

EMPLOYER ONE REPORT 2019



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672 Queen Street East
Sault Ste. Marie, ON P6A 2A4
Phone **705.941.9341** Fax **705.941.9588**
www.awic.ca

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EMPLOYERONE REPORT 2019

ACKNOWLEDGEMENTS

Thanks to all the regional employers who participated and completed our sixth annual EmployerOne Survey. More than 200 employers in the Algoma District participated in June and July of 2019, sharing information about the success and challenges they've had attracting and retaining employees.

Many thanks to all our partners who shared and distributed the survey in order to draw employer's interest and gain insights and gather a snapshot of current labour market conditions in Algoma.

INTRODUCTION

The EmployerOne Survey is an annual online survey focused on the demand side of the local labour market in our region. Employers throughout the Algoma District were asked to participate in the survey in order to compile data on workforce issues on a range of workforce issues including projected vacancies, hiring plans, recruitment strategies and challenges, and their views on candidate skills and future business plans.

The following report summarizes the results of the survey and provides valuable insight in the District's labour market. Since 2014, The Algoma Workforce Investment Corporation (AWIC), has conducted the EmployerOne Survey to better understand the labour market demand and supply of local employers in Algoma.

SURVEY HIGHLIGHTS

- 218 employers completed the 2019 survey
- The employers represent 9,698 employees
- 53% of have less than 10 employees
- 77% of employees are full-time
- 60% of employers had difficulty filling positions in the past year
- Applicants' lack of skills required was the most common challenge in hiring
- 65% of employers plan to hire over the next year
- 31% indicated retirements will impact business operations in the next 5 years
- 51% stated their business does not have a succession plan for critical roles

BACKGROUND

The goal of the EmployerOne Survey is to gather information directly from employers to better understand their current and future workforce needs.

The results of the annual EmployerOne Survey create a snapshot of the labour market from the perspective of regional employers. This is an excellent opportunity for organizations of all sizes to provide input on their workforce needs. Workforce development activities and programs are enhanced by the survey's ability to help identify labour shortages and skills gaps, and to enable job seekers, employment service providers, and educational institutions to target their skills training to industries in need. The more respondents the EmployerOne survey receives, the more accurate and complete the survey data for the region becomes.

Of respondents by years

2019.....	218
2017-2018	262
2016.....	219
2015.....	186
2014.....	168

LIMITATIONS

The information collected with the EmployerOne Survey is important for local labour market planning because it is current and localized labour market information. It does however have its limitations in that it is relevant at the time of its collection. Furthermore, the report will contain the input of a limited number of employers, as such the results will be influenced by the relevance of the questions to the responding employers.

METHODOLOGY

Based on employer feedback and the lessons learned with previous EmployerOne surveys, the questionnaire was edited to be more concise and shorter than previous years.

The EmployerOne Survey was available online between June and July 2019. In previous years, the survey was conducted in the fall months between October and November. As the survey was conducted during the summer months, it could have contributed to the lower respondent rate, when compared to previous years, as business and individuals may have been on vacation or away from the office during the summer season.

Employers were primarily contacted by directly by phone and email. The survey was also promoted through partners' websites and newsletters.

EXECUTIVE SUMMARY

In total, 218 employers completed the 2019 EmployerOne Survey. Of those that started the survey, an 80% completion rate was achieved. In the case of employers who started but did not complete the survey, an assumption was made that the unanswered questions were not relevant or did not apply to their situation.

AWIC also partnered with the Sault Ste. Marie Construction Association to gather data from the Commercial Construction sector with the 2019 Construction Sector survey. 55 employers completed this version of the survey. The Board of Directors of the Sault Ste. Marie Construction Association intends to use aggregated survey results for the purpose of developing future plans related to recruiting skilled labour and encouraging young adults to pursue careers in the construction industry.

The results that are captured in this report provide a labour market snapshot of the issues and challenges affecting local employers and industries in the Algoma region. This information is vital to implementing local strategies that can support local employers as they address workforce related issues.

