

PEEL-HALTON EMPLOYER SURVEY



2016



PEEL HALTON WORKFORCE DEVELOPMENT GROUP

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EXECUTIVE SUMMARY

For six years now, the Peel Halton Workforce Development Group has carried out an annual survey of local employers, to probe them regarding their current hiring, training and workforce development practices. This survey is meant to assist the many local stakeholders who have an interest in the local labour market, in particular the perspective of local employers. These stakeholders include employment service providers, career counsellors, educators, trainers, economic development officers, among others.

The 2016 Peel Halton Employer Survey attracted an average of 637 responses per survey question, a very high number of answers, representing a good cross-section of employers by geography, industry and size of company. Over 40 community partners helped distribute the electronic survey to their employer e-mail lists.

The survey attracted responses from 159 local firms with over 100 employees, roughly one in ten of the 1,557 local firms of that size. The survey also attracted responses from 3% of the 6,941 firms with 20 to 99 employees.

The survey sought to categorize firms by different characteristics:

- 48% of firms expect to expand over the next two years (this is especially the case among firms in the Professional, Scientific & Technical Services sector)
- 36% feel they are at their optimal size and are only hiring to replace departing employees
- 24% of firms focus on keeping their staffing costs to a minimum (this includes over 30% of firms in the Services sector and in Transportation & Warehousing)

Seven out of ten employers provide workplace-relevant experience to students or potential workers, such as co-op placements, internships or apprenticeships. The larger the firm, the more likely they provide such opportunities.

Co-op students are more likely to be paid if they are college or university students and considerably less likely to be paid if they are high school students. The same pattern applies to interns, except that high school interns appear equally likely to be paid or unpaid.

The degree to which firms offer co-op positions and to proportion that offer paid co-op positions varies by industry. Where employers do not offer a workplace-relevant experience, by far the most common reason is because, in the employer's view, their organization does not have the capacity to host such activities. Coming a more distant second is concerns relating to health and safety, and/or insurance liability.

When it comes to recruitment, the following factors were ranked highest in the hiring decision:

- Fit with company and/or familiarity with business practices/customs
- Performance in an interview
- Previous work experience in the same field

The factors which ranked lowest on the list were:

- Volunteer experience
- Foreign work experience in the same field
- College or university GPA
- Co-op or internship experience

Firms hire as their business expands, but other reasons also come into play, and these vary somewhat by skill level: entry-level workers are also hired for seasonal or cyclical reasons, as well as to replace voluntary separations. Intermediate staff are also hired as a result of voluntary separations, as well as maternity leaves and involuntary separations. Senior staff are hired in response to retirements and voluntary replacements.

Almost one third of respondents indicated that they used temp agencies, but that use varies considerably by size of employer, with half of the largest firms (100+ employees) using temp agencies. There is considerable reliance on temp agencies by firms in the Manufacturing as well as Transportation & Warehousing sectors.

Firms are more likely to rely on temp agencies in order to have greater flexibility and to respond to changes in work volumes, as opposed to saving money or a desire to avoiding a permanent hire. Manufacturing firms are especially more likely to use a temp agency as a way to test a future hire. Very small firms (1-4 employees) are also more likely to use a temp agency to test a future hire, but also are more likely to claim that it saves them money.

Almost half (46%) of all employers do not make use of any contract workers. Around a third use short-term contract workers, and reliance on long-term contractors or on consultants is found among a quarter of employers. Only one out of nine employers use gig workers. Reliance on contract workers varies greatly by size of firm: 75% of firms with more than 100 employees use contract workers of one form or another.

When it comes to the reasons for their reliance on contract workers, employers appear to use the same thinking as in the case of their reliance on temp workers, except that they are less likely to view it as a way to test a future employee, and they are more likely to view it as a way to save money.

Almost a third (31%) of employers say that job candidates lack both hard and soft skills), but when it comes to singling out a type of skill, employers are far more likely to name the lack of soft skills (25%) rather than hard skills (8%). A further 15% of employers say that job candidates have adequate hard and soft skills, and another 22% say that the skills shortage is only in relation to a few specific occupations.

Smaller firms are more likely to complain about the lack of soft or hard skills. Manufacturing firms are more likely to cite the lack of hard and soft skills, together with the lack of hard skills only. Professional, Scientific & Technical Services firms are far more likely to cite the lack of soft skills. Firms that focus on keeping staffing costs to a minimum were somewhat more likely to state that job candidates lack both hard and soft skills.

The soft skills most often cited as lacking by employers are:

- Initiative and self-motivation
- Written communication skills
- Oral communication skills
- Problem-solving
- Critical thinking

When employers are asked to name specific hard skills that are lacking, 20% of their responses actually involve soft skills. Of the remaining, the most prominent hard skills involve such general fields such as computer knowledge, mechanical ability, technical knowledge or working with tools. Very specific hard skills that are named include: mathematics; welding; sales; various trades skills; or familiarity with a particular software (e.g. Microsoft Excel).

When it comes to solutions to various workforce issues, employers are more likely to value more highly those options that place greater expectations on the education system, such as teaching more soft and hard skills in schools, or requiring more workplace-learning through the schools. Secondarily, there are solutions that involve the participation of employers, such as working with the education system to offer more workplace-relevant learning opportunities, or advising schools are what skills are in demand.

Third down the list are solutions which would provide employers with more assistance, such as greater financial support for workplace training. Finally, lowest on the list were those solutions which would depend on employers taking some action, such as raising wages to attract a higher quality job candidate, or expanding their recruitment strategies to reach a wider range of candidates.

When asked about specific occupations experiencing skills shortages, employers provide a vast array of responses. There is not a small number of occupations that dominate the list, but there are clusters of occupational categories which are more prominent, namely:

- Occupations related to computer or IT
- Sales-related occupations
- Skilled trades

Employers feel their firms are doing a satisfactory or excellent job in meeting diversity and inclusion goals when it comes to such HR practices as recruitment, retention, on-boarding or formal policies for these practices. Employers score somewhat lower their practices related to tracking progress of diversity and inclusion policy implementation or tracking the contribution of diversity and inclusion to corporate performance. When it comes to diversity and inclusion goal, most firms say there is no one group which is a priority target population.

To close the survey, employers were asked if they wished to make any additional comments. The broad categories of these comments were: complaints about the poor quality of job candidates; suggestions about broader strategies, notably regarding what schools should be doing; opinions suggesting that diversity goals undercut the ability to choose the best candidate; and observations regarding the survey itself (a bias toward larger firms; a desire for more options among the questions, including not being required to answer each question).

COMMUNITY IMPACT

"Detailed information from tools like the 2016 Employer Survey are invaluable in helping us determine how we are doing as both an employer and a competitor. The depth of detail and the clear analysis really helps us assess where we are and where we are going. As a tool to help business growth; many of our clients are international companies looking to set up shop in the southern Ontario region, information from the survey provides a competitive edge to help them determine the best location with the widest talent pool. The observations and conclusions from the survey are a must-have for every company growing their business in the region." **Peter Hawkins, Managing Director / Controller, MELLOHAWK Logistics**

"The Peel Halton Employer Survey provides excellent insights into the attitudes and demands of our local employers and their current needs and future demands. The annual survey helps us educate our clients on the changing expectations of employers in terms of skill requirements and how they can best maximize their potential and present a job-ready application that speaks to the challenges employers are facing in real-time."

Sue Sadler, VP, Services & Program Development, ACCES Employment

"The annual Peel Halton Employer Survey has been an essential tool for us to get a pulse of working environment in Caledon and surrounding region. It has allowed us to understand the dynamics of employment in the area, from types of industry to hiring patterns to the level of skills of employees to future needs of employers. The Employer Survey has helped us provide more targeted and improved economic development services to improve the business climate in Caledon." **Jith Dravin, Research Analyst, Economic Development, Strategic Initiatives, Town of Caledon**

"The Peel-Halton Workforce Development Group Employment Survey provides pivotal intelligence of the local labour market. The statistics provide the City of Brampton Economic Development & Culture team an understanding of up-to-date trends and opportunities in the labour market ecosystem which impacts the City of Brampton workforce. This report contributes to the Economic Development & Culture team in developing strategies and policies which assist in creating a highly skilled labour force for the future." **Daniel Bishun, Business Information and Competitive Policy Coordinator, Economic Development, City of Brampton**

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THE PEEL-HALTON
EMPLOYER SURVEY IS A
MUCH ANTICIPATED
COMMUNITY RESOURCE

INTRODUCTION: SURVEY OVERVIEW AND PROFILE OF RESPONDENTS

For six years now, the Peel Halton Workforce Development Group has carried out an annual survey of local employers, to probe them regarding their current hiring, training and workforce development practices. This survey is meant to assist the many local stakeholders who have an interest in the local labour market, in particular the perspective of local employers. These stakeholders include employment service providers, career counsellors, educators, trainers, economic development officers, among others.

The 2016 6th annual Peel Halton Employer Survey resulted in a very high number of employer responses: an average 637 responses for each question (there is often a drop-off in participation through the length of a survey, with the number completing the survey not reflecting the fact that many uncompleted surveys still provide us with useful answers).

This is a considerable increase over the 484 average number of responses to the 2015 survey.

As always, this high response rate would not be possible without the over 40 community partners who helped disseminate the electronic survey to their employer e-mail lists.¹ It is also apparent that many employers appreciate the value of the survey, as over half (55%) request a copy of the survey results.²

The respondents represented a good cross-section of employers, by geography, industry and size.

Table 1 compares the distribution of survey responses by geography to the distribution of employers in these seven municipalities.

Table 1: Distribution of survey responses by geography

	Share of survey responses	Share of employers in Peel and Halton ³
Brampton	25%	29%
Burlington	15%	9%
Caledon	2%	4%
Halton Hills	3%	3%
Milton	5%	4%
Mississauga	34%	40%
Oakville	15%	11%

There is a broad concordance between the survey distribution of employers and the actual distribution of employers by municipality; there is a slight under-representation of employers from Mississauga and Brampton, balanced out by a slight over-representation of employers from Burlington and Oakville.

Table 2 profiles the survey responses by industry. The actual number of survey responses by industry, as well as the percentage share of the total survey population

by industry is presented, which is compared to the actual percentage distribution by industry of all establishments in Peel and Halton having employees.⁴

For many industries, the proportions in the survey sample and the proportions by the actual number of employers is relatively close. The three biggest discrepancies are in Manufacturing (a far higher share in the survey), Transportation & Warehousing (a far lower share in the survey) and Educational Services (a far higher share in the survey). Differences of more than three percentage points are found in: Construction; Retail Trade; Professional, Scientific and Technical Services; Administrative and Support Services; Health Care & Social Assistance; and Arts, Entertainment & Recreation.

The influence of these imbalances will be somewhat mitigated by isolating the responses of some of the bigger categories in the analysis. Where it is relevant, responses will be provided for the following industry categories:

- Manufacturing
- Transportation & Warehousing
- Professional, Scientific and Technical Services
- Services (Retail Trade; Arts, Entertainment & Recreation; and Food & Accommodation Services)

Two larger industry categories were not singled out. In the case of Health Care & Social Assistance, there was considerable variation between the kinds of jobs found

in, on the one hand, health facilities, and what were often community agencies on the other hand. In the case of Educational Services, there were a mix of public and private institutions that made the category much more heterogeneous.

Table 2: Distribution of survey respondents by industry

	SURVEY NUMBER	SURVEY PERCENT	ACTUAL PERCENT
11 Agriculture, forestry, fishing & farming	6	0.8%	0.4%
21 Mining	2	0.3%	0.0%
22 Utilities	4	0.5%	0.1%
23 Construction	39	5.3%	8.4%
31-33 Manufacturing	136	18.4%	5.4%
41 Wholesale Trade	37	5.0%	7.2%
44-45 Retail Trade	38	5.1%	9.8%
48-49 Transportation/Warehousing	45	6.1%	18.9%
51 Information and Cultural Industries	15	2.0%	1.0%
52 Finance and Insurance	21	2.8%	3.1%
53 Real Estate, Rental & Leasing	11	1.5%	3.3%
54 Professional Scientific Technical Services	79	10.7%	14.9%
55 Management of Companies	6	0.8%	1.0%
56 Administrative and Support	7	0.9%	4.5%
61 Educational Services	73	9.9%	1.1%
62 Health Care & Social Assistance	84	11.4%	7.5%
71 Arts, Entertainment & Recreation	26	3.5%	0.8%
72 Accommodation & Food Services	39	5.3%	5.2%
81 Other Services	48	6.5%	7.3%
91 Public Administration	22	3.0%	0.1%
TOTAL	738	99.8%	100.0%

Table 3 illustrates the distribution of all establishments by number of employees.⁵ By far, the survey is over-represented by employers with a greater number of employees, and under-represented by firms with very few employees. For an understanding of local labour market dynamics, this is not a bad thing – these larger employers represent a larger number of jobs. Indeed, survey respondents with more than 100 employees represent 10.2% of all employers in Peel and Halton with over 100 employees – one out of every ten large employers. This is a very high survey response rate for this employment-rich category of companies. Even among the almost 7,000 firms with 20-99 employees, the survey attracted 3% of this group.

