sometimes" or "rarely or not at all." To compare results across different challenges and between levels of occupations, a composite score was created, as follows:

- 2 points were given for each "very often" response
- 1 point was given for each "sometimes" response
- A zero was given for each "rarely or not at all" response

These values were added up and then divided by the number of respondents who provided a score (that is, excluding those answered "don't know/not applicable"), in this way creating an average score for each challenge (Table 5).

The challenges posed to employers were generally the same for each level of occupation, with only a few variations, so that the composite scores have been tabulated in a single table. For each column or level of occupation, the three challenges receiving the highest scores (that is, the challenges which arose most frequently) are shaded red, while the three challenges receiving the lowest composite scores are shaded green.

By far, the most frequent challenge which arose for employers when recruiting for each level of occupation was the lack of job candidates. In fact, for each category, 63% of employers stated that this challenge arose very often.

Otherwise, the next two challenges by level of occupation were as follows:

### Entry-level

- Job candidate did not appear job ready
- Lacked the experience qualifications we were looking for

### Mid-level

- Lacked the experience qualifications we were looking for
- Wage expectations higher than what we were offering

### Senior-level

- Lacked the experience qualifications we were looking for
- Wage expectations higher than what we were offering

Among the challenges which employers indicated arose less frequently were:

- Transportation or commuting difficulties could not be overcome
- Did not have the language skills we require

In terms of these two issues, these challenges were cited slightly more frequently with respect to candidates for entry-level jobs than for mid-level or senior-level occupations, though still not enough to move them from being challenges of lesser concern.

In terms of variations by specific categories of employers, the challenges which arose most frequently were not experienced in significantly higher proportions by another sub-category, although it is worth pointing out those categories that did cite them somewhat more frequently:

### Entry-level occupations:

- **Lack of job candidates:** Other Services; Manufacturing; employers with 1-4 employees; Services sector
- **Candidates did not appear job ready:** Services sector

### Mid-level occupations:

- **Lack of job candidates:** Manufacturing; Health Care & Social Assistance; employers with 1-4 employees
- **Lacked the experience qualifications we were looking for:** Manufacturing
- **Lacked the job-related skills we were looking for:** Manufacturing

### Senior-level occupations:

- **Lacked the experience qualifications we were looking for:** Construction

**Table 5:** **Composite scores for frequency of challenge by level of occupation**

| | Entry -level | Mid-level | Senior -level |
|---|---|---|---|
| Lack of job candidates | 1.56 | 1.57 | 1.59 |
| Lacked the educational qualifications we were looking for | 0.95 | 1.20 | 1.15 |
| Lacked the experience qualifications we were looking for | 1.32 | 1.49 | 1.45 |
| Job candidate did not appear job ready (did not show up for interviews; appeared unmotivated) | 1.45 | | |
| The job candidate was only testing their market value, not looking to change jobs | | 0.88 | 0.91 |
| Lacked the job-related skills we were looking for | 1.19 | 1.35 | 1.23 |
| Wage expectations higher than what we were offering | 1.22 | 1.40 | 1.36 |
| Not the right fit for our organization | 1.07 | 1.07 | 1.01 |
| Did not have the language skills we require | 0.71 | 0.66 | 0.47 |
| The working arrangements were not suitable for the candidate (hours of work; shift work; evenings or weekend work; and so on) | 0.83 | 0.67 | 0.67 |
| Transportation or commuting difficulties could not be overcome | 0.70 | 0.57 | 0.48 |
| The job candidate sought additional benefits (longer vacation time; advancement opportunities; extended health benefits) | | 0.68 | 0.81 |
| Job candidate accepted a job from a different employer | 1.00 | | |
| Job candidate accepted a job from a different employer or a counteroffer from their employer | | 1.02 | 0.99 |
| Job candidate was seeking hybrid or remote work | 0.78 | 0.77 | 0.91 |
| The job candidate did not possess the necessary leadership skills or the potential to develop them | | | 1.03 |
| The job candidate was resistant to further upskilling | | | 0.47 |

## Strategies for recruiting job candidates

Employers were next asked which strategies they used to recruit job candidates. Once again, this question was asked in relation to the three levels of occupations. Employers were given a range of strategies and were asked to indicate for each one their level of importance, as follows: "very important," "somewhat important" or "not likely to use."

To compare results across different strategies and between levels of occupations, a composite score was created, as follows:

- 2 points were given for each "very important" response
- 1 point was given for each "somewhat important" response
- A zero was given for each "not likely to use" response

These values were added up and then divided by the number of respondents who provided a score (that is, excluding those who answered "don't know/not applicable"), in this way creating an average score for each strategy (Table 6).

The strategies listed for employers were generally the same for each level of occupation, with only a few variations, so that the composite scores have been tabulated in a single table. For each column or level of occupation, the three strategies receiving the highest scores (that is, the strategies which were deemed most important) are shaded green, while the three strategies receiving the lowest composite scores (less likely to use) are shaded red.