Gathering input through the EmployerOne survey helps:

- Inform the planning of employment and training programs and services;
- Ensure that local employment and training programs better align with the local labour market requirements; and
- Contribute to efforts to ensure the availability of a highly skilled and trained workforce in Algoma's communities.

Workforce development is concerned with attracting and retaining a skilled workforce to meet the evolving labour needs of a given community. Focusing on a community's human resources, workforce development strategies will help address to issues such as:

- Present and future labour needs;
- Education initiatives to prepare the workforce to meet these needs; and
- Recruitment initiatives to attract workers to fill current and projected vacancies.

Over, all the respondents accounted for approximately 9,698 employees. In total, the employers to the survey represent 9,698 employees or approximately 21% of Algoma's workforce ¹.

¹ Algoma supported 47,130 jobs in the 2016 Census. Stats Canada

CURRENT LABOUR FORCE

Industry Canada categorizes business sizes as follows:

- a micro business has 1 to 20 paid employees
- small business has 1 to 99 paid employees
- a medium-sized business has 100 to 499 paid employees
- a large business has 500 or more paid employees

92% of all respondents to the survey can be classified as small businesses. In fact, the majority (72%) of respondents had less than 20 employees. 7% of respondents employed 100 or more people.

In total, the employers who participating in the survey represent 9,698 employees or approximately 21% of Algoma's workforce ².

77% of all employees were employed full-time while only 18% was reported as part-time employees.

Full-time.....	77%
Part-time.....	18%
Contract	2%
Seasonal.....	7%
Other	3%

73% of the survey respondents were located in Sault Ste. Marie while 15% and 12% of respondents were located in East Algoma and Superior East respectively.

Sault Ste Marie..	73%
East Algoma.....	15%
Superior East	12%

²Algoma supported 47,130 jobs in the 2016 Census. Stats Canada

HIRING TRENDS

Employers were asked a series of questions regarding their hiring practices over the previous year, recruitment strategies and any challenges they may have faced.

Almost all of the employers who completed the survey reported hiring at least one employee over the past 12 months. The table below lists the number of hires over the previous 12 months. The majority of employers (150) indicated that they hired between 1-5 employees in the last year. 13 employers indicated they hire more than 50+ employees in the last year.

# OF PPL	# OF EMPLOYERS	% EMPLOYERS/ TOTAL
1-5	150	70%
6-20	41	19%
21-50	10	5%
50+	13	6%
TOTAL	214	

The most commonly cited occupations that were the hardest to fill were:

- Carpenters
- Drivers (AZ, DZ, Truck)
- Operators (Equipment, Boom Truck)
- Technicians (Service, Automotive, Field Service)
- Management positions (Account, Project)
- Mechanics (Truck and Coach, AC, Refrigeration)

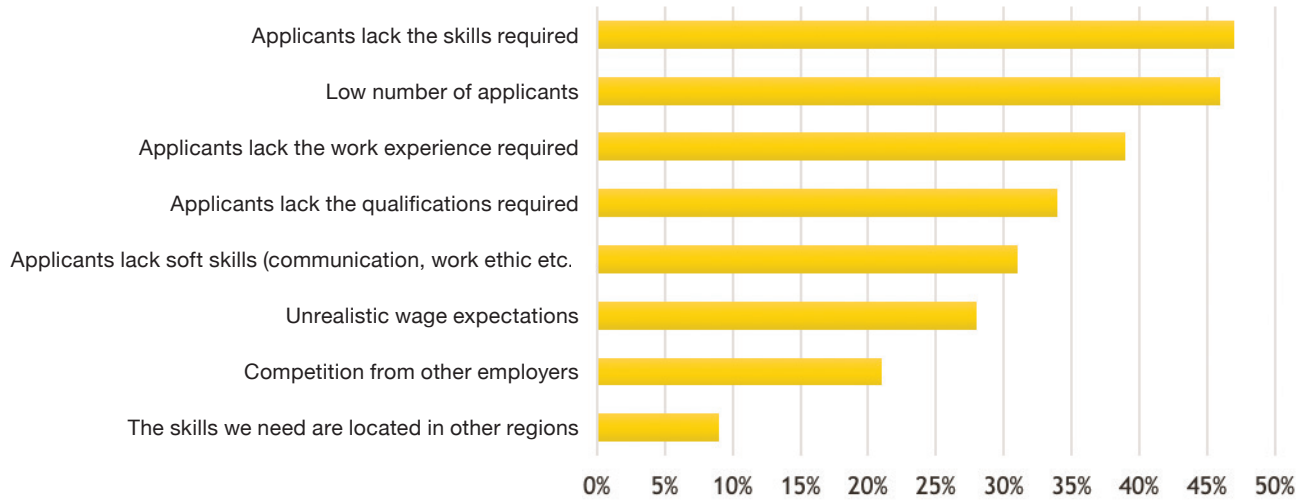
Employers were then asked to list their level of agreement or disagreement with a number of reasons related to hard to fill vacancies. The chart below illustrates the most common reasons for hard to fill vacancies.