Table 3: Distribution of survey respondents by number of employees

	NUMBER OF EMPLOYEES			
	1-4	5-19	20-99	100+
Actual number	42,376	16,898	6,941	1,557
Actual percent	62.5%	17.0%	10.2%	2.3%
Survey number	142	210	209	159
Survey percent	19.7%	29.2%	29.0%	22.1%
Survey as percent of actual	0.3%	1.2%	3.0%	10.2%

Characterizing the establishment

In addition to describing an establishment in terms of its size and the industry it belongs to, the survey sought to categorize respondents according to various qualitative characteristics. The question was framed as follows, with the possible responses in the bullet points:

Employers vary in size, growth expectations and workforce needs. Please identify the description that best fits your establishment. Check all that apply.

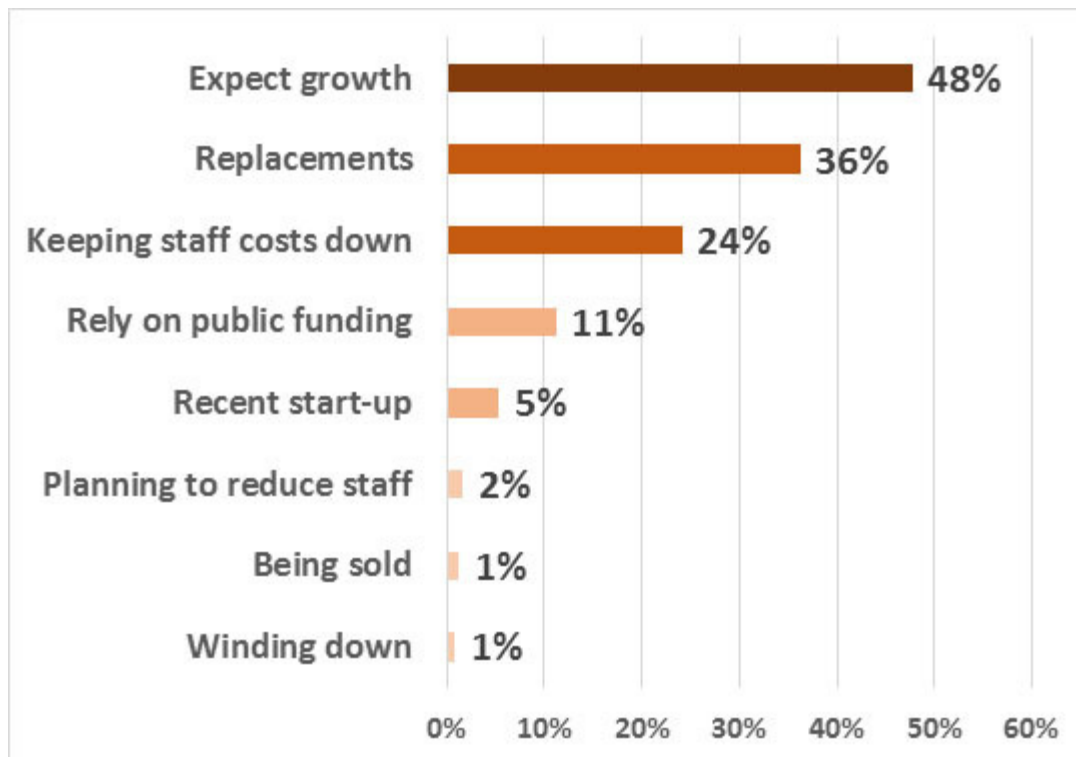
- Our establishment just began operating in the last 2 years.
- Our establishment is in a growth phase, and we expect to expand over the next 2 years.
- Our establishment is at its optimum size, and any hiring is largely related to replacing workers who leave.
- Our establishment focuses on keeping staffing costs to a minimum.
- Our establishment depends on government funding or contracts for at least half of its revenues, and this determines our staffing needs.
- Our establishment is planning to reduce the size of its workforce.
- Our establishment is planning to wind down operations over the next 2 years.
- Our establishment will be sold soon and there is a succession plan for this change in ownership.

As Chart 1 illustrates, among these various characterizations, employers gravitate to four of these options: Expect Growth (48%); Replacements (at optimum size) 36%; Keeping Staff Costs Down (24%); and Rely on Public Funding (11%).

There are considerable variations among different categories of firms:

- Small firms (1-4 employees) experience more volatility: they are somewhat more likely to have just begun operations (13%) or be in the process of winding down (2%);
- Firms in the Professional, Scientific & Technical Services sector are much more likely to be expecting growth (73%), while firms in the Services sector are more likely to have just started (12%);
- Firms in the Services sector (34%) and in Transportation & Warehousing (31%) are more likely to focus on keeping staffing costs to a minimum, while firms with more than 100 employees are slightly less likely to say so (19%).

Chart 1: Characterizing the firm



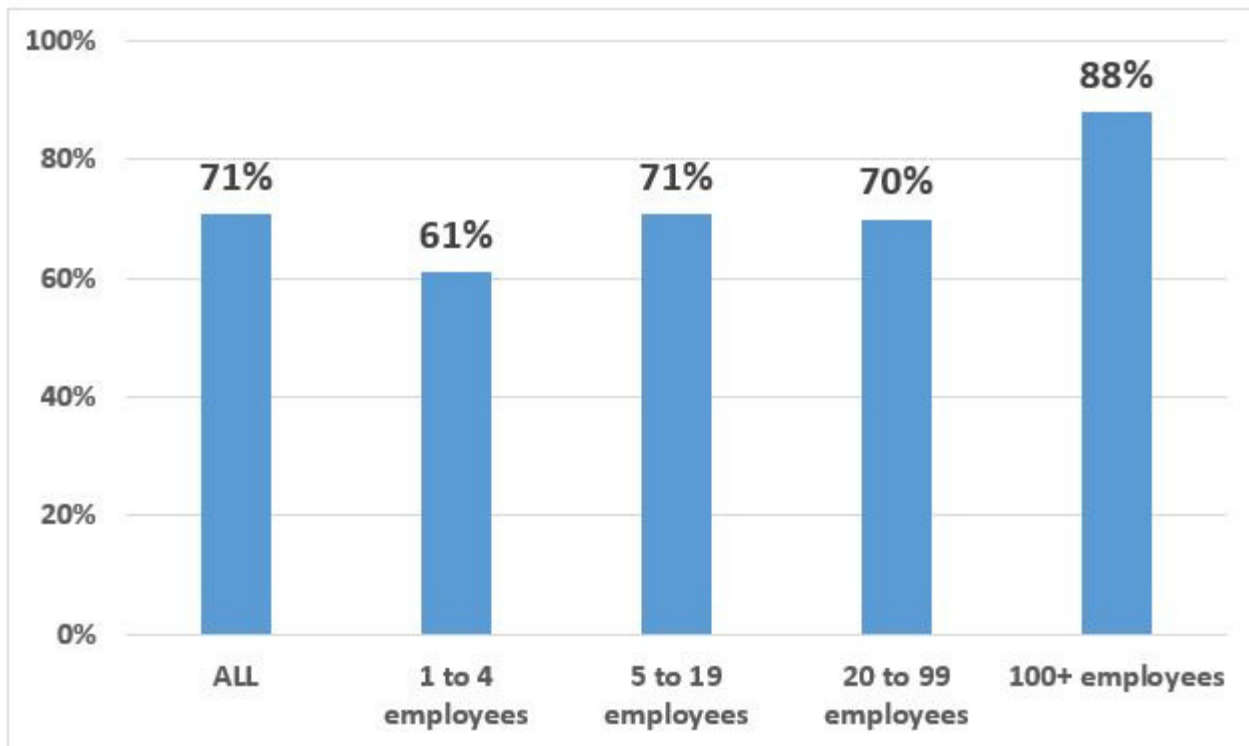
Offering workplace-relevant experiences

The promotion of experiential learning and of opportunities to acquire familiarity with the workplace have both attracted more attention from policymakers and educators recently. The survey sought to understand current employer practices. The first question in this regard asked the general question:

Do you provide any workplace-relevant experience to students or potential workers, such as co-op placements, internships or skilled trades apprenticeships? This can include high school students, adult students, college students, university students, international students, internationally trained individuals or any other job seeker.

Chart 2 lists the percentage of employers who said that they offer such opportunities, and compares the responses by size of employer. Seven of every ten employers provide such opportunities, ranging from six in ten among firms with 1-4 employees, to seven in ten among firms with 5-99 employees, and nine in ten among firms with 100 or more employees.

Chart 2: Percentage of employers providing workplace-relevant experience, by size of firm



When analyzed by other dimensions, there is very little difference in the responses, whether by industry category or establishment characteristic, EXCEPT in the case of establishments that largely rely on government funding for their revenues. Among these firms, nine out of ten (92%) respondents say they provide some form of workplace-relevant experience.

Respondents who indicated that they offered workplace-learning experiences were further asked what kind of experiences they hosted.

Table 4: Percentages of all employers offering a workplace-learning experience, by type of population and by type of experience

	Paid co-op	Unpaid co-op	Paid intern	Unpaid intern	Apprentice
High school student	8%	20%	4%	4%	4%
Adult student	9%	13%	6%	6%	5%
College student	25%	20%	14%	10%	10%
University student	22%	16%	15%	9%	5%
International student	5%	6%	4%	4%	1%
Internationally trained individual	3%	6%	4%	4%	2%
Job seeker	7%	5%	5%	3%	6%

Table 4 presents the responses as a percentage of all employers who answered the survey. If the survey is reflective of the total employer population, then one should be able to extrapolate the survey results to all employers. This would suggest, for example, that 25% of all employers offer a paid co-op opportunity to college students. (The survey is more heavily weighted to employers with more than 20 employees, so it is likely that this result exaggerates the rate, but it is a starting point for understanding the degree of employer participation in such endeavours.)

Co-op students are more likely to be paid if they are college or university students and considerably less likely to be paid if they are high school students. The same pattern applies to interns, except that high school interns appear equally likely to be paid or unpaid. But these are the numbers for all the respondents. When these responses are broken down by size of firm or by industry, there are considerable variations.

Only one variable will be highlighted. Chart 3 illustrates the proportion of employers providing a college co-op experience as a percentage of all employers in that category (in this case, the categories are by size of employer), with the figure further broken down by paid and unpaid co-ops. Thus, among employers with 1-4 employees, 13% offer paid co-ops and 17% offer unpaid co-ops, while among employers with 100 or more employees, 44% offered a paid co-op position and 23% offered an unpaid position. These figures are represented separately, although it is possible that some employers could offer both. Not only does the proportion of employers offering a paid college co-op increase with the size of the firm, but the proportion of those co-op positions that are paid also increases with the size of the firm.