There is very little difference between the top three strategies by level of occupation, even though the order of their ranking may be slightly different:

| ENTRY-LEVEL | MID-LEVEL | SENIOR-LEVEL |
|---|---|---|
| 1. Ensuring wages are competitive | 1. Posting jobs with on-line sites | 1. Posting jobs with on-line sites |
| 2. Posting jobs with on-line sites | 2. Ensuring wages are competitive | 2. Ensuring wages are competitive |
| 3. Seeking referrals from current employees | 3. Seeking referrals from current employees | 3. Seeking referrals from current employees |

Similarly, the two least likely recruitment strategies across all three levels of occupations were:

- Placing advertisements in traditional media
- Offering a signing bonus

The third least likely strategy differed:

- For entry-level workers: Obtaining services through fee for service recruitment agencies
- For mid-level or senior-level occupations: Recruiting international students

**Table 6:** **Composite scores for strategies for recruiting job candidates by level of occupation**

| | Entry level | Mid level | Senior level |
|---|---|---|---|
| Posting jobs with on-line sites (e.g., Indeed, Workopolis, Job Bank etc.) | 1.60 | 1.71 | 1.71 |
| Seeking referrals from current employees | 1.57 | 1.57 | 1.57 |
| Posting jobs on social media channels or company website | 1.21 | 1.30 | 1.43 |
| Obtaining services through fee for service recruitment agencies | 0.56 | 0.71 | 0.96 |
| Placing advertisements in traditional media (flyers/newspaper/radio ads) | 0.39 | 0.33 | 0.34 |
| Ensuring wages are competitive compared to similar employers in your area | 1.61 | 1.62 | 1.71 |
| Highlighting training and advancement opportunities within your firm | 1.46 | 1.47 | 1.57 |
| Offering employees flexibility to work remotely from home | 0.71 | 0.93 | 1.15 |
| Offering a signing bonus | 0.32 | 0.40 | 0.63 |
| Sourcing talent from a competitor company | | 0.74 | 0.88 |
| Making an effort to diversify your workforce (e.g., recruit youth, older workers, persons with disabilities, and so on) | 1.19 | 1.20 | 1.23 |
| Recruiting international students | 0.71 | 0.66 | 0.78 |
| Utilizing no-cost community employment services (e.g., Employment Ontario or settlement services) | 1.01 | 0.83 | 1.71 |

How are we to interpret the highest scores? A "2" represents very important and a "1" represents somewhat important, so that these top scores had to receive a lot of "very important" responses. Thus, for the strategy "posting jobs with on-line sites, these were the percentage of responses:

- 77% for senior-level occupations (composite score of 1.71)
- 75% for mid-level occupations (1.71)
- 63% for entry-level occupations (1.60)

There were variations by different categories of employers for each level of occupation:

### Entry-level occupations:

- For the top three strategies, no employer category was an outlier, although Manufacturing employers had higher scores than the average; for quite a few other strategies, Manufacturing employers had statistically higher scores than the average:
  - Posting jobs on social media channels or company website
  - Obtaining services through fee-for-service recruitment agencies
  - Placing advertisements in traditional media
  - Offering a signing bonus
  - Making an effort to diversify your workforce
  - Recruiting international students
  - Utilizing no-cost community employment services

No other employer category placed higher importance on numerous recruitment strategies for entry-level workers; Other Services did so for three strategies: utilizing community employment services; placing advertisements in traditional media; and offering a signing bonus. Otherwise, only one other employer category scored higher in one strategy: Professional, Scientific & Technical Services for offering employees flexibility to work remotely.

### Mid-level occupations:

- The variations in this category were not as pronounced as with respect to entry-level occupations; Other Services as well as Health Care & Social Assistance had statistically higher scores for making an effort to diversify your workforce and for recruiting international students; Other Services also had a statistically higher score for placing advertisements in traditional media, though this still remained a low usage strategy; Construction had a statistically higher score for sourcing talent from a competitor company.
- Two categories almost reached the statistically higher threshold for the importance of offering employees flexibility to work remotely: Other Services and Professional, Scientific & Technical Services.

### Senior-level occupations:

- For senior-level occupations, the Services category was more likely to place greater importance than the average on several strategies: offering a signing bonus; sourcing talent from a competitor company; utilizing community employment services; and placing advertisements in traditional media.
- Otherwise, only two other categories had statistically higher scores: Manufacturing for obtaining services through fee-for-service recruitment agencies, and Other Services for placing advertisements in traditional media

**Employers were asked to list the two soft skills which they felt were most important when evaluating job candidates for entry-level occupations.**

## Most important soft skills for entry-level occupations

Employers were asked to list the two soft skills which they felt were most important when evaluating job candidates for entry-level occupations. Respondents were not provided with a list but instead were asked to express the skill, preferably in one or two words. In compiling the results, we gathered responses which expressed the same thing. For example, we used the heading "Communication" to represent "Effective communications," "strong communication skills" and "communications – verbal and written."

Table 7 displays the skills which were cited by at least 5% of the respondents for each skill. The two columns distinguish between the first and second soft skills named by employers.

By far, communication skills top this list, by a wide margin as the first soft skill cited and in topping the list as well for the second soft skill cited. Second overall is having a positive attitude. The remaining skills that received at least 5% of the responses were: teamwork; willingness to learn; interpersonal skills; punctuality; self-starter; and technical skills (although, technically, technical skills are not a soft skill.)

**Table 7: Most frequently cited desirable soft skills among job candidates for entry-level occupations**

| SOFT SKILL #1 (419 responses) | | SOFT SKILL #2 (414 responses) | |
|---|---|---|---|
| **SKILL** | **PERCENT** | **SKILL** | **PERCENT** |
| Communication | 37.9% | Communication | 14.0% |
| Positive Attitude | 11.5% | Teamwork | 8.9% |
| Willingness to learn | 6.9% | Positive Attitude | 7.7% |
| Interpersonal Skills | 6.0% | Self starter | 6.8% |
| Reliability | 5.3% | Willingness to learn | 6.3% |
| Teamwork | 5.0% | Punctuality | 5.8% |
| | | Interpersonal Skills | 5.3% |
| | | Technical Skills | 5.1% |

## Responding to a skills gap when recruiting

The next question posed the following scenario to employers:

*Imagine a situation where you are having difficulty recruiting for a mid-skilled or high-skilled position where there is a need for certain job-related or technical skills. After a month or more of searching, how likely is your organization to adopt each or some of the following strategies:*

The survey then provided the respondents with the following options. The table lists how the option appeared, together with the abbreviated version that will be used in comparing responses.