The most common occupations that were hired were:

- Labourers (general)
- Operators (equipment, boom Truck, scoop, loader)
- Service positions (Customer, Technical, Social Service)
- Technician (Veterinarian, Design (AutoCAD), Engineering, GIS, glass)
- Manager (Account, Property, Store, Project Managers)

Overall, 60% of employers indicated that they had difficulty finding suitable candidates for hard-to fill-positions. These were mainly technical or skilled trade occupations that employers had trouble filling.

Most Common Reasons for Hard to Fill Vacancies

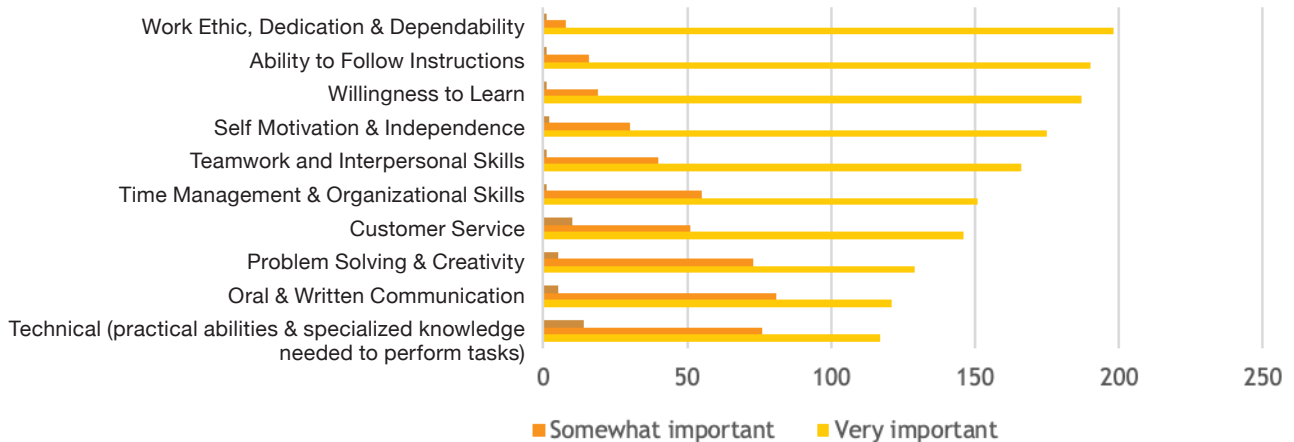


Top 3 reasons for hard to fill vacancies

- 47% Applicants lack the skills required (102)
- 46% Low number of applicants (100)
- 39% Applicants lack the work experience required (86)

The table below list the skills or attributes that employers are looking for in a new hire. Overall, employers are more focused on the soft skills (personal attributes, personality traits, inherent social cues, and communication abilities needed to perform a job) rather than the technical skills that you gain through education, training, certifications and on-the-job training needed to perform tasks.