Chart 3: Percentage of employers in each category providing a paid or unpaid co-op opportunity to college students, by size of employer

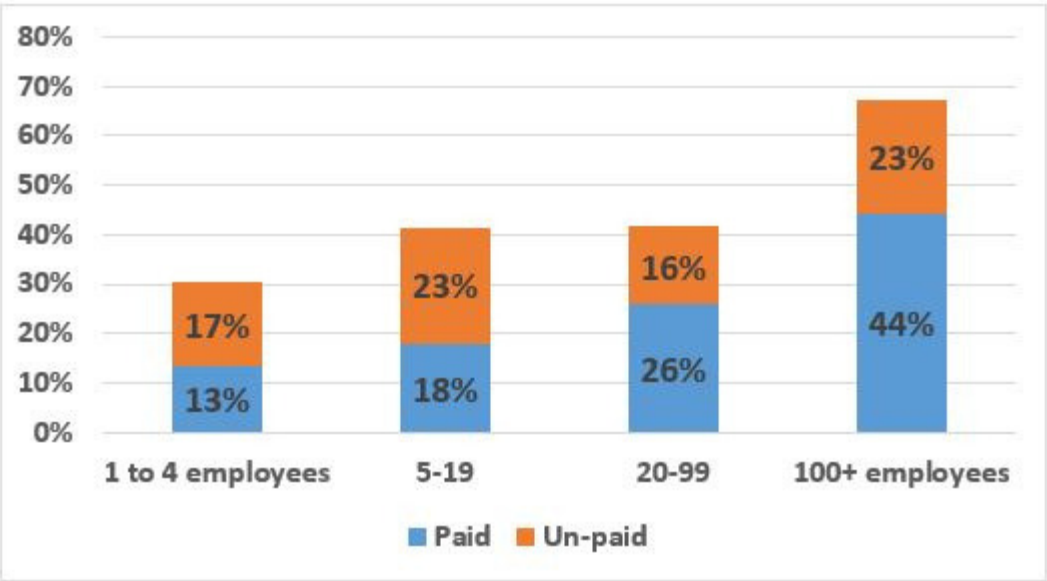
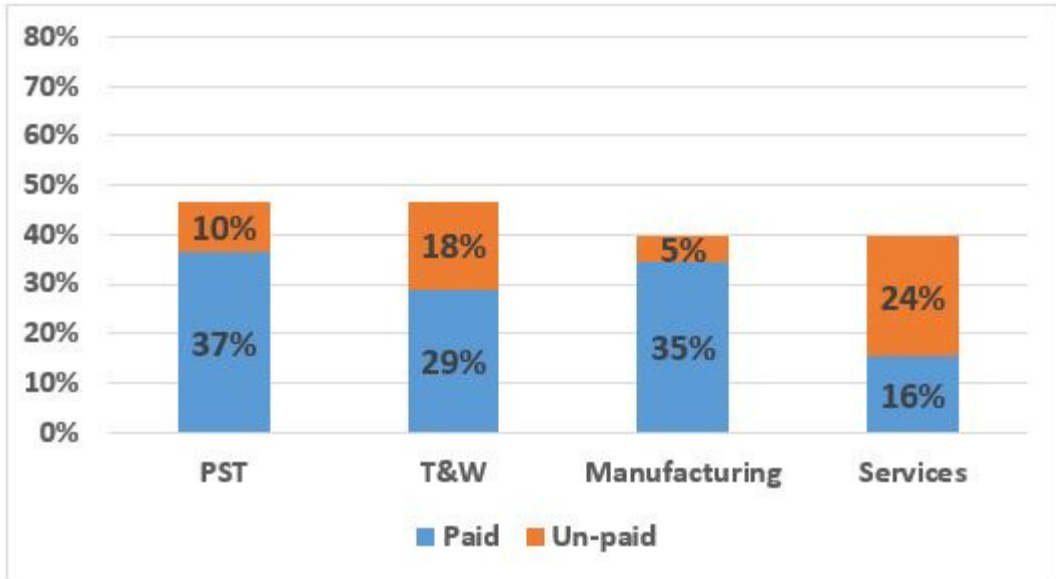


Chart 4 illustrates the rate of college co-ops by industry categories.

Chart 4: Percentage of employers in each category providing a paid or unpaid co-op opportunity to college students, by industry



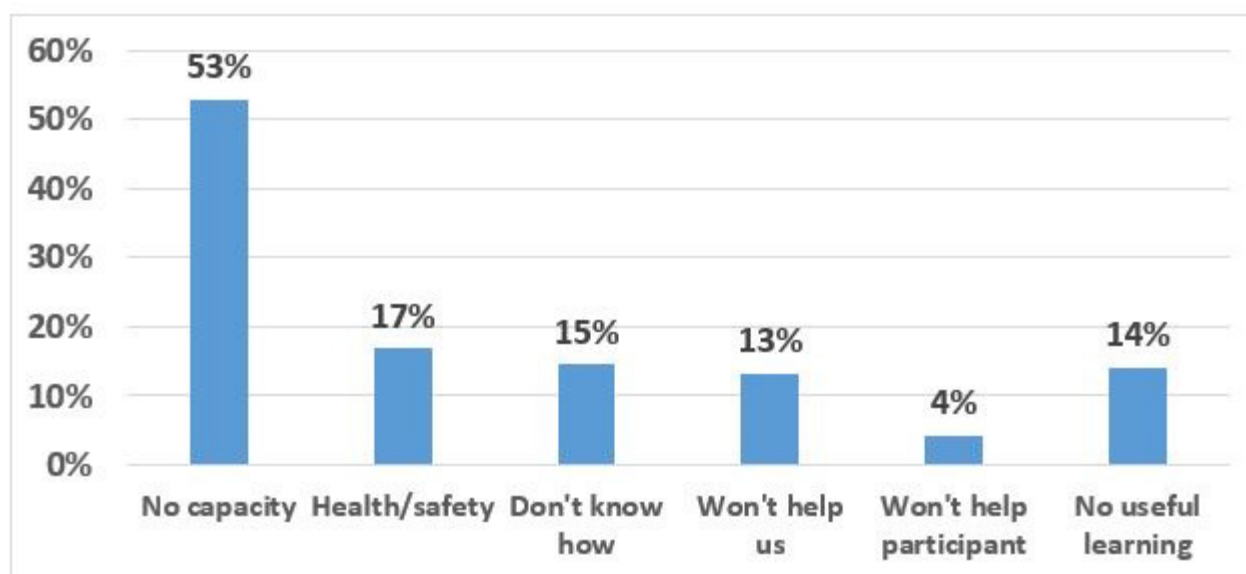
Among the industries being profiled, one can see a variety of patterns: a higher proportion of overall college co-op placements (PST: Professional, Scientific & Technical Services; T&W: Transportation & Warehousing), or a significantly high proportion of placements that are paid (Professional, Scientific & Technical Services; Manufacturing). The Services sector has a somewhat lower take-up of college co-op students, with only 40% of those placements being paid (that is, around 40% of Services firms provide a co-op opportunity, made up of the 24% which offer unpaid co-ops and 16% which offer paid co-ops; 16% of the total 40% represents 40% of all those co-op placements).

Among those employers who indicated that they did not offer a workplace-relevant experience, the question was asked, why not? The following options were provided and employers were asked to check off all that applied:

- My organization does not have the capacity to host such activities
- There are issues relating to health and safety, and/or insurance liability
- I would not know how to get something like this started, or where to turn for help
- I don't see how this would help my organization
- I don't think such an experience helps the participants
- I don't think my workplace can offer a useful learning experience

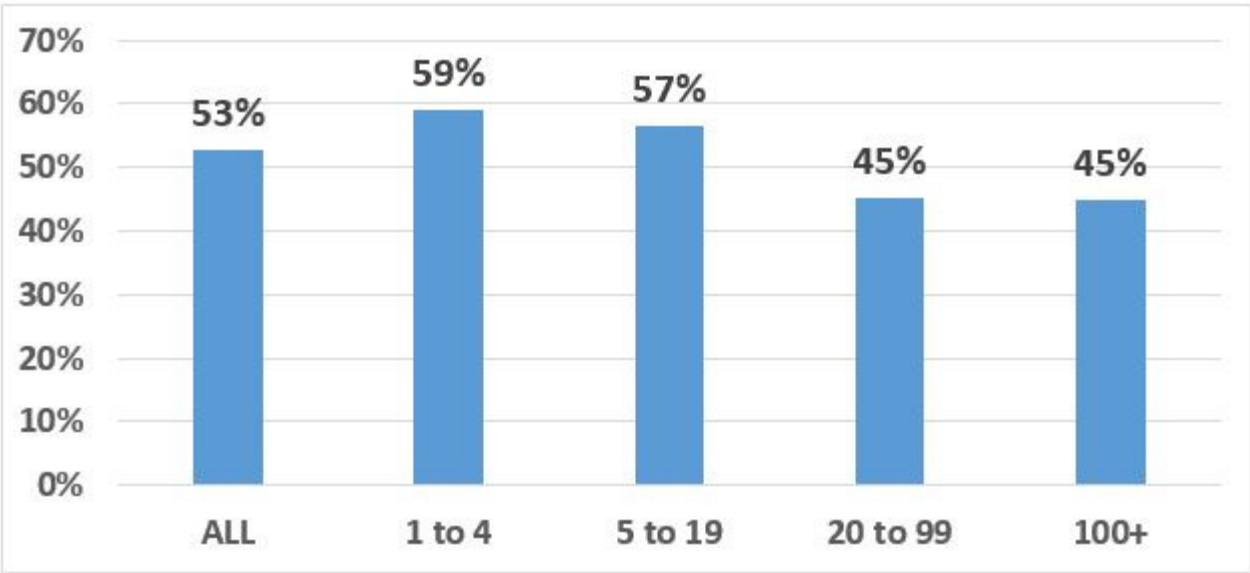
Chart 5 shows the reasons chosen by employers for why they do not offer such experiences (214 employers answered this question). By far the biggest reason is: “My organization does not have the capacity to host such activities,” selected by slightly over half of these employers. All other reasons each attracted agreement among less than 20% of the employers, with the second most cited reason being: “There are issues relating to health and safety, and/or insurance liability.”

Chart 5: Reasons why employers do not offer workplace-relevant experiences (N=214)



This issue of capacity is only partly a matter of the size of the employer. Chart 6 lists the percentage of employers by size who named capacity as their concern. While almost 60% of firms with less than 20 employees cited capacity as their concern, so did 45% of firms with 20 or more employees. Firms relying on public funding were especially likely to cite lack of capacity (75%, not shown in Chart 6).

Chart 6: Percentage of employers by size of establishment not offering workplace-relevant experiences claiming they lacked the capacity to do so



Rating job applicants

Survey respondents were asked to rate a series of job candidates' characteristics, rating them in terms of their importance to their hiring decisions. The actual question was:

When hiring a candidate for a job, please indicate the importance you place on the following elements of an individual's application.

The rating scale was as follows (with the numerical score attached to each rank in parentheses):

- Very high importance (3)
- High importance (2)
- Some importance (1)
- Low importance (0)
- Not applicable (not part of the calculation)

The characteristics being rated were the following:

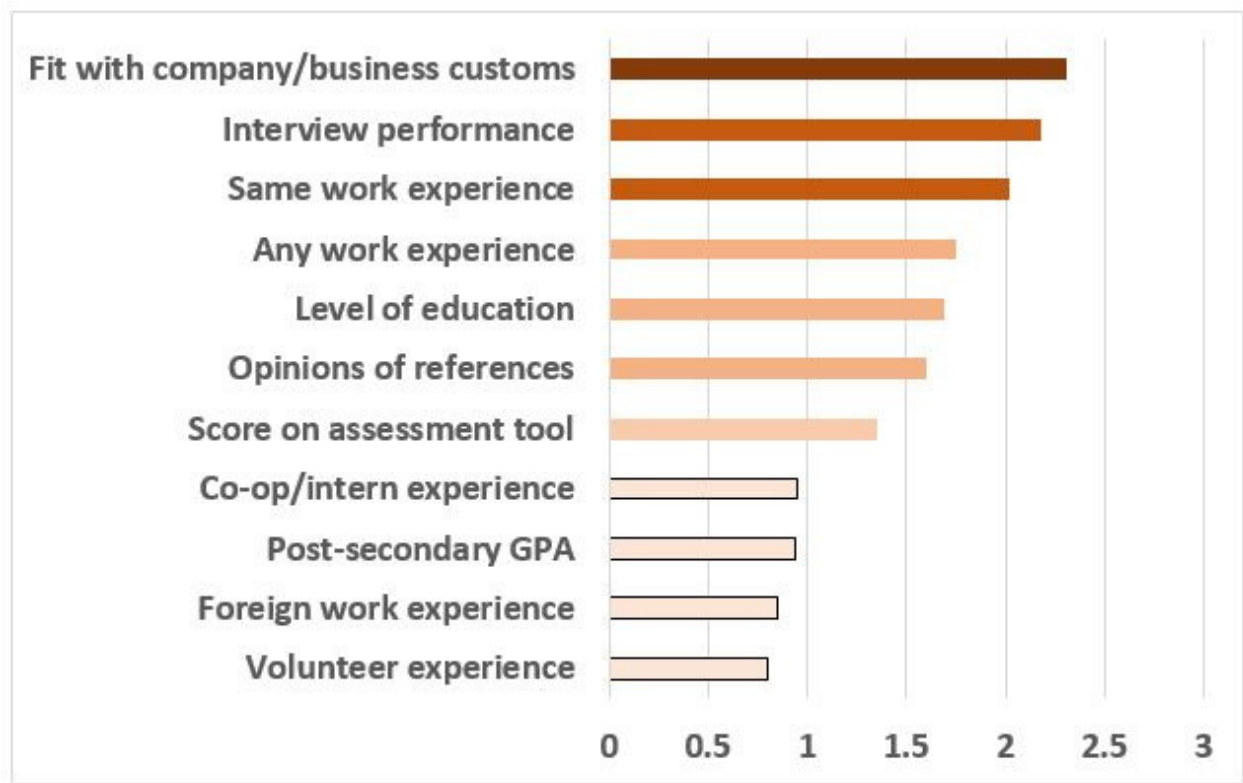
- The level of educational attainment
- Previous work experience of any kind
- Previous work experience in the same field
- Foreign work experience in the same field
- Volunteer experience
- Co-op or internship experience
- Performance on the company's recruitment assessment tool
- Performance in an interview
- College or university GPA
- Opinions of applicant's references
- Fit with company and/or familiarity with business practices/customs

Chart 7 provides the average score for respondents for each of these attributes. The most important attribute is the job candidate's fit with the company and/or familiarity with business practices/customs. Following in 2nd and 3rd place (and the only other items scoring "High importance" or higher) were: "performance in an interview" and "previous work experience in the same field."