Employers were asked to rate the likelihood of their using each of these options. The following values were assigned to each rating to produce a composite score:

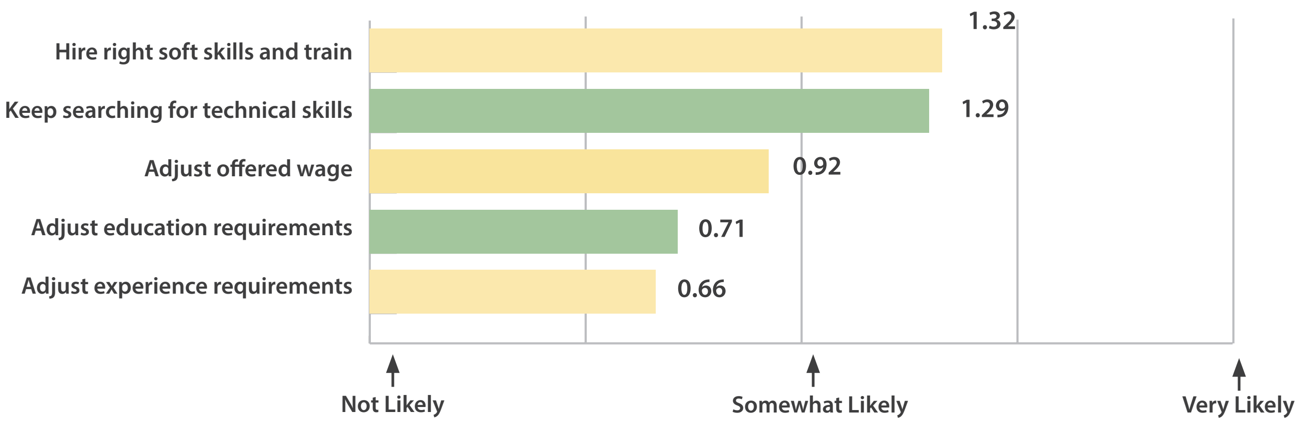
| | |
|---|---|
| Very likely | = +2 |
| Somewhat likely | = +1 |
| Not likely | = 0 |

The scores were added up and divided by the total number of respondents who provided a response. Chart 4 illustrates the responses for all employers.

There is a clear ranking of these options, with hiring the right soft skills and then training, as well as keep searching for the right technical skills, as both having the highest composite scores, and adjusting the experience

| Survey response | Abbreviation |
|---|---|
| Hire someone with the right soft skills who is a good fit with your organization and then provide them with the necessary training | Hire right soft skills and train |
| Keep searching until you find someone with the right technical skills | Keep searching for technical skills |
| Adjust the prerequisite experience requirements for the job posting | Adjust experience requirements |
| Adjust the prerequisite education requirements for the job posting | Adjust education requirements |
| Adjust the wage being offered for the position | Adjust offered wage |

**Chart 4: Ranking of options in responding to a skills gap for mid- or senior-level occupation**



***. . . when it comes to hiring for mid- and senior-level positions – experience is very important to them, and to a lesser extent education . . .***

requirements ranking as the least likely option. The actual distribution of responses explains more about how employers viewed these options (Table 8).

For the top two options (hire and train, and keep searching), the percentages are relatively similar, with slightly more employers being very likely to hire the right soft skills and then train. For the bottom three options, the percentage of employers saying they were very likely to use these options were relatively low, under 17% in all three cases. The big difference was that almost half (46%) of employers were not likely to adjust the experience requirements, while on the other hand, almost six out of ten employers (58%) would be somewhat likely to adjust the wage being offered. In this lies the essential concerns of employers when it comes to hiring for mid- and senior-level positions – experience is very important to them, and to a lesser extent education, whereas in some circumstances, they can be somewhat flexible on the issue of wages.

In terms of specific categories of employers:

- Construction employers were considerably less likely to adjust the experience requirements (61% said not likely)
- Health Care & Social Assistance employers were somewhat less likely to adjust the education requirements (56% said not likely)
- Services employers were more likely to hire the right soft skills and train (67% said very likely)

**Table 8: Percent distribution of answers in responding to a skills gap for mid- and senior-level occupations**

| | Very likely | Somewhat likely | Not likely |
|---|---|---|---|
| Hire right soft skills and train | 45% | 43% | 13% |
| Keep searching for technical skills | 41% | 48% | 11% |
| Adjust experience requirements | 13% | 42% | 46% |
| Adjust education requirements | 12% | 48% | 41% |
| Adjust offered wage | 17% | 58% | 25% |