Skills or Attributes Employers Look for in New Hires



Top 5 skills or attributes employers look for

1. Work Ethic, Dedication and Dependability
2. Ability to Follow Instructions
3. Willingness to Learn
4. Self-Motivation and Independence
5. Teamwork and Interpersonal Skills

A survey question was specifically included in the survey for Sault Ste. Marie Construction Association members in order to gain some insights into the number of females employed in the skilled trades. 47% of the respondents indicated there are no females working in trades at their workplace. On the contrary, about 46% indicated they do employ 1-5 females in their business.

DEMAND TRENDS

Hiring

65% of employers said they will hire over next 12 months.

35% of employers said they do not plan to hire over next 12 months.

65% of employers are anticipating hiring over the next year. This represents an increase of 18% over the previous year's EmployerOne Survey.

The table below provides a breakdown of the number of projected openings with 56% percentage of employers hiring between 1-5 employees.

# OF HIRES	# OF EMPLOYERS	% OF EMPLOYERS
None	62	28%
1-5	122	56%
6-20	13	6%
21-50	2	1%
50+	5	2%

Employers were then asked which occupations they anticipate having the most challenges filling over the next 5 years. The following are occupations that were most frequently mentioned:

- Operators
- Managers
- Labourers
- Administrators
- Technicians

These occupations represent a range of skill levels but are mainly concentrated in the skilled trades occupations.

If they cannot fill their vacancies, employers were asked how will they adapt.

31% of employers indicated that they would implement more overtime or turn away business.

24% indicated they would subcontract.

8% of respondents are looking to technology to fill employment gaps.

Employers also cited looking at shared services, contracting with similar services, conducting the work themselves or reducing services in order to compensate for a reduction in staffing.

AGING WORKFORCE

As the workforce continues to age and baby boomers retire in greater numbers, the number of younger workers entering the work force continues to decline. This creates a tighter labour market where immigrants will play a more significant role in Canada's labour markets. Governments have been taking steps to address these issues by formulating and implementing changes to the immigration programs to make it more employer-oriented. Skills mismatches continue to challenge employers across the Canadian economy. This trend is also apparent in Algoma.

When employers were asked what role newcomers play in their hiring decisions 50% of employers indicated that newcomers are not a particularly significant source of new hires of their company and they do not foresee this changing anytime soon. The other 50% of employers indicated that newcomers would play a larger role in new hires and 11% of those employers have already hired newcomers.

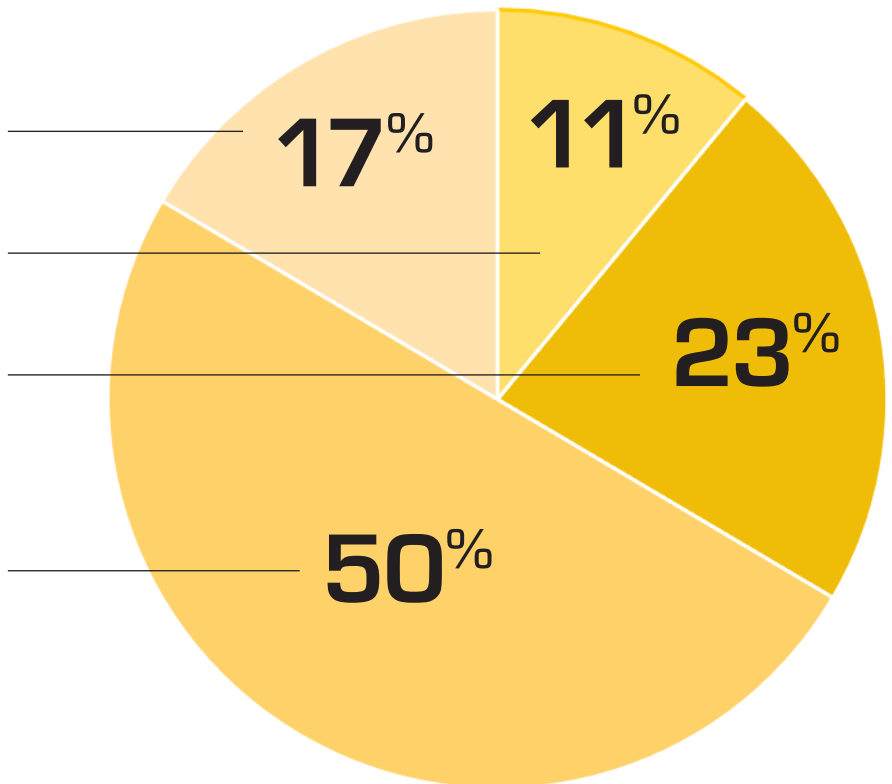
There is an increased role for employers to facilitate a better match between skilled immigrants and the labour market. Yet newcomers face challenges with the lack of recognition of their foreign education and work credentials, which impacts labour market integration. Employers highlighted some challenges that they experienced in hiring newcomers in the table below. Not applicable represents those employers with no experience with a hiring a newcomer.