Four items receiving the lowest ranking (below "Some importance") were:

- Volunteer experience
- Foreign work experience in the same field
- College or university GPA
- Co-op or internship experience

Chart 7: Employer rating of importance of job candidate attributes



There was relatively little difference among employers by the various sub-categories in how they scored the importance of “fit” or “understanding business practices.” On the other hand, certain issues saw greater variance in the scoring: when it came to level of educational attainment, firms that were publicly-funded or were in the Professional, Scientific & Technical Services sector ranked it higher, while Manufacturing firms or businesses in the Services sector ranked it lower. Similarly, volunteer experience was ranked much higher by firms that were publicly funded, and lower by Manufacturing firms.

Reasons for new hires over the next 12 months

Respondents were asked if they expected to hire over the coming 12 months and, if so, the reasons for hiring. They were also asked to distinguish between hiring for entry-level (low-skilled), intermediate (semi-skilled) and senior (high-skilled) positions. In total, 683 employers answered this question, and so the responses have been calculated as a percentage of all those responding.

Table 5 provides the percentage distribution of these responses. The answers for each column can add up to more than 100% because employers were allowed to indicate more than one reason for the hiring. The way the question was posed, we cannot extract the number of employers responding for each separate skill category nor the number of jobs these hiring responses represent. However, we can draw some conclusions from the distribution of responses.

In all categories, “expansion of business” is the reason most often cited for hiring. But after that, the pattern changes. For entry-level workers, the second and third most cited reasons for hiring are “seasonal/cyclical” and “voluntary terminations.” Among intermediate workers, “voluntary terminations” is the second place reason, and third place is shared by two reasons: “maternity leaves” and “involuntary terminations.” Among senior positions, “retirements” comes in second and “voluntary terminations” comes third.

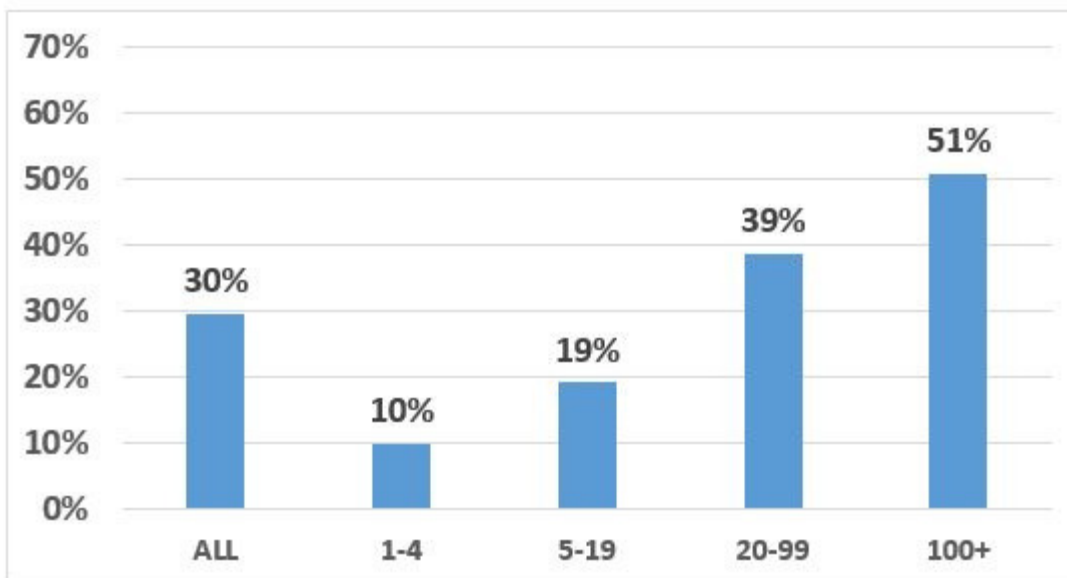
Table 5: Reasons for hiring in the next 12 months, by skill level

	Entry-level	Intermediate	Senior
Expansion of business	24%	40%	20%
Retirements	8%	16%	13%
Maternity leaves	10%	20%	6%
Voluntary terminations	19%	26%	10%
Involuntary terminations	14%	20%	8%
Seasonal/cyclical	21%	15%	2%
Completions of contract	8%	12%	3%

Use of temp agencies

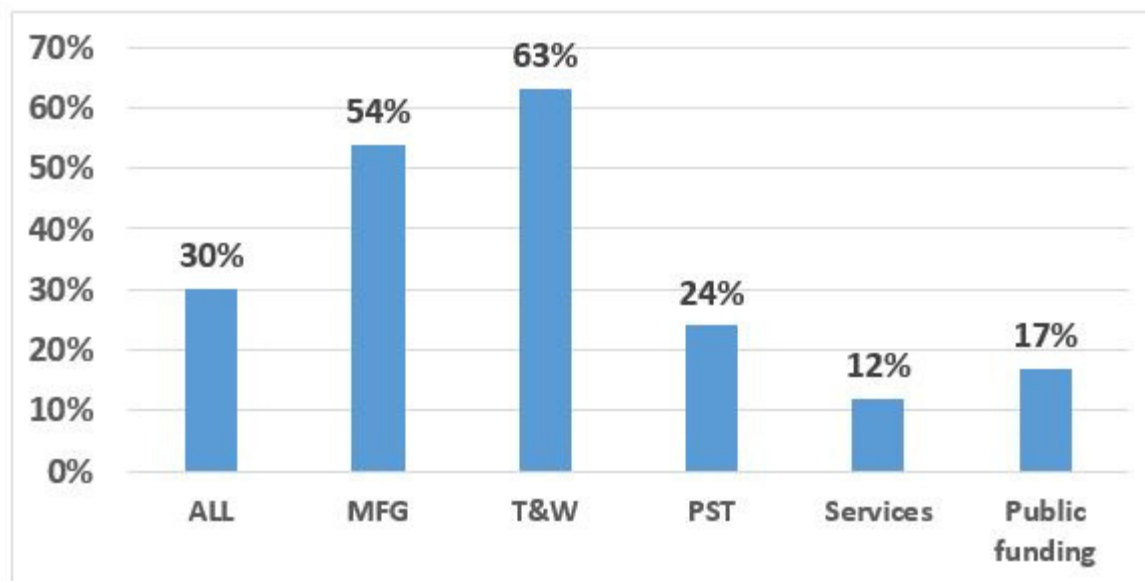
Almost one third (30%) of respondents indicated that they used temp agencies, but that use varies considerably by size of employer, with 51% of the largest firms (100+ employees) using temp agencies.

Chart 8: Employers using temp agencies, by size of firm



That use also varies by industry sector (Chart 9). Manufacturing (MFG) and Transportation & Warehousing (T&W) each show a very considerable use of temp agencies, while the Services sector and those firms publicly funded show a much lower use. There was almost no difference in the reliance on temp agencies that was based on how firms characterized themselves, that is, Expecting Growth (31% relied on temp agencies), Hiring only for Replacement (29%) or Focused on Keeping Staffing Costs Low (29%).

Chart 9: Employers using temp agencies, by industry or type of firm



Respondents were further asked the reasons for their reliance on temp agencies. They were asked their level of agreement with each of the following statements:

- It gives us flexibility for dealing with short-term changes in work volumes
- It gives us flexibility for dealing with cyclical and/or seasonal changes in work volumes
- Over the course of a year, it saves us money
- It provides us with an opportunity to test a potential future hire
- Over the long term, we avoid having to make a permanent hire
- We save on other personnel costs, such as benefits and overtime
- It allows us to hire for a time-limited project

Four possible responses were each assigned a numerical value: Strongly Agree (+2), Somewhat Agree (+1), Somewhat Disagree (-1), and Strongly Disagree (-2). These responses were added together and divided by the number of responses, to produce an average score for each statement, which are displayed on Chart 10.

The reason which receives the greatest amount of agreement is “Flexibility for dealing with short-term changes in work volumes.” Overall, there is greater agreement in support of those statements which reflect the desire for flexibility and addressing changes in work volumes, as opposed to saving money or a desire to avoiding a permanent hire.

Chart 10: Reasons for using temp agencies



In terms of the different categories of employers, Manufacturing firms are especially more likely to use a temp agency as a way to test a future hire, while very small firms (1-4 employees) will also use a temp agency to test a future hire, but are also more likely to say that relying on a temp agency saves them money. Firms that rely on public funding for their revenue show less support for most of these reasons, as if their entire reliance on temp agencies does not reflect a strong conviction for the practice.

Reliance on contract workers

As with temp agencies, a comparable question was asked about contract workers, phrased as follows:

Contract workers can come in many forms. Do you currently have on staff or sometimes rely upon any of the following categories of contract workers? Check any that apply.

The following types of contract workers were identified:

- Consultants

- Long-term independent contractors
- Short-term assignment contract workers
- Gig workers (hired for a very short-term task)

A final option also included: “We have no contract workers on staff.”

Table 6 shows the results for all respondents, while the charts show variations by size (Chart 11) and by type of firm (Chart 12).

Table 6: Reliance on contract workers

No contract workers	Consultants	Short-term contracts	Long-term contracts	Gig workers
46%	25%	35%	24%	11%

Almost half (46%) of all employers do not make use of any contract workers. Around a third use short-term contract workers, and reliance on long-term contractors or on consultants is found among a quarter of employers. Only one out of nine employers use gig workers. (These figures add up to more than 100% because among the half of employers who do use contract workers, many use more than one type.)

When these figures are broken down by different employer categories, variations emerge, in particular when it comes to the size of the firm (Chart 11). Firstly, the black line shows the percentage of firms that do not make use of contract workers. The line is relatively steady for three categories (1-4, 5-19 and 20-99 employees), hovering between 49-52%. It is with large firms (100+ employees) that the percentage of employers not using contract workers drops to 25%. To put it another way, 75% of firms with more than 100 employees use contract workers of one form or another.