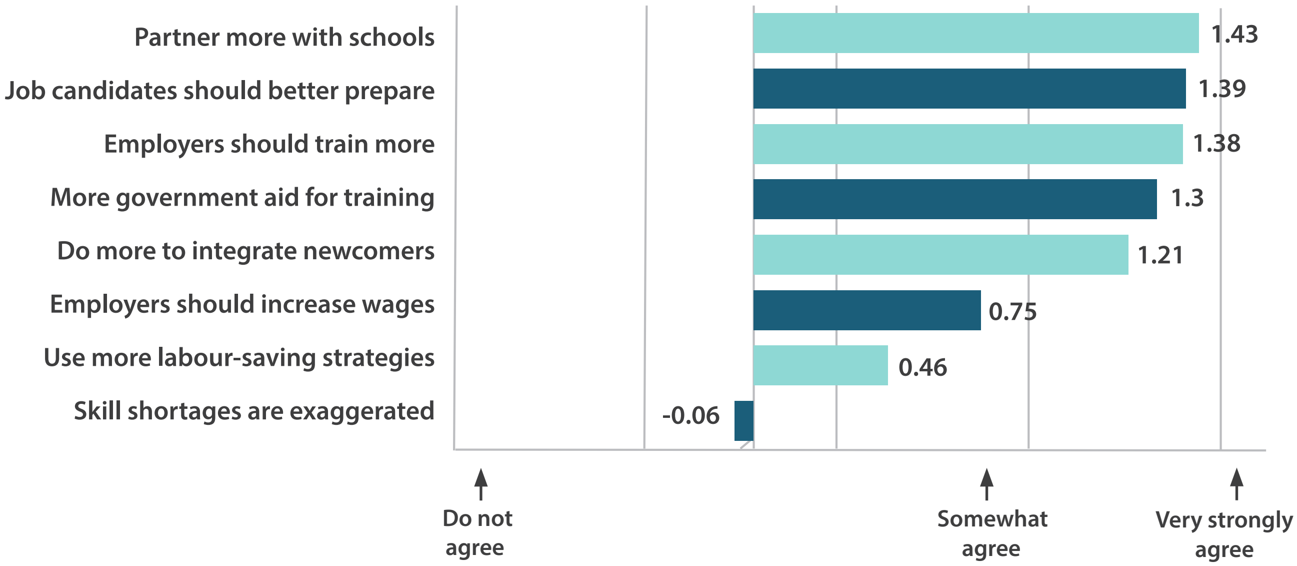
## Addressing skill shortages

The next question was premised on the widespread view that the labour market was beset by skill shortages. Employers were asked to rate their level of agreement with the following set of statements regarding the skill shortage issue (with the accompanying abbreviated version of each statement):

| Survey response | Abbreviation |
|---|---|
| Employers should provide more training to new or existing employees | Employers should train more |
| Job candidates should do more to better prepare themselves for the labour force | Job candidates should better prepare |
| Employers should increase wages to attract more qualified job candidates | Employers should increase wages |
| Governments should provide more financial incentives for employers to provide training | More government aid for training |
| Employers should make greater use of labour-saving strategies (for example, automation, robotics and/or artificial intelligence applications) | Use more labour-saving strategies |
| Employers should partner more with educational institutions, to inform curriculum and help prepare students for employment | Partner more with schools |
| Employers should make more efforts to integrate recent arrivals to Canada into their workforce | Do more to integrate newcomers |
| In my experience, talk about a skill shortage is an exaggeration – employers always say they cannot find the right skill sets | Skills shortage is exaggerated |

The composite scores are presented in Chart 5.

**Chart 5: Level of agreement in response to statements regarding skills shortages**



**Job candidates should do more to better prepare themselves for the labour force (50% strongly agree).**

There are four clusters of responses:

### Higher level of agreement:

- Employers should partner more with educational institutions, to inform curriculum and help prepare students for employment (54% strongly agree)
- Job candidates should do more to better prepare themselves for the labour force (50% strongly agree)
- Employers should provide more training to new or existing employees (47% strongly agree)

### Mixed level of agreement:

- Governments should provide more financial incentives for employers to provide training (while 53% of employers strongly agree with this proposition, almost one out of eight [12%] do not agree)
- Employers should make more efforts to integrate recent arrivals to Canada into their workforce (a lower 39% of employers strongly agree, but another 52% somewhat agree)

### Lower level of agreement:

- Employers should increase wages to attract more qualified job candidates (there is lukewarm support for this proposition: 23% strongly agree, 53% somewhat agree, and 24% disagree)
- Employers should make greater use of labour-saving strategies (for example, automation, robotics and/or artificial intelligence applications) (there is only lukewarm support for this idea, with a large minority disagreeing: 21% strongly agree, 42% somewhat agree, and 38% disagree)

### Slight disagreement:

- In my experience, talk about a skill shortage is an exaggeration – employers always say they cannot find the right skill sets (while 58% of employers disagree with this statement, there are pockets of support: 11% strongly agree and 31% somewhat agree)

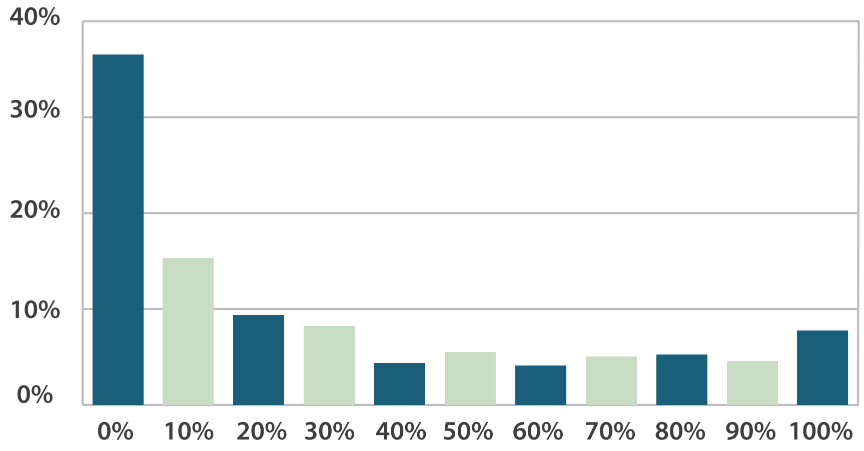
In terms of the three statements which received higher levels of agreement, there were no significant outliers among employer categories. However, for some of the other statements, there were some interesting variations:

