January - 2017
London Economic Region (LER)

Local Employment Planning Council (LEPC)
Elgin Middlesex Oxford Workforce Planning and Development Board (EMOWPDB)

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#EmployerOne2017

This project is funded in part by the Government of Canada and the Government of Ontario
Introduction

A *community research effort* intended to better understand the *demand side* of the labour market in London Economic Region

Distant past
- Statistics Canada

2013
- The first data collection in London Economic Region (LER)

2014
- *Research partnership* formed (9 Western WFPBs and 3 researchers from McMaster Univ., Univ. of Guelph and Memorial Univ.) & *partial funding* OMAFRA

2015
- Ontario MTCU partial funding

2016
- Ontario MAESD partial funding

2017
- The fifth data collection in LER (continued MAESD support)
Sample and methods

- The *targeted sample size* based on ± 5% error, 95% confidence, 18,304 employers (CBC June 2016) – 387

- *Stratified random sampling*
  - Targeted strata by location, main sector and business size
  - Advertised through community partners (MOU’s)

- 368 “*usable*” surveys were collected during Jan. 2017

- *Sample is informative* about employers’ labour issues in LER – *benchmarks used* along analyses for comparison
EOS Questionnaire in broad terms

Demographics (workforce size and structure)

Separations (by type and occupation group)

Hired and prospect hires (by work type and occupation)

Preferred competencies/education

Providing training/education support

Recruitment methods

Availability of qualified talent

Difficulty finding talent (by occupation group)

Use of employment services (government & private)

Targeted groups for hiring

Barriers to training/education

Most offered type of training

Providing training/education support

Use of employment services (government & private)
Sample - workforce composition

Please indicate the total number of people you employ and how many are in the following categories?

The aggregate employment = 40,357 people

The aggregate workforce of the sample by employment type, [%]

<table>
<thead>
<tr>
<th>Employment Type</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>71.44</td>
</tr>
<tr>
<td>Part-time</td>
<td>12.77</td>
</tr>
<tr>
<td>Contract</td>
<td>10.84</td>
</tr>
<tr>
<td>Seasonal</td>
<td>4.96</td>
</tr>
</tbody>
</table>

The aggregate workforce of the 2017 EOS sample by age, [%]

<table>
<thead>
<tr>
<th>Age Group</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25 year olds</td>
<td>10.84</td>
</tr>
<tr>
<td>25 to 54 year olds</td>
<td>56.63</td>
</tr>
<tr>
<td>55 year olds and over</td>
<td>32.53</td>
</tr>
</tbody>
</table>
Note

The results should be read taking in consideration the time span of the questions asked.

Labour issues *in the past 12 months*, e.g. separations, hired, etc.

Labour issues *over the next 12 months*, e.g. planned hires, etc.
Results

Did your organization experience any separations over the last 12 months?

- 2015 EOS: Yes, 57; No, 31; No answer, 12
- 2016 EOS: Yes, 62; No, 35; No answer, 3
- 2017 EOS: Yes, 66; No, 34; No answer, 0
Separations

2016 total separations = 4,644 people

Separations in 2016 by occupation in..., [%]

- Manufacturing and utilities: 33.41%
- Education, law and social: 15.12%
- Sales and service: 14.72%
- Art, culture, recreation and sports: 13.42%
- Trades, transport and equipment: 8.2%
- Health: 4.39%
- Management: 3.79%
- Business, finance, and: 3.68%
- Natural resources, agriculture and: 3.05%
- Natural and applied sciences ...: 0.19%

Separations by type, [%]

- Quits: 36.36% (2015), 43.4% (2016)
- Layoff: 12.89% (2015), 27.57% (2016)
- Dismissal: 7.33% (2016), 15.34% (2016)
- Retirement: 13.5% (2016), 11.05% (2016)
- Other: 2.59% (2016)
Calculations and benchmarks

• **Separations rate** - percentage separations relative to the aggregate workforce \((4,644/40,357) \times 100 = 11.5\%\)
  - Quits rate – 5.0%
  - Layoffs rate – 3.2%
  - Other separations rate (retirement, dismissal, strike, etc.) – 3.3%

• In **London ER, layoff rates** for individuals aged 18 to 64 was 4.9%  
  (Ci, Morissette & Schellenberg, 2016; Morissette, 2004)

• Estimated **layoffs rate** in LER during 2016 was slightly lower than historical average, 3.2% relative to 4.9% respectively

• High proportion of **“Quits”** – economic expansion/peak  
  (Picot & Lin, 1997)
Did your organization hire any employees over the last 12 months?