Chart 11 further illustrates the reliance on different types of contract workers by size of firm. Overall, the broad trend is clear: for each type of contract worker, smaller firms rely on them in much the same proportions. It is when one gets to the largest firms (100+ employees) that the lines spike up. In terms of actual percentages, the usage by firms with 100 or more employees is as follows:

- Short-term contractors (orange line) – 63%
- Consultants (blue line) – 39%
- Long-term contractors (red line) – 33%
- Gig workers (green line) – 17%

Chart 11: Reliance on contract workers by size of firm

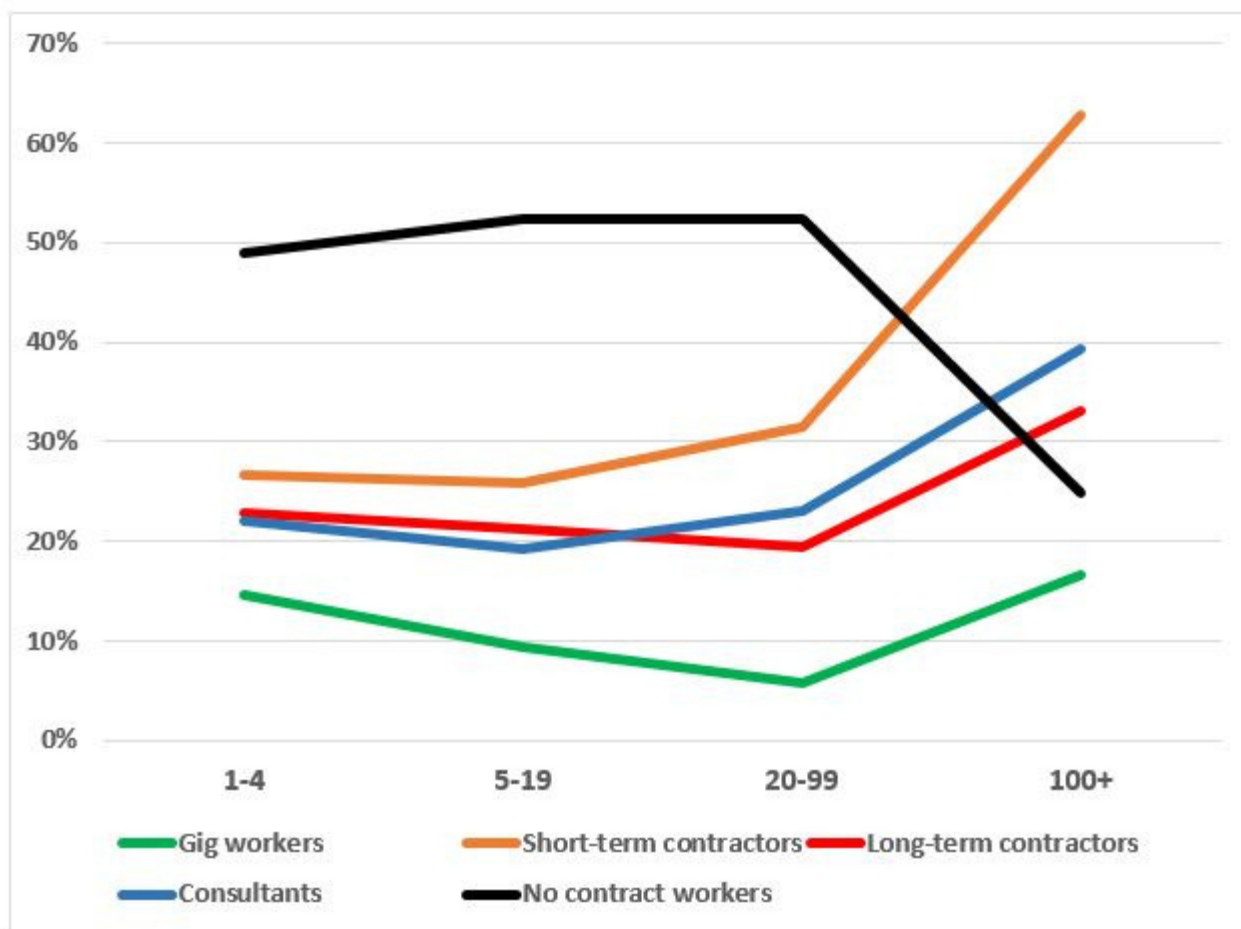
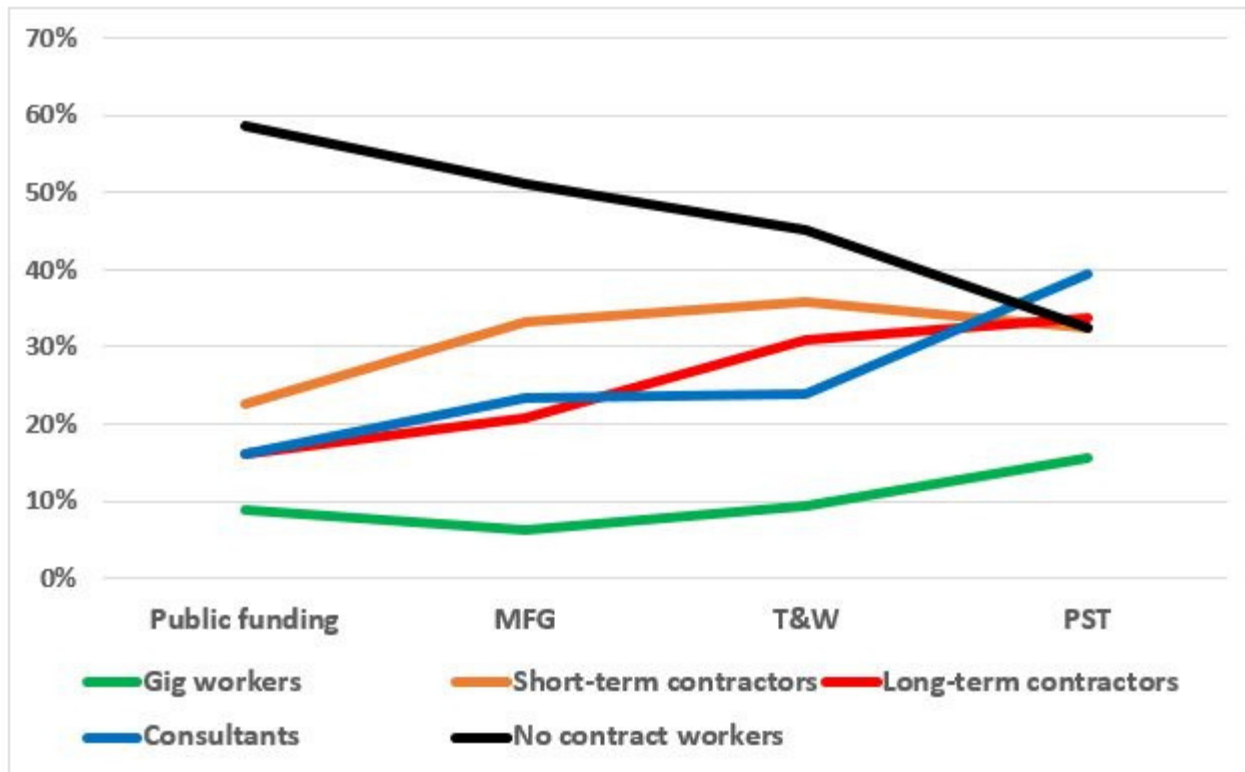


Chart 12 shows the usage of contract workers by different categories. Not shown on the chart is the Services sector, which makes less use of contract workers (65% say they have no contract workers).

The categories shown on Chart 12 are those firms that rely on public funding, Manufacturing firms (MFG), Transportation & Warehousing firms (T&W), and Professional, Scientific & Technical Services firms (PST). Professional, Scientific & Technical Services firms are far more likely to use contract workers (only 32% say they do not), and they make the highest use of consultants (39%). Other categories are more likely to use short-term contractors.

When it comes to different categories of firms based on specific attributes (expecting growth, holding steady and only hiring replacements, keeping costs low), the reliance on contract workers varies within a relatively narrow band, much less than the variation seen by size of firm.

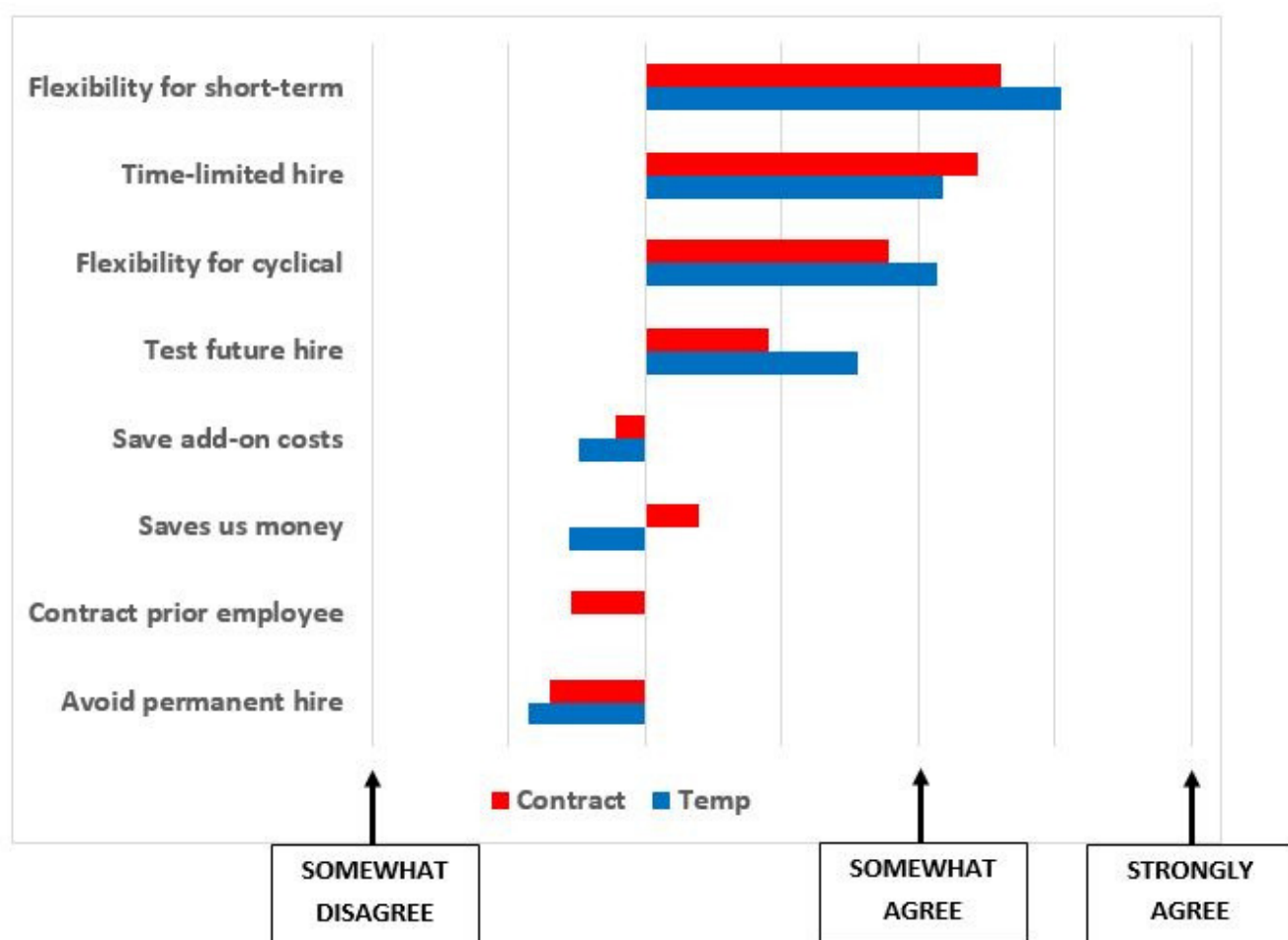
Chart 12: Reliance on contract workers by category of firm



When it comes to the reasons for their reliance on contract workers, employers appear to use the same thinking as in the case of their reliance on temp workers. Employers were asked their level of agreement with the same series of statements as had been used in the case of temp workers, with one additional statement included: “It allows us to contract a previous employee who has retired.”

Chart 13 shows the results, with the same scoring as had been used in the question for temp workers. Chart 13 also compares these results to those same answers for temp workers (which had been displayed in Chart 10). By and large, it is clear that the responses to the question about contract workers is much the same as the response to the question about the reliance on temp workers. There are three instances where there is some variance: (1) The question referring to contracting a worker who had retired was not asked in the case of temp workers, so there is no data point for the temp worker response; (2) there is a larger variance on the question of testing for a possible future hire; in the case of temp workers, this response was especially driven higher by Manufacturing firms, who do not use contract workers for this purpose; (3) firms are somewhat likely to view contract workers as a way to save money over the course of a year, while they do not view temp workers in the same way.