- **Employers should increase wages:** Employers in Health Care & Social Assistance and in Construction were significantly more likely to support this proposition, whereas employers in Professional, Scientific & Technical Services expressed significantly lower support for this idea
- **Use more labour-saving strategies:** Manufacturing employers were significantly more likely to support this statement, while employers in Other Services expressed significantly lower support
- **Skills shortages are exaggerated:** Manufacturing employers were much more likely to disagree with this statement; on the other hand, Services employers were more likely to agree (only 43% disagreed with this statement, 35% somewhat agreed and 22% very strongly agreed), as well employers with one to four employees

## Remote work among non-essential workers

For the last couple of surveys (that is, during COVID), employers have been asked regarding the proportion of time non-essential workers have spent working remotely. Non-essential workers have been defined as "those who do not absolutely have to be present in the workplace to carry out their functions." The responses are expressed as a percentage of their time, where 0% means there is no remote work and 100% means this category of non-essential workers spends all their time working remotely. Chart 6 shows the responses.

**Chart 6: Percent of time working remotely**



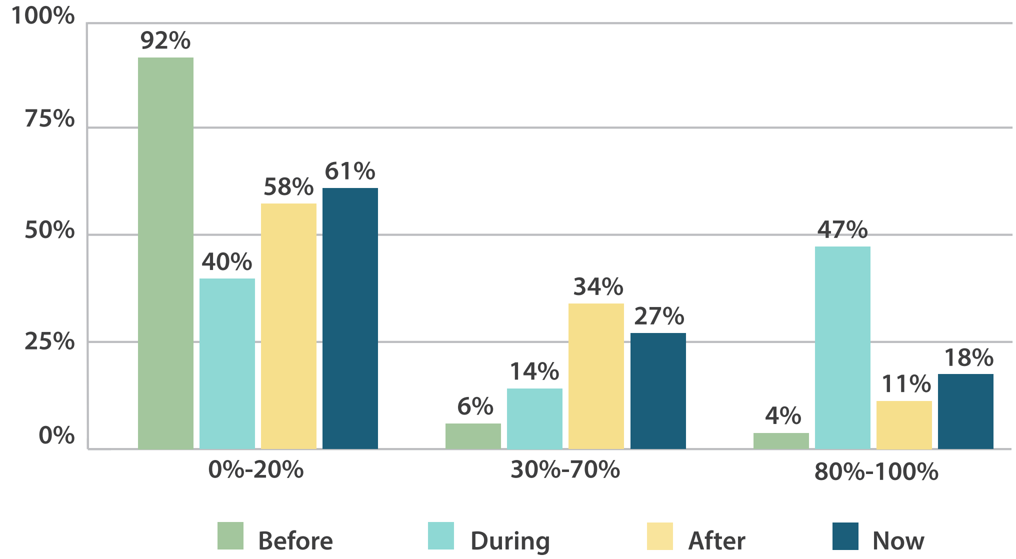

It is striking that only 37% of these non-essential workers are working all the time in workplace. That is a significant change from pre-COVID. Chart 7 assembles the data from last year's survey, when employers were asked to estimate the level of remote work pre-COVID, during COVID and what they expected after COVID had receded. These responses are compared to this year's answers. Instead of 11 possible answers, the percentage ranges have been collapsed into three categories:

- 0% to 20% (low level of remote work)
- 30% to 70% (medium level of remote work)
- 80% to 100% (high level of remote work)

Before COVID (blue bars), 92% of workers had a low level of remote work; in fact, 61% worked remotely 0% of the time. During COVID (orange bars), almost half (47%) were working remotely most of the time (80% to 100%). After COVID, employers expected only a partial return to the pre-COVID practice, with 58% of their non-essential workforce making use of a low level of remote work. According to this year's survey, that percentage is 61%, so last year's prediction appears to be holding.

The only notable difference between what was predicted last year and what the actual percentages are showing this year is that slightly more non-essential workers are working remotely at a high rate, with 18% (versus an expected 11%) working remotely 80% to 100% of the time, with a corresponding decline in the proportion of non-essential workers working a medium level of time remotely (30% to 70%). (In all cases, the percentages add up to slightly higher than 100%, because in the survey a small number of employers choose two answers.)

**Chart 7:** **Percent of time working remotely, before COVID, during COVID, expected after COVID and now**

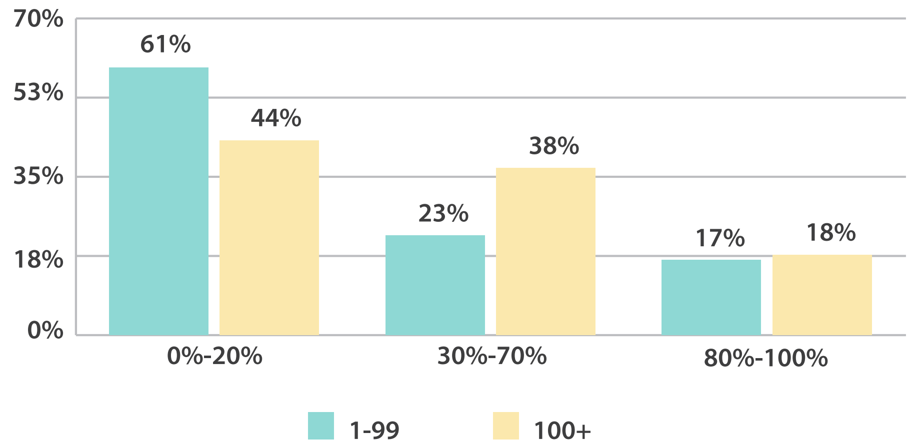



There were some considerable variations by different categories of employers. Not surprisingly, certain sectors had very low levels of remote work: Construction employers indicated that their non-essential workers were more likely to have low levels of remote work (89% worked remotely 0% to 20% of the time); the same with Services employers (89% worked remotely 0% to 20% of the time). On the other hand, Professional, Scientific & Technical Services employers registered a fair bit of remote work, with 42% indicating that their non-essential workers worked remotely 80% to 100% of the time.