- **2017 EOS**
  - Yes, 78 employees
  - No, 20 employees
  - No answer, 2

- **2016 EOS**
  - Yes, 78 employees
  - No, 18 employees
  - No answer, 4

- **2015 EOS**
  - Yes, 65 employees
  - No, 22 employees
  - No answer, 13
Hired in 2016

Total hired in 2016 = 5,888 people

Hired in 2016 by occupations in …, [%]

- Manufacturing and utilities: 28.94%
- Education, law and social: 23.72%
- Sales and service: 13.76%
- Trades, transport and equipment: 9.38%
- Art, culture, recreation and sports: 7.54%
- Health: 4.68%
- Business, finance, and: 4.42%
- Natural resources, agriculture and: 4.21%
- Managers & Executives: 2.94%
- Natural and applied sciences and: 0.43%

Hired by employment type, [%]

- Full-time: 40.16% (2015), 33% (2016)
- Seasonal: 31.5% (2015), 16.49% (2016)
Calculations and benchmarks

• **Hired rate** – percent of hired relative to aggregate workforce of the sample \((5,888/40,357)\times 100 = 14.6\%\)

• In **London ER**, **hiring rate** for individuals aged 18 to 64 was **17.9\%**
  (Ci, Morissette & Shellenberg, 2016; Morissette, 2004)

• The estimated **hiring rate** in LER in 2016 was marginally lower than historical average, 14.6\% relative to 17.9\% respectively

• These estimates that will allow us to better assess the demand size for the region
How diverse?

How many were recent post-secondary grads (within the last two years)?

- **2017 EOS**
  - Post-secondary grads: 12
  - Other hires: 88
- **2016 EOS**
  - Post-secondary grads: 9
  - Other hires: 91

2017 EOS | Have you hired one or more of the following in the last 12 months? Please indicate all applicable responses:

- **Youth**: 131
- **Older Worker (over 55)**: 89
- **Visible Minority**: 65
- **Immigrant**: 53
- **Person with disability**: 43
- **Indigenous**: 20
- **Francophone**: 11

During 2016, employers from LER hired a diverse workforce.
**How diverse?**

During 2016, *employers* from LER *hired* for diverse jobs

*Skill levels are associated to educational/training requirements (NOC 2011)*

### Job title (Skill level C & D)*

<table>
<thead>
<tr>
<th>Job title</th>
<th># hired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production associate/ assistant/ labourer/worker</td>
<td>617</td>
</tr>
<tr>
<td>General labour</td>
<td>127</td>
</tr>
<tr>
<td>Farm laborer</td>
<td>95</td>
</tr>
<tr>
<td>Seasonal worker</td>
<td>75</td>
</tr>
<tr>
<td>Guest service/guest service agent</td>
<td>58</td>
</tr>
</tbody>
</table>

### Job title (Skill level B)

<table>
<thead>
<tr>
<th>Job title</th>
<th># hired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Truck Driver and Equipment operator/Backhoe operator/AZ truck driver</td>
<td>131</td>
</tr>
<tr>
<td>Cook</td>
<td>36</td>
</tr>
<tr>
<td>CNC Operator</td>
<td>29</td>
</tr>
<tr>
<td>Crew Member</td>
<td>28</td>
</tr>
<tr>
<td>Welder/ Aluminum/Steel</td>
<td>28</td>
</tr>
</tbody>
</table>

### Job title (Skill level A)

<table>
<thead>
<tr>
<th>Job title</th>
<th># hired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teachers</td>
<td>212</td>
</tr>
<tr>
<td>Direct support professional</td>
<td>113</td>
</tr>
<tr>
<td>Education assistant</td>
<td>91</td>
</tr>
<tr>
<td>Personal support worker</td>
<td>53</td>
</tr>
<tr>
<td>Employment advisor/consultant/counsellor/specialist</td>
<td>46</td>
</tr>
</tbody>
</table>

The comprehensive list is available in the report.