Chart 13: Reasons for using contract workers



The next question in the survey focused on the issue of skills shortages and was posed as follows:

There is a lot of talk about skills shortages in Canada. Please indicate which of the following statements best represents your view on this issue. For this question, we use the following terms:

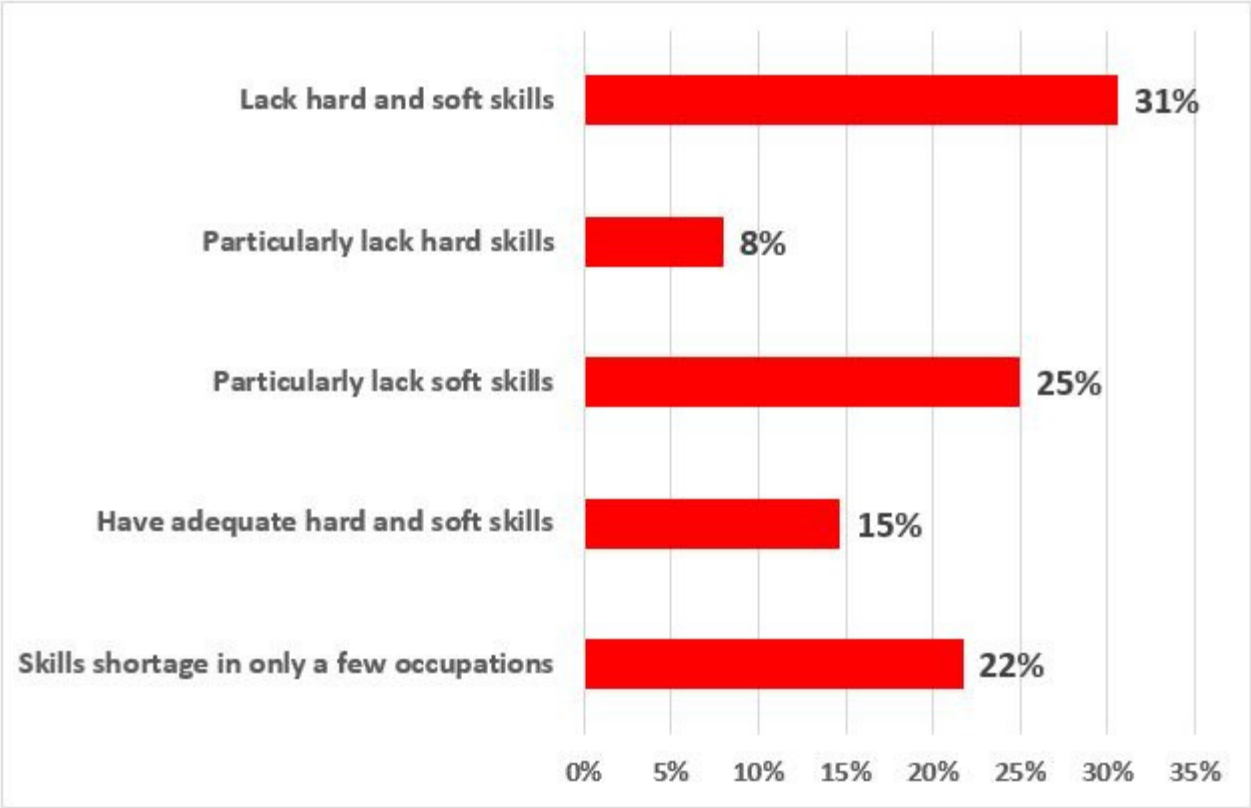
Hard skills: The technical skills specific to carrying out a particular occupation

Soft skills: Interpersonal skills and familiarity with expectations of a workplace

- I think many job candidates lack both hard skills and soft skills
- I think many job candidates particularly lack soft skills
- I think many job candidates particularly lack hard skills
- I think most job candidates have adequate soft and hard skills
- I think the skills shortage is only in relation to a few specific occupations

The results are presented in Chart 14.

Chart 14: Assessment of skills shortages



Almost a third (31%) of employers say that job candidates lack both hard and soft skills), but when it comes to singling out a type of skill, employers are far more likely to name the lack of soft skills (25%) rather than hard skills (8%). Indeed, if one totals the proportion who named either one or the other, 39% of employers said job candidates lacked hard skills (31% + 8%) while 56% said they lacked soft skills (31% + 25%).

In total, 37% of employers have a different view of the skills shortage issue. 15% say that job candidates have adequate hard and soft skills, and another 22% say that the skills shortage is only in relation to a few specific occupations.

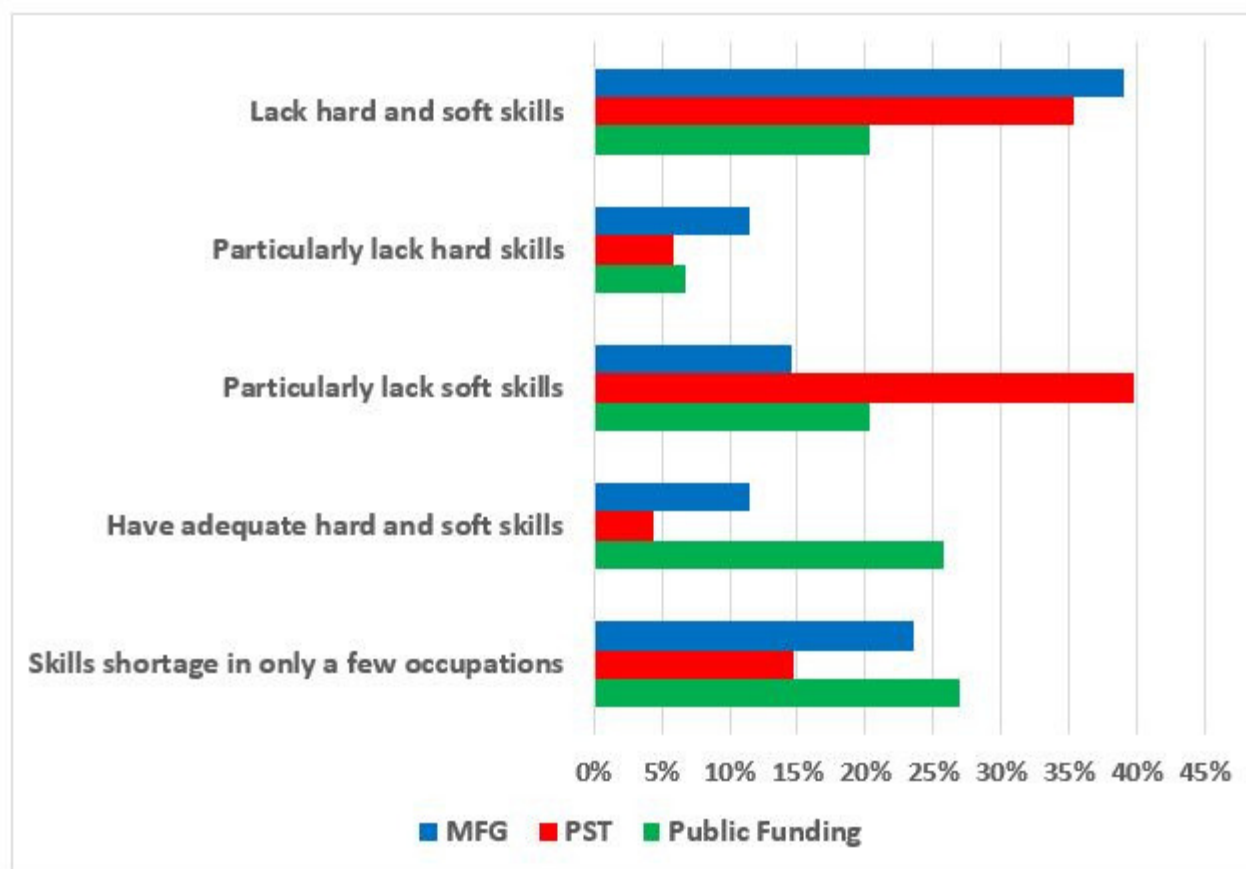
When these results are analyzed by different categories of firms, a few trends emerge. Firstly, smaller firms are more likely to complain about the lack of soft or hard skills, or both. Among firms with 100 or more employees, 19% say that job candidates have adequate hard and soft skills, and another 30% say that the skills shortage is only in relation to a few specific occupations.

There are noticeable differences when the results are analyzed by category of firms (Chart 15). Manufacturing firms are more likely to cite the lack of hard and soft skills, together with the lack of hard skills only (in total, 50% of Manufacturing firms name the lack of hard skills).

On the other hand, Professional, Scientific & Technical Services firms are far more likely to cite the lack of soft skills (in total, 75% of Professional, Scientific & Technical Services firms name the lack of soft skills). The focus of these different sectors is not surprising because of their reliance on these different categories of skills. Firms that rely on public funding are far less critical of the skill sets of job candidates. Indeed, 26% of these firms say that job candidates have adequate hard and soft skills, and a further 27% say that the skills shortage is only in relation to a few specific occupations.

Firms that focus on keeping staffing costs to a minimum were somewhat more likely to state that job candidates lack both hard and soft skills (38% -- not shown on the chart).

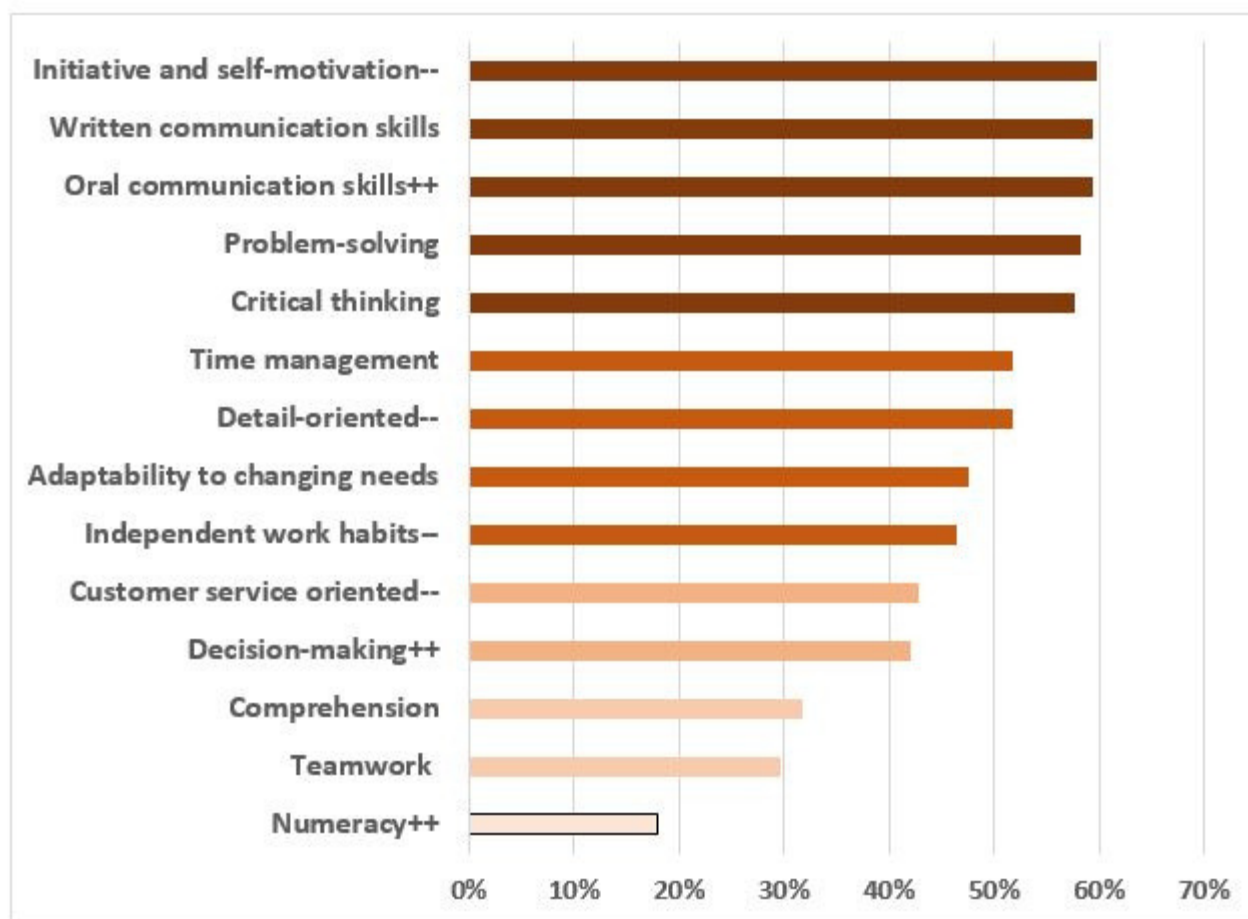
Chart 15: Assessment of skills shortages by category of firm



Employers were next asked which soft skills were lacking among their current employees by checking off specific skills on a list. Chart 16 displays the percentage of employers who identified each skill deficit. An additional part of the analysis assessed the degree of agreement regarding each skill deficit across the various employer categories that are part of this analysis. Where a skill on the chart has the notation “++” after it, it means there was a high level of agreement across all categories that this skill was lacking. Where a skill has the

notation “- -” following it, it means that there was a wide degree of variance in the response. To illustrate this point: when it comes to “Customer Service Oriented,” only 28% of Manufacturers cited this as a skill that was lacking, whereas 58% of Services sector firms did, illustrating the wide range of results; yet when it came to oral communication skills, the figures were very close: Manufacturing firms at 62% and Services sector firms at 64%, and all other employer categories were in roughly the same range. In part, this also reflects the demand for each particular skill for that sector; Manufacturers have less need for a customer service orientation among their staff, whereas for employers in the Services sector, this is an essential part of their business.