While Manufacturing also has a very low percentage of non-essential workers working a high level of remote work (5% of workers working 80% to 100% remotely, compared to 4% each for Construction and Services), they have a high proportion working a medium level of remote work (26%, compared to 7% for Construction and 14% for Services).

There is an interesting contrast between employers with 1 to 99 employers (that is, 1-4, 5-19 and 20-99) and employers with 100 or more employees (Chart 8). While both categories have the same percentage of workers with a high level of remote worker (17% to 18% working remotely 80% to 100% of the time), there is a large difference in the proportion who work remotely a medium amount of time: 38% of non-essential workers among employers with 100 or more employees work remotely 30% to 70% of the time, compared to only 23% of non-essential workers among firms with 1 to 99 employees.

Chart 8: **Percent of time working remotely, employees with 1-99 and 100+ employees**



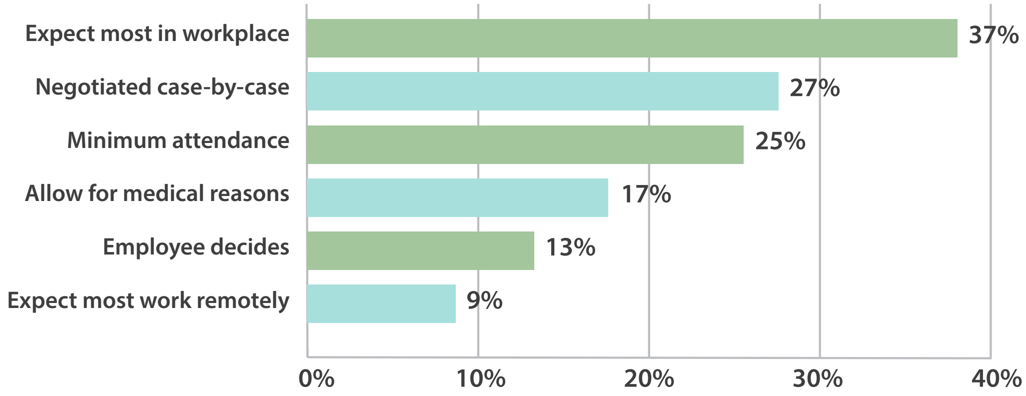

## How the level of remote work is agreed upon

A follow-up question asked employers how the level of remote work is agreed upon. Employers were provided with a series of statements and asked to indicate which of the statements applied to their organization. They could select more than one statement. The table below lists the statements and their abbreviated form for reporting purposes. The results are shown in Chart 9.

| Survey response | Abbreviation |
|---|---|
| Our organization allows each employee to decide how much of their work will be done remotely/from home | Employee decides |
| Our organization is pretty flexible, but we do set a minimum level of attendance to the workplace for our workers | Minimum attendance |
| The level of remote work/work from home is negotiated on a case-by-case basis between the organization and each employee | Negotiated case-by-case |
| Our organization generally expects most employees to be working from our workplace most of the time | Expect most in workplace |
| Our organization generally expects most employees to be working from home or remotely most of the time | Expect most work remotely |
| Our organization allows for work from home to accommodate medical conditions | Allow for medical reasons |

**. . . the employer generally expected most of the workers to be working from the workplace most of the time, with nearly four of ten (37%) choosing this option.**

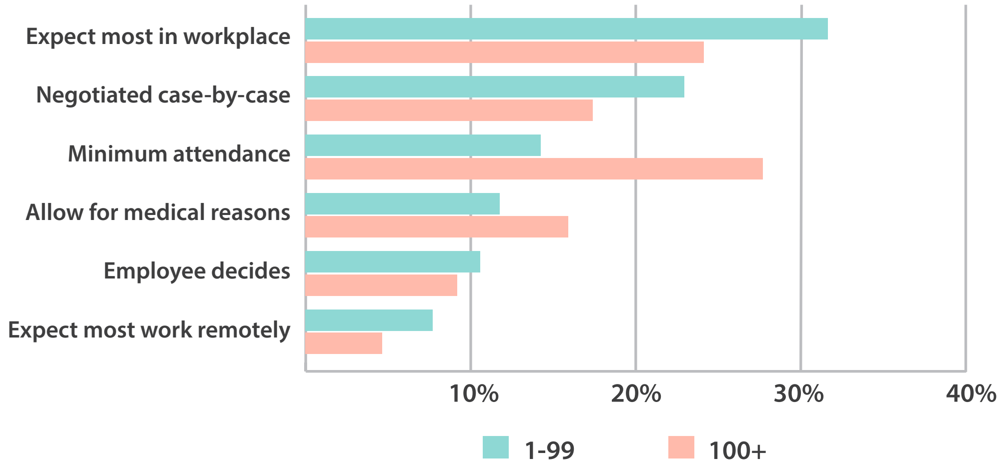
**Chart 9:** How level of remote work is agreed upon




The most likely approach was that the employer generally expected most of the workers to be working from the workplace most of the time, with nearly four of ten (37%) choosing this option. Another quarter each indicated that it was negotiated on a case-by-case basis (27%) or that while there was flexibility, there was a minimum level of attendance at the workplace that was expected (25%). Only a small percentage (9%) expected most employees to be working remotely or from home.

Employers with 1-99 employees are more likely to expect employees to be in the workplace most of the time, whereas employers with 100 or more employees are more likely to be flexible but expect a minimum attendance in the workplace.