3 jobs for which you hired the most employees, over the last 12 months.
2017 EOS | Top three competencies for your employees, [votes]

- Customer service: 114 votes
- Teamwork/interpersonal: 111 votes
- Work ethic: 108 votes
- Dependability: 102 votes
- Self-motivated/ability to work with little or no supervision: 87 votes
- Communication (both oral and written): 85 votes
- Problem solving, reasoning, creativity: 52 votes
- Technical: 49 votes
- Willingness to learn: 45 votes
- Professionalism: 32 votes
- Time management or organizational: 19 votes
- Computer literacy: 17 votes
- Other, please specify: 8 votes
- Analytical/research: 6 votes

Bold preference for *soft skills*

<table>
<thead>
<tr>
<th>Competency</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work ethic, dedication, dependability</td>
<td>121</td>
</tr>
<tr>
<td>Communication (both oral and written)</td>
<td>90</td>
</tr>
<tr>
<td>Customer service</td>
<td>90</td>
</tr>
<tr>
<td>Self-motivated/ability to work with little or no supervision</td>
<td>82</td>
</tr>
</tbody>
</table>
Were any positions/jobs hard to fill in the past 12 months?

2017 EOS
Yes, 46
No, 49
No answer, 5

2016 EOS
Yes, 38
No, 52
No answer, 10

2015 EOS
Yes, 27
No, 33
No answer, 40

Significant growth in the number of organizations from LER that experienced shortages of talent
Insights about hard to fill jobs

• Cross tabulating “hard to fill” variable against “demographic” variables

• Employers from densely populated locations were less likely to experience difficulty finding talent than employers from less densely populated locations. (compared Elgin without St. Thomas, St. Thomas, Middlesex without London, London, and Oxford County)

• Established organizations were more likely than start-up organizations to experience shortage of talent

• Larger organizations were more likely to report talent shortages than smaller organizations

• Likeliness to experience talent shortages varied by economic sector
Top 10 hard to fill positions/jobs

856 hard to fill positions/jobs identified by 168 employers

<table>
<thead>
<tr>
<th>Positions/jobs you found hard to fill</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service and Delivery</td>
<td>100</td>
</tr>
<tr>
<td>French Teachers</td>
<td>95</td>
</tr>
<tr>
<td>Truck Driver</td>
<td>51</td>
</tr>
<tr>
<td>Production Associates</td>
<td>46</td>
</tr>
<tr>
<td>Farm Labourer</td>
<td>42</td>
</tr>
<tr>
<td>Welder/Aluminum/Steel</td>
<td>25</td>
</tr>
<tr>
<td>Assembler</td>
<td>20</td>
</tr>
<tr>
<td>Direct Support Professional</td>
<td>20</td>
</tr>
<tr>
<td>CNC Machinist/Operator</td>
<td>17</td>
</tr>
<tr>
<td>Cooks</td>
<td>11</td>
</tr>
</tbody>
</table>

A comprehensive list of hard to fill jobs by main sector is available in the main report.

Talent shortages for skill levels C* and D were more likely to be noted by employers during 2017 EOS than for skill levels A and B

The identified shortages of talent were diverse and varied by economic sector

*Skill levels are associated to educational/training requirements (NOC 2011)
2017 EOS | Top 3 reasons why these positions/jobs were hard to fill, [votes]

- Not enough applicants: 78 votes
- Lack of qualifications (education level/credentials): 65 votes
- Lack of work experience: 64 votes
- Lack of motivation, attitude, or interpersonal abilities: 63 votes
- Lack of technical skills: 58 votes
- Lack of work experience: 34 votes
- Inability to compete with other employers: 25 votes
- No applicants at all: 17 votes
- Lack of transportation: 16 votes
- Lack of language requirements: 8 votes
- Inability to assess a foreign educational...: 2 votes

**Reason why hard to fill**

<table>
<thead>
<tr>
<th>Reason why hard to fill</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not enough applicants</td>
<td>64</td>
</tr>
<tr>
<td>Lack of qualifications (education level/credentials)</td>
<td>54</td>
</tr>
<tr>
<td>Lack of technical skills</td>
<td>53</td>
</tr>
<tr>
<td>Lack of motivation, attitude, or interpersonal abilities</td>
<td>53</td>
</tr>
</tbody>
</table>