We expect that we will be relying on newcomers as a source for new hires for our company.

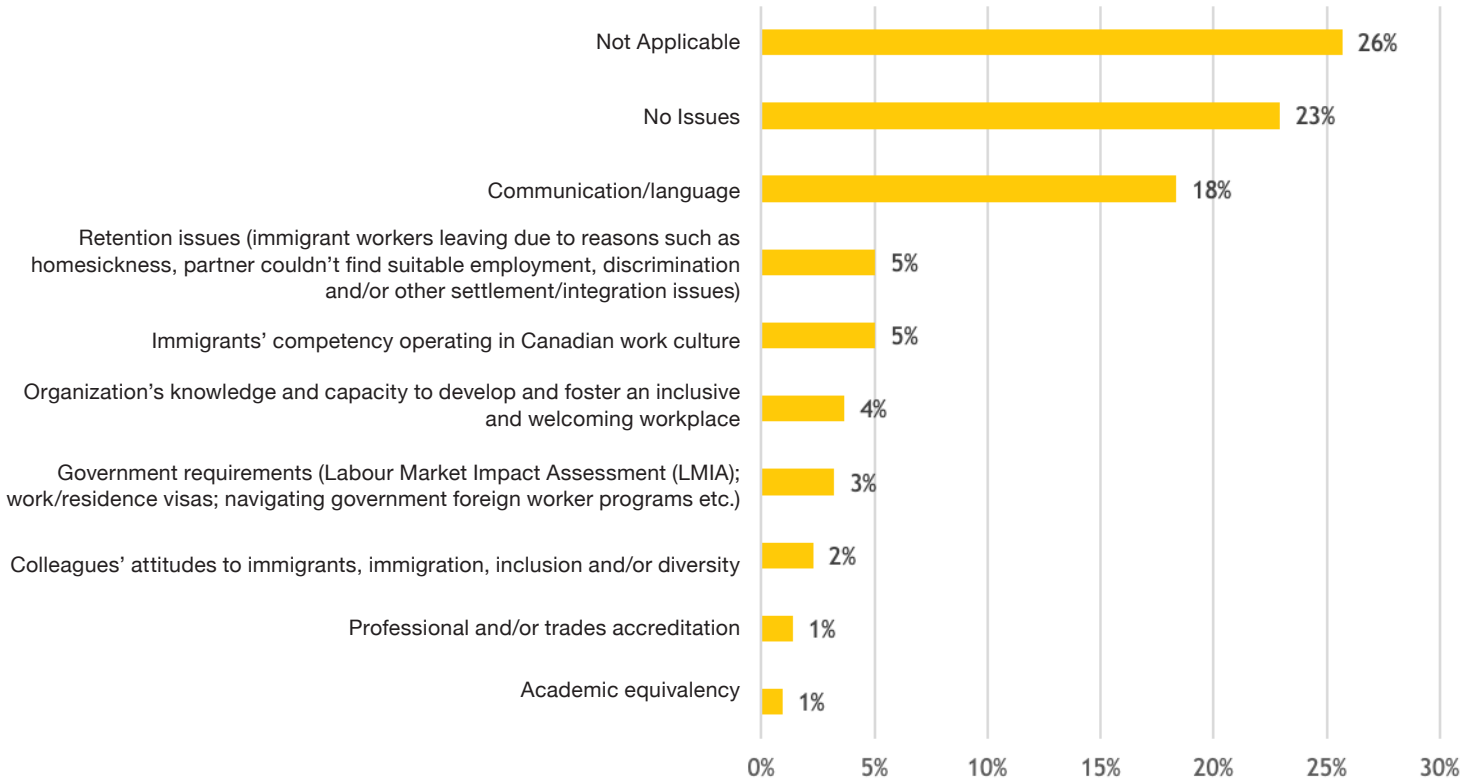
Newcomers have already become an increasingly important source of new hires for our company.