**Chart 10:** How level of remote work is agreed upon, employers with 1-99 and 100+ employees



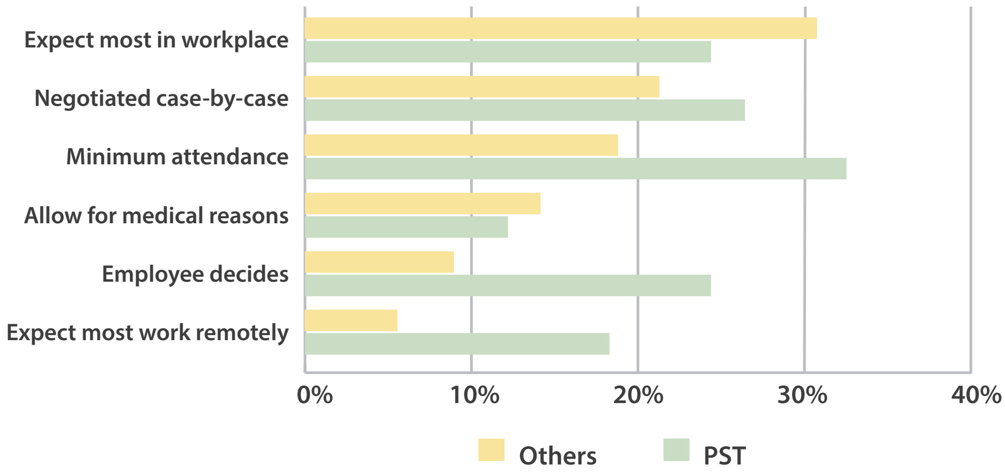

PEEL HALTON WORKFORCE DEVELOPMENT GROUP

As noted earlier, employers in the Professional, Scientific & Technical Services (PST) sector are far more likely to have a larger proportion of employees working from home/ remotely. Their answers to how this choice is decided are quite different from all the other employers (Chart 11).

Whereas the most likely approach of Other firms was the expectation that most workers would be present in the workplace most of the time (31%), among PST firms, the attitude was flexibility, but with the view that there would be a minimum attendance in the workplace (33%). PST firms were more likely to rely on negotiating on a case-by-case (27%), but more strikingly were the following results:

- PST were far more likely to rely on employees to determine whether they worked in the workplace or remotely (24%) compared to Other firms (9%)
- PST firms were much more likely to expect that most employees would work from home/remotely (18%) compared to Other firms (6%)

**Chart 11: How level of remote work is agreed upon, Professional, Scientific & Technical Services compared to all other employers**




## Relevance or usefulness of resources or forms of assistance for HR issues

Employers were presented with several potential forms of human resources (HR) assistance and were asked to rate their relevance or usefulness. A composite score was created, using the following values:

| | |
|---|---|
| +2 | Would be very relevant or useful |
| +1 | Would be somewhat relevant or useful |
| 1 | Do not need help in this area |

Each answer would be assigned a value and these values would be added up and then divided by the total number of employers who provided a rating, to achieve an average score. Table 9 presents the composite scores, in order from the highest to the lowest score, together with specific comments regarding each potential form of assistance.

**Table 9:** Relevance or usefulness of various forms of HR assistance

| Potential HR assistance | Composite score | % Very relevant or useful | % Do not need help in this area | Comment |
|---|---|---|---|---|
| Finding funding for skills training | 1.31 | 46% | 17% | By far the most votes for very relevant |
| Recruiting mid-level or mid-skilled workers | 1.19 | 35% | 17% | Not as useful to PST firms |
| Recruiting entry-level or low-skilled workers | 1.10 | 34% | 25% | More important to Services firms, less so for PST firms |
| Recruiting senior-level or high-skilled workers | 1.09 | 34% | 25% | Slightly more important to Construction firms |
| Broadening your recruitment strategies to target under-represented groups | 1.08 | 28% | 20% | |
| Job retention strategies | 1.07 | 33% | 27% | Lower importance to Construction firms |
| Accessing student co-op or internship placements | 1.07 | 33% | 27% | Highly useful to Services, low score from Construction |
| Identifying appropriate skills training providers | 1.05 | 29% | 25% | |
| Identifying skills training needs | 1.04 | 30% | 26% | Low usefulness to Construction firms |
| Recruiting new arrivals to Canada | 0.99 | 29% | 30% | |
| Establishing coaching or mentoring programs | 0.97 | 27% | 30% | High value to Health Care & Social Assistance; low value to Construction |
| Setting up an apprenticeship or recruiting an apprentice | 0.94 | 28% | 33% | Low value to Health Care & Social Assistance |
| Onboarding new employees | 0.88 | 26% | 37% | Low value to Manufacturing |
| Developing cross-cultural competencies across your organization | 0.86 | 22% | 34% | High value to Health Care & Social Assistance; low value to Construction |
| Developing a diversity and inclusion policy | 0.81 | 23% | 40% | Low usefulness to PST and Construction firms |
| Designing exit interview questions | 0.79 | 21% | 39% | High value to Health Care & Social Assistance; low value to PST and Construction |
| Recruiting international students | 0.69 | 15% | 43% | High value to Services; low value to Manufacturing and PST |

Some further observations regarding Table 9:

- The relevance of finding funding for skills training is valued highly by almost half (46%) of the employers
- At the other extreme, somewhat less than half (43%) would not find help with recruiting international students useful (although 35% of Services firms would find this very useful)
- Generally, Services firms were more likely to rate many of these forms of HR assistance more highly
- Across the various industries, Construction firms were more likely to rate many of the proposed forms of HR assistance as not of use to them; to a somewhat lesser extent, the same can be said of Professional, Scientific & Technical Services firms