Chart 16: Percentage of employers citing the lack of specific soft skills



As is apparent from Chart 16, there is a cluster of soft skills that are deemed lacking by employers:

- Initiative and self-motivation
- Written communication skills
- Oral communication skills
- Problem-solving
- Critical thinking

Three soft skills are cited much less frequently:

- Numeracy
- Teamwork
- Comprehension

When analyzed by categories of employers, Services sector firms are somewhat more likely to cite the lack of skills, as are firms that focus on keeping staff costs low, to a smaller extent, firms with 5 to 19 employees.

As with soft skills, employers were asked what hard skills were lacking. This was posed as an open-ended question, and survey respondents were allowed up to four entries. In total, 229 employers provided at least one entry. Of these respondents, 168 provided two entries, 97 provided three entries and 51 offered four entries. These being open-ended responses, the answers had to be clustered into broader categories.

Of these 545 entries, 20% actually involved soft skills such as attention to detail, common sense and work ethic. This raises the question of how to judge the responses of employers when they claim that hard skills are lacking – might some of them actually be referring to soft skills?

The hard skill that was most frequently mentioned (around 10% of the entries) involved some reference to computer knowledge or computer literacy. Oftentimes, the hard skill was framed in rather generic terms, such as: mechanical ability; technical knowledge; or working with tools.

Specific hard skills that were named more often were: mathematics; welding; sales; various trades skills; or familiarity with a particular software (e.g. Microsoft Excel).

How best to address job recruitment challenges

Given the probing regarding the adequacy of job candidates and the issue of skills shortages, the survey then explored potential solutions. Employers were asked to assess the statements listed below. These statements are clustered into four broad themes, which were not made explicit in the survey:

THE EDUCATION SYSTEM NEEDS TO PROVIDE THE SOLUTION

- The education system needs to do a better job teaching the hard skills that job seekers need
- The education system needs to do a better job teaching the soft skills that job seekers need
- The education system needs to offer more workplace-relevant learning experiences so students can acquire skills

EMPLOYERS NEED TO TAKE SOME ACTION

- Employers can attract a higher quality job candidate if they offer a higher wage
- Employers need to expand their recruitment strategies to reach a wider range of job candidates
- Employers should target more diverse populations to ensure they are recruiting from the widest talent pool

EMPLOYERS NEED ASSISTANCE

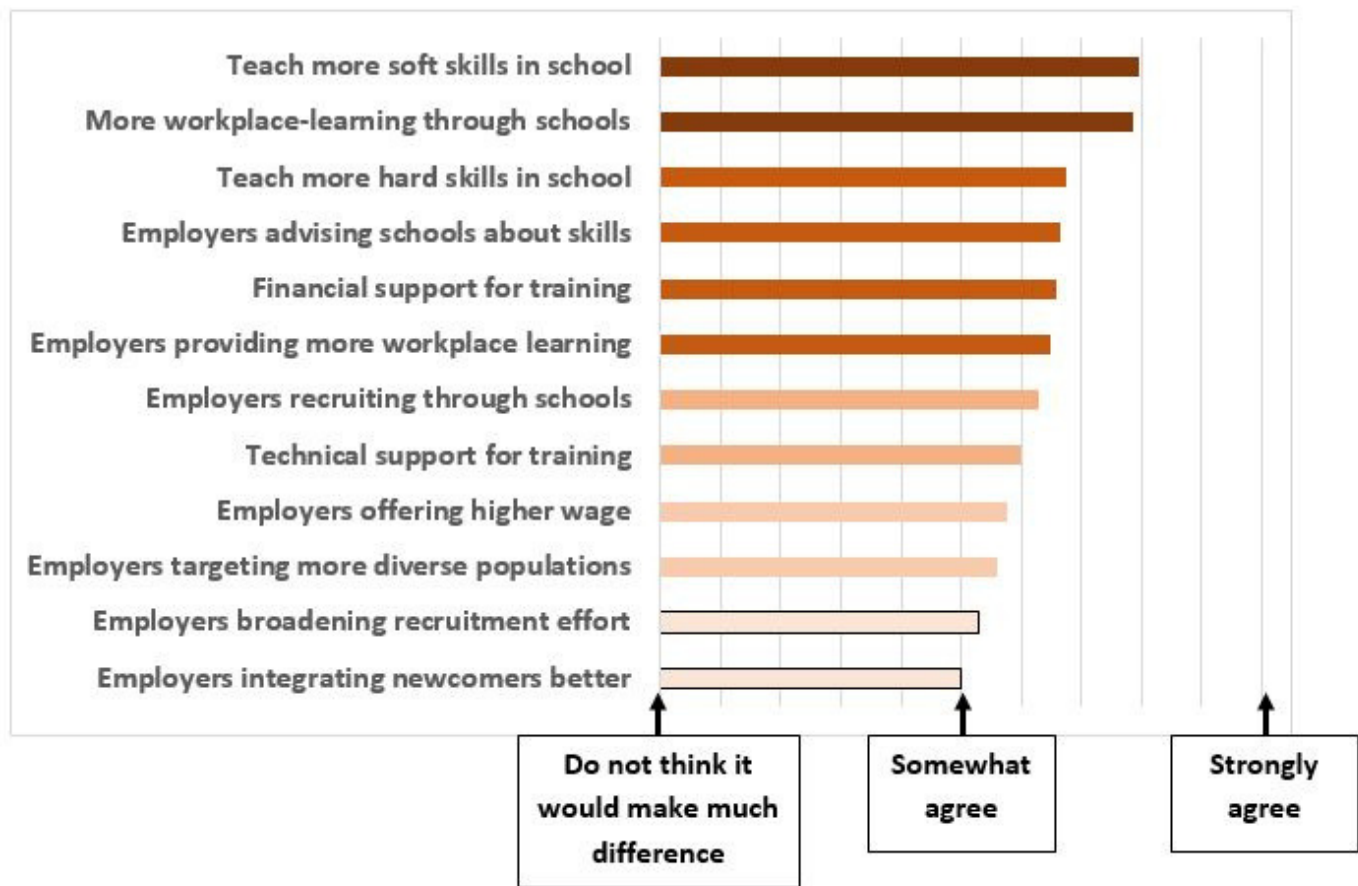
- If there was more financial support for training, employers could help develop the skills their workforce needs
- If there was more technical support for training, employers could help develop the skills their workforce needs
- Employers need more help to better integrate foreign trained individuals into their workforce

EMPLOYERS ARE A PART OF THE SOLUTION

- Employers need to engage more with the education system to advise them about what skills are needed
- Employers need to cooperate more with the education system in providing opportunities for workplace-relevant learning
- Employers should develop relationships with schools to help them find the best job candidates

For each statement, employers were asked if they strongly agreed, somewhat agreed, or if they did not feel it would make a difference. Each strongly agreed vote was valued at “2”, each somewhat agreed was valued at “1,” and the total value was divided by the total number of responses to arrive at a single score for each statement. The results are presented in Chart 17.

Chart 17: Assessment of potential strategies to address job recruitment challenges



As Chart 17 demonstrates, the top three items all fall under the cluster of “The Education System Needs to Provide the Solution.” Averaging the score for each of the four themes results in the following (a score of “1” = “Somewhat agree,” a score of “2” = “Strongly agree”):

Table 7: Score for potential strategies to address job recruitment challenges, by theme

THEME	SCORE
The education system needs to provide the solution	1.50
Employers are part of the solution	1.30
Employers need assistance	1.17
Employers need to take some action	1.11

Each of the statements being evaluated would have a different level of impact. For example, “integrating newcomers better” targets a smaller population than the range of youth who could be affected by “teach more soft skills in school.” But it is nevertheless noteworthy that employers appear to place the greater weight of responsibility for improving the workforce onto the educational system.

Some differences appear between categories of employers: employers that are publicly funded are much more likely to support strategies under other headings than focusing on the educational system. Transportation & Warehousing firms are least likely to believe that raising wages would help. Manufacturing firms are least likely to think that employers need to expand their recruitment strategies.

One further category was analyzed for this question, namely those employers who do not provide workplace experience opportunities. These firms were the least likely to support the notion that employers should develop better relationships with schools to help them find job candidates, or that employers need more help to better integrate foreign trained individuals.

Occupations with skills shortages

Employers were asked an open-ended question regarding for which occupations they experienced a skill shortage. They were given up to three choices. 509 employers responded, providing 985 entries.

There was a vast variety of occupations cited. To illustrate the point, here is a sample, when these entries were placed in alphabetical order:

- Cost accountant
- Credit with a customer service focus
- Crisis intervention roles
- CRM (customer relationship management) developer
- CSR (corporate social responsibility)
- Custodian
- Customer engagement (including social media)
- Customs clearance
- Database administrator
- Deburrer (manufacturing post-production inspection)
- Delivery driver

There were certain occupations that were cited more frequently. These seven clusters of occupations make up 30% of the entries:

- Occupations related to computer/IT/software/web development (55 entries)
- Sales-related (46)
- Trades/skilled trades (as a general category: 31); also, specific mention was made of: millwrights (17); welders (16); electricians (15); carpenters (10); plumbers (9)
- Customer service (27)
- Child care worker, ECE/RECEC; educational assistant (27)
- Administrative/office support (23)
- General labourer (22)

Diversity and inclusion practices

Employers were next asked about diversity and inclusion practices in their human resources activities. Before delving into specific practices, employers were asked if they were a federally-regulated company, as such companies are governed by the federal Employment Equity Act, which promotes the accommodation of differences in the workplace on behalf of four designated groups: women; Aboriginal peoples; persons with disabilities; members of visible minorities.

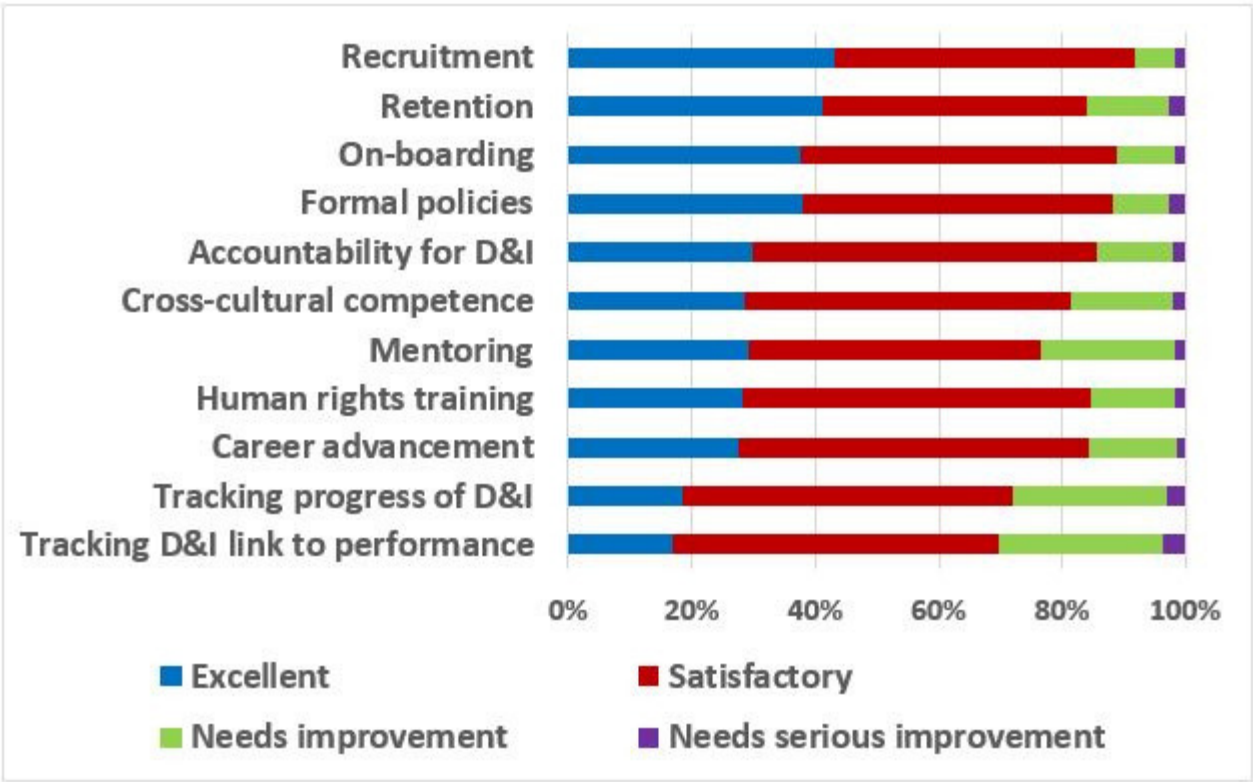
Approximately 6% of the Canadian workforce is employed by a federally-regulated employer, which includes such sectors as: banking; air, marine and railway transportation; radio and television broadcasting; federal Crown corporations; and a number of niche categories, such as grain elevators and uranium mining. Among the survey respondents, 18% said they were federal-regulated and another 22% didn't know. It is highly unlikely that 18% of these respondents are indeed federally-regulated and together with the high level of "Don't Know" responses, this screening question lost its value.