We foresee that in the near future newcomers will become an increasingly important source of new hires for our company.

Newcomers are not a particularly significant source of new hires of our company and we do not foresee this changing anytime soon.



Challenges when Hiring Newcomers



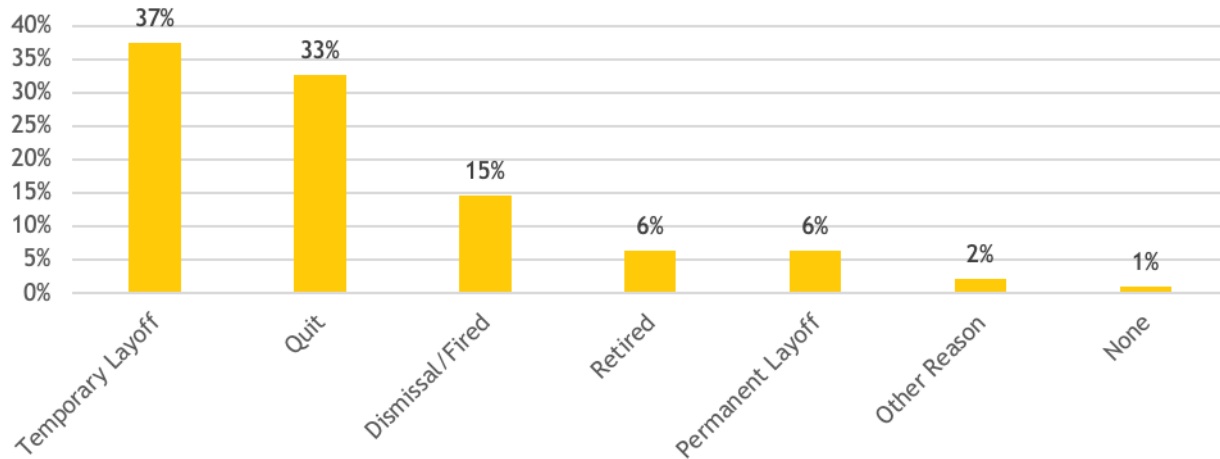
RETENTION OF THE WORKFORCE

Employee retention refers to the ability of an organization to retain its employees. In any organization decreasing employee turnover will decrease training and recruitment costs while mitigating a loss of talent and organizational knowledge. Studies have shown that cost related to directly replacing an employee can be as high as 50–60% of the employee's annual salary.

57% of employers indicated that they experienced a separation in the last 12 months. This represented 959 individuals.

The following table represents the reasons for the separations.

Reasons for Separations over Previous 12 Months



When employers were asked if retention was an issue within their company, 63% reported “No” and 27% cited “Yes” it was an issue.

In a tight labour market, retaining talent is of utmost concern and every employer should be working to implement or improve retention strategies.

The hardest occupations to retain as identified by employers were:

- Labourers
- Management
- Carpenters
- Drivers
- Housekeeping

These occupations range on different skill levels but are mainly concentrated in the skilled trades occupations.