**Employers were invited at the end of the survey to provide additional comments relating to the topics covered by the survey or priorities related to their organization.**

## Other comments from employers

Employers were invited at the end of the survey to provide additional comments relating to the topics covered by the survey or priorities related to their organization. Close to 70 comments were received covering a very wide range of topics, with several prominent themes, although in every instance, this amounted to four of five employers raising the issue:

- Dismay at low levels of commitment to a job, that some individuals were simply putting in the time but not seeking a career or investing effort for a quality result
- Disappointment at being ghosted for job interviews after an appointment had been mutually agreed to
- A desire that it would be easier to hire international students or that the government policy should accept more immigrants who are interested in doing entry-level/lower-skilled jobs (a small number felt that some international students were only using the opportunity to improve their chances to emigrate to Canada)
- Several highlighted how difficult it was to recruit job candidates in a tight labour market and how companies needed more human resources assistance

While the comment section often attracts suggestions regarding how the survey could have been better designed, this time there was a larger number of comments which offered their gratitude that their recruitment challenges were being investigated at some depth.

The remaining comments were disparately dispersed among other subjects, from specific comments regarding their industry (for example, concern about future skills shortages), suggestions that making use of internships or co-op placements was a good way to test future potential job candidates or a belief that social assistance acted as a disincentive to work.

## Follow-up interviews

As part of the survey process, respondents were also asked if they would be willing to participate in a short follow-up phone interview so that the analysis of the data could benefit from additional qualitative insights. In total, 13 employers were interviewed.

All interviewees described the impact of a tighter labour market and in many cases, each had their own circumstances which made their predicament that much worse. Overall, they noted that there were fewer job candidates applying for job openings, although, among some of them, there was a sense that there were more job candidates applying in the fall than had been the case in the summer. A tight labour market meant, in the words of one employer, that everyone who wanted a job had a job, and that employers were competing over a smaller pool of job candidates who had more choices and could be pickier in terms of the employment they chose. For some employers, this smaller pool also meant a less qualified pool of job candidates. Several employers complained that they were regularly ghosted (individuals not showing up for pre-arranged job interviews) or that new hires abandoned their job within a few days of working.

Some employers increased their wage offer or improved their benefits package or job and/or wage advancement prospects and found that helped them secure more successful job candidates. But others noted that not everyone is enticed by a higher wage. Some individuals are only looking for an easier job, not thinking about a career. Thus, if a job was somewhat more taxing, fast-paced, involved a lot of multitasking or required a level of resilience to push through challenges, then for some, it represented more effort than they were prepared to invest in a job.

In other jobs, such as construction labourers who were not pursuing apprenticeship opportunities, even higher pay was not always a sufficient incentive for jobs that often involved outside work, physical labour and having the means to move from worksite to worksite. A labourer's job in a factory or a warehouse could for some be a more attractive alternative.

Some businesses that provided services to other businesses could be constrained by contracts that limited their ability to raise wages during the term of their contract.

In these tight labour market circumstances, any additional job requirement could make recruiting more difficult, such as the need to work weekends or night shifts. In other cases, the peculiarities of the occupation made recruitment more difficult. For example, a company hiring truck drivers noted that with a general shortage of truck drivers, they got constrained by the fact that some truck drivers wish to work independently, as self-employed drivers. Manufacturers hiring mid-level office employees were competing with the broad range of industries that hire office workers. Fast food franchises located in more affluent neighbourhoods found it difficult to entice youth to work, as they were often more focused on devoting more time to their studies to ensure their future academic and career success, as opposed to earning additional pocket money. (These fast-food outlets also noted that older adults were not always well-suited to these jobs which could be fast-paced and require a high level of digital skills.)

Customer-facing occupations which were more affected by COVID-19 and the lockdowns were equally more difficult to recruit for: incumbent workers in those roles sometimes found other careers when they were unable to work during the COVID period, while others decided to retire early, thus shrinking the pool of experienced workers in these categories. Others may have been less inclined to enter these fields, with the uncertainty brought on by COVID-19. In some of these occupations where training was required (for example, various health care occupations), training was often suspended during COVID, as was the administration of exams and certification, narrowing the pipeline of new workers entering these occupations.

Certain professions had already been experiencing shortages before COVID-19, notably the skilled trades, where a drop in apprenticeship enrollments in previous decades meant that there were now fewer experienced tradespersons available, even as apprenticeship numbers had started climbing again.

Across these many occupations, employers felt that it was necessary to educate youth while they were still in high school about the income and career prospects of these jobs. As well, in the case of skilled trades, some employers felt the public sector should invest more in their own workplace training so as to enlarge the pool of qualified workers and reduce the amount of poaching which takes place between employers.

## Conclusion

The survey reveals a re-charged labour market, with large portions of employers hiring across all levels of occupations. It is also an extremely tight labour market, with more than half of employers indicating that it is very challenging to recruit job candidates. By far the biggest challenge is the lack of candidates but, at each skill level, other challenges also presented themselves. Entry-level job candidates often did not appear job-ready or lacked experience. Candidates for mid-level or senior-level positions also appeared to lack the desired experience and in the view of employers had wage expectations higher than what was being offered.

Employers are weighing different options when it comes to overcoming these challenges, primarily seeking to ensure that wages being offered are competitive as well as looking at training as a solution. This includes seeking funds for workplace training, as well as partnering more with educational institutions, to ensure that students are well prepared for the world of work.

Peel Halton Workforce Development Group

2022

PEEL HALTON EMPLOYER SURVEY

# Recruitment of Workers in a Tight Labour Market

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