Employers were asked to rate their company's performance in relation to the following list of diversity and inclusion practices:

- Formal policies for diversity and inclusion
- Recruitment of new employees
- On-boarding of new employees
- Career advancement
- Retention of staff
- Mentoring
- Cultural competence/cross-cultural communication
- Human rights training
- Processes to hold managers accountable for adhering to diversity and inclusion policies
- Tracking progress in the implementation of diversity and inclusion goals
- Tracking the contribution of diversity and inclusion to corporate performance

The rating scale was as follows: Excellent; Satisfactory; Needs Improvement; Needs Serious Improvement. Chart 18 illustrates the responses.

Chart 18: Rating the performance of the employer’s establishment in terms of diversity and inclusion practices



As might be expected, the more systemic and analytical activities, such as tracking progress of diversity and inclusion policy implementation or tracking the contribution of diversity and inclusion to corporate performance, are rated lower than more straight-forward practices that more easily accommodate diversity and inclusion goals, such as recruitment, retention or on-boarding.

That being said, the value of these responses can be questioned for the following reasons:

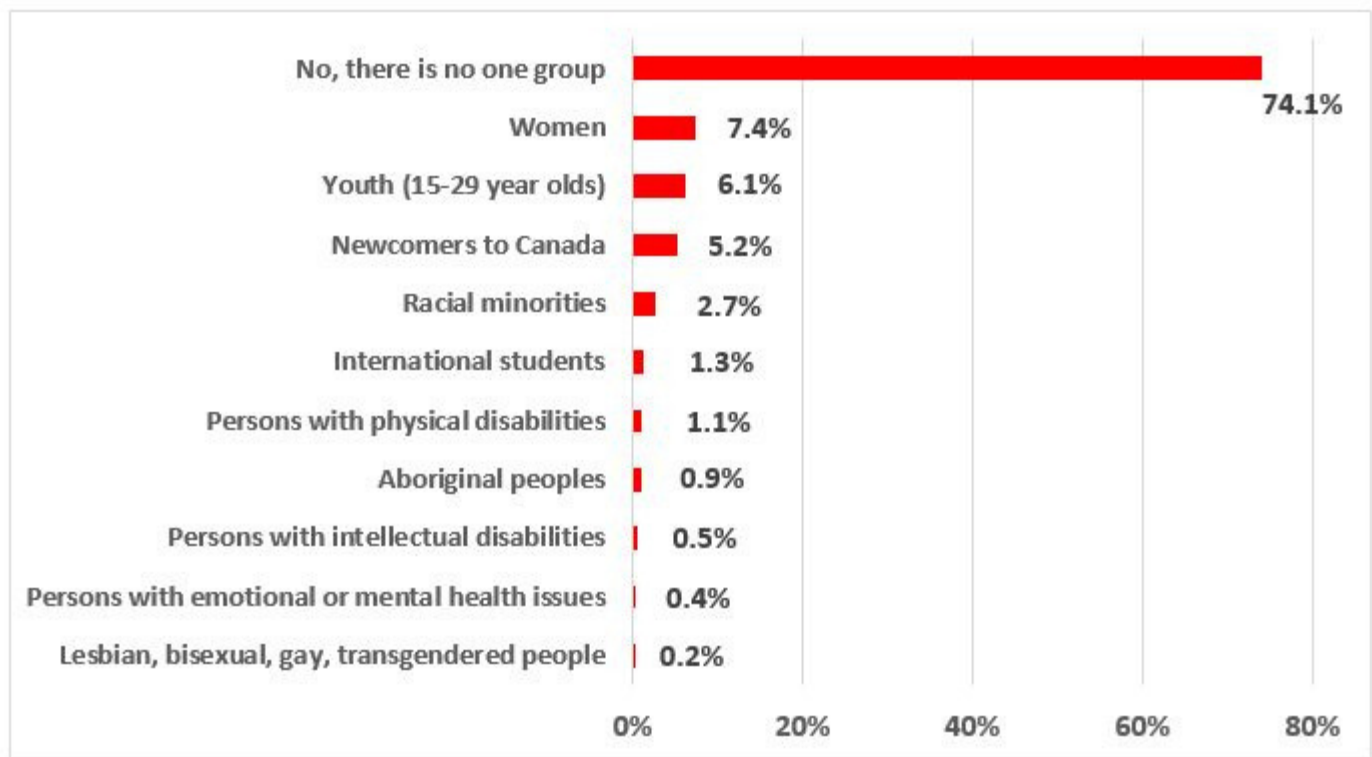
- 1) Those systemic activities, such as tracking progress of diversity and inclusion policy implementation or tracking the contribution of diversity and inclusion to corporate performance, are highly sophisticated, and even firms with advanced HR capabilities are hard-pressed to engage in these practices; to find that even 15% of them rate their firm’s performance on these two items as excellent, let alone that over half feel it is Satisfactory, strains the credibility of these results;
- 2) Overall, for any practice, 4% or less, most often 1-2%, admit that the practices of their establishment “Needs Serious Improvement;” on a topic that has just begun to find traction among HR practitioners, such results suggest that respondents were rather reticent of being too critical of their own firm.

Perhaps the most actionable piece of data coming from this chart relates to those practices which received the highest scores for “Needs Improvement,” as follows:

- Tracking the contribution of diversity and inclusion to corporate performance (27%)
- Tracking progress in the implementation of diversity and inclusion goals (25%)
- Mentoring (22%)

Employers were further asked to identify whether there was a priority target population for their diversity and inclusion goals. Chart 19 makes clear that for most employers, there is not.

Chart 19: Possible target group for diversity and inclusion goals



There were variations by different industry categories:

- 19.6% of Professional, Scientific & Technical Services firms cited women
- 14.7% of firms in Transportation & Warehousing identified newcomers
- 11.3% of firms in the Services sector named youth
- 8.2% of establishments that were Publicly Funded cited racial minorities

Comments from respondents

In bringing the survey to a close, respondents were asked if they had any comment to add, as follows:

Would you like to add a comment about this survey or make an observation regarding labour market issues that you face?

In total, 99 respondents provided comments (in addition to 37 responses which stated they had no comments to add). Most of the comments fell into one of the following categories:

POOR QUALITY OF JOB CANDIDATES

- “We live in a very expensive community with young people who are not willing to work at minimum wage or willing to be formally trained. We have to be creative in our approach to finding employees”
- “Many people attend late to interviews or do not show up. I find that common courtesies are lacking”
- “Young adults need to have a desire to want to work. They come in with an attitude of I want to be paid but I don’t want to work. They need to learn to stay off their phones while at work and they need to stop thinking that they are entitled to a job, and understand it is a privilege to have a job. They also need to work on reliability aka calling in “sick” and time management aka showing up on time for work”

WHAT NEEDS TO BE DONE

- “I think school need to really focus on streaming kids into the trades and skills. They do a half semester course on what pays the most \$. So kids look for money jobs... that don't exist really. My daughter is going into grade 12 and she would never think to do a trade as they are male dominated. They need to push girls towards the trades. Trades are frowned upon even now in high schools. That is a real shame”
- “The education system currently does not prepare graduates for the challenges that they will experience in the workforce. The students are not exposed sufficiently to failure, have income and career progression expectations that are not in tune with the reality of the market”
- “Social media is currently a huge battle for many companies. I have seen the advantages, though have seen more disadvantages as an outflow. The social correspondence via devices is far out-performing social person-to-person skills that creates animosity and not being able to perform up to standard at any company, in return increases the risk for companies to lose their team environment. There are questions asked from employers on how we should interact with schools to assure we attract skilled labor, however schools should go back to their roots and teach real social skills i.e. talking to each other without devices, make

students understand what commitment means to a company. Only then, as an employer I can commit to engage with schools as the base needs to be in place first. You cannot expect employers to take over the education part. We will assist, but there must be a willingness”

PUSHBACK AGAINST ISSUE OF DIVERSITY

- “Inclusion is a double-edged sword. We don't hire to be inclusive. We hire the best person for the job and that leads to diversity and inclusion. I would not want to be hired because of a group that I belong to rather than because I am the best person for the job”
- “I think too much interference from Government in forcing hiring based on race and various things instead of hiring based on ability and capability to do the job at hand. I would refuse to hire one person less qualified or less talented just to satisfy some perceived government "regulation" to hire minorities or whatever. I would only hire based on capability and suitability”

THIS SURVEY DOESN'T APPLY TO MY FIRM

- “The survey seems to strictly lean towards the needs of large corporation, it doesn't seem to represent a very valuable/large part of the businesses which are small companies (family type businesses)”
- “As a small business, some of these questions are not applicable or applicable answers are not available”
- “This survey appears more focused on the manufacturing sector and many questions therefore become irrelevant to a consulting firm”

SURVEY DESIGN

- In a few of the questions there should have been an open frame for comments rather than having to choose an option. As well, in some questions there should be another option for a response between 'satisfactory' and 'excellent’”
- “Survey comment: Hard and soft skills question and follow-up question not really applicable and survey should allow questions to be skipped rather than demand an answer to proceed. This could deter some companies from completing the survey”

ENDNOTES

¹This year those partners included: ACCES Employment; Brampton Board of Trade; Brampton Economic Development Office; Burlington Economic Development Office; Caledon Chamber of Commerce; Caledon Community Services; Caledon Economic Development Office; Canadian Manufacturers & Exporters; Canadian Supply Chain Sector Council (CSCSC) ; Centre for Education & Training; Centre for Skills Development and Training; City of Mississauga; College Boreal; Connecting YOU; COSTI; Dixie Bloor Neighbourhood Centre; Family Services of Peel; Goodwill Career Centre; Halton Hills Economic Development Office; Halton Hills Chamber of Commerce; Halton Region Employment; HRP A Halton; HRP A Peel; Humber Community Employment Services; Job Skills; John Howard Society of Peel Halton Dufferin; Landscape Ontario; Mississauga Board of Trade; Mississauga Economic Development Office; Oakville Chamber of Commerce; Oakville Economic Development Office; Ontario March of Dimes; Ontario Trucking Association; PNSG; Polycultural Immigrant & Community Services; Region of Peel; Sheridan College; The Employers Choice; TRIEC (Toronto Region Immigrant Employment Council); VPI Mississauga; VPI Georgetown; YMCA (Halton) Career Development & Learning Centre; YMCA Peel.

²The content of the survey was greatly enhanced thanks to the input of an advisory committee which contributed to the design of the questions. Please see the acknowledgment page for a complete list of contributors.

³The number of employers is from the establishment counts with employees from Statistics Canada, Canadian Business Patterns, June 2016.

⁴This data is retrieved from Statistics Canada, Canadian Business Patterns, June 2016.

⁵In the case of the survey, the figure represents Full Time Equivalent employees. The number of actual employers by number of employees comes from Statistics Canada, Canadian Business Patterns, June 2016.