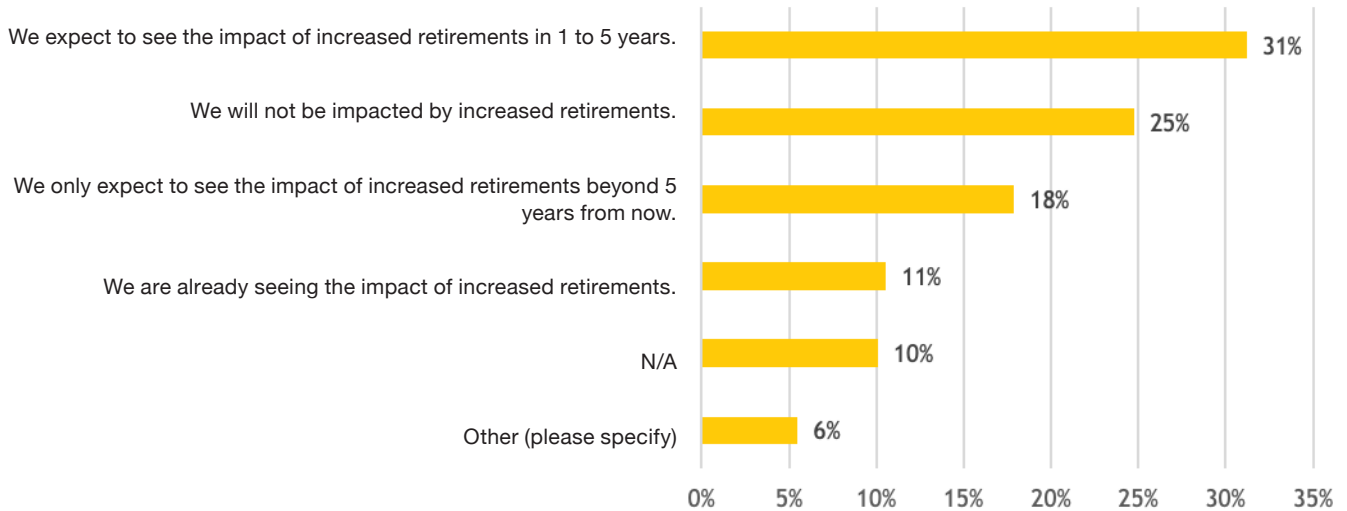
The higher percentage of employers reporting that retention is not an issue may be already implementing retention strategies such as:

- Professional development for employees
- Offering benefit packages
- Fostering a culture of open communication
- Providing meaningful work
- Flexibility work schedules
- Valuing and recognizing employee contributions

Algoma’s aging population and workforce means that employers could be faced with a labour and skills shortages as older workers retire and there are fewer people available to replace them.

When employers were asked how retirements have impacting their company, 11% said that they are seeing the impacts now of increased retirements and 31% indicated that they expect to see the impact in the next 1 to 5 years.

Impacts of Retirements



As retirements increase, it is important that employers have a succession plan in place to not only replace people at their organization, but to also ensure an effective transfer of knowledge to the newer workforce. Many business owners get so busy with the day-to-day operations of their company that they fail to make succession planning a priority. Succession planning is a process to identify the next generation of leaders in your organization who have the potential to fill key roles when the current personnel move on.

51% of employers in this survey cited that their organization did not have a plan for critical roles and 49% indicated they do have a plan in place.

49% Yes
51% No

CONCLUSION

As was mentioned earlier in the report, the results of this survey provide insight on some of the key hiring and recruitment challenges that local employers are facing. We emphasize again the limitations of the information which represents 'a picture in time', the views of 218 responding employers across the region. This is based on their knowledge of what their future needs will be regarding their economic situation at the time of the data collection.

However, the survey results do represent one additional source of data to help us better understand areas where we need to focus some efforts in order to ensure that employers' requirements are well known and communicated to job seekers, and those whose mandate it is to train and prepare workers for the current and future employment opportunities.

Ultimately, we hope that the information contained in this report will complement other sources and that it will help inform local stakeholders as they plan and tailor employment and training services, and ultimately better align the local labour market supply with the demand.



AWIC **ALGOMA WORKFORCE**
INVESTMENT CORPORATION

672 Queen Street East
Sault Ste. Marie, ON P6A 2A4
Phone **705.941.9341** Fax **705.941.9588**
www.awic.ca