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Not enough applicants ... Could it be an attraction - recruitment problem?
Where do you recruit? Do you use the available resources?
Lack of qualifications (educational level/credentials)? ... Education, ES, Employers
2017 EOS | Top 5 recruitment methods used to hire, [score]

<table>
<thead>
<tr>
<th>Recruitment method</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of mouth/personal contacts/referrals/informal networks</td>
<td>742</td>
</tr>
<tr>
<td>Online job boards/postings</td>
<td>594</td>
</tr>
<tr>
<td>Company's own internet site</td>
<td>343</td>
</tr>
<tr>
<td>Government employment centres or websites</td>
<td>343</td>
</tr>
<tr>
<td>Unsolicited resumes</td>
<td>315</td>
</tr>
</tbody>
</table>

Fairly stable top 5 recruitment methods with the exception of #5.
Insights regarding the recruitment method

• Cross tabulating “recruitment methods” and “demographic” variables

• The established organizations were more likely to rely on internally developed resource methods, such as “company’s own website” and “social media,” whereas start-up organizations were more likely to rely on externally developed resource methods, such as “non-government or community ES centres or websites” and “unsolicited resumes”

• Employers who experienced difficulty finding talent chose “online job boards/postings” as the #1 recruitment method employed, whereas the employers who did experience shortages of talent chose “word of mouth/personal contacts/ referrals/ informal networks” as their #1 recruitment method

• Larger organizations were more likely to employ formalized and targeted recruitment methods than smaller organizations
2017 EOS | Which of the following geographic areas were targeted for recruitment? [# of employers]

- Locally: 329 employers
- Provincially: 83 employers
- Nationally: 19 employers
- Internationally: 8 employers

About 89% of employers indicated “locally” being their main target, but if the shortages of talent continue, should we consider expanding our reach?
Did you use a free government funded employment service agency for general employment? (e.g. post any jobs)

2017 EOS

- Yes, 42
- No, 50
- No response, 8

2016 EOS

- Yes, 28
- No, 57
- No response, 15

A significantly larger proportion of employers used free ES in 2016.
2017 EOS | Did you use a free government funded employment agency to recruit any of the following? [# of employers]

- Youth: 69
- Immigrants: 32
- Older Workers (over 55): 24
- Visible Minorities: 21
- Persons with disabilities: 19
- Other, please specify: 17
- Indigenous: 12

2016 EOS | Please select for which groups you received assistance from a free employment agency?

- General employment: 83
- Youth: 26
- Persons with disabilities: 8
- Immigrants and visible minorities: 6
- Aboriginals: 5
- Older Workers: 4
Insights regarding the use of free ES

• Cross tabulating “the use of free ES” and “demographic” variables

• Employers located in less densely populated locations were more likely to use free ES than employers from more densely populated locations. (Elgin without St. Thomas, St. Thomas, Middlesex without London, London and Oxford County compared)

• There was no difference between “start-up” and “established” businesses (organizations) in using free ES

• A U shape effect was observed between the use of free ES and business (organization) size. Larger organizations were more likely to employ free ES than smaller organizations (up to “medium” size organizations). For “large” organizations the likelihood of using free ES reduced again.

• Organizations that experienced shortages of talent were more likely to employ free ES than organizations that didn’t experience shortages of talent
Did you use a paid recruitment agency?

2017 EOS:
- Yes, 13
- No, 80
- No answer, 7

2016 EOS:
- Yes, 10
- No, 75
- No answer, 15

2015 EOS:
- Yes, 7
- No, 53
- No answer, 40

Slow growth (3% per year) in the number of organizations that used paid recruitment agencies
Do you plan on hiring anyone over the next 12 months?

- **2017 EOS**: Yes, 64, No, 32, No answer, 5
- **2016 EOS**: Yes, 59, No, 28, No answer, 13
- **2015 EOS**: Yes, 56, No, 26, No answer, 18

*Growing number of employers* expressing intentions to hire this year
Anticipated hiring

2017 total planned hires = 2925 people; % of total

Planned hires for 2017 [%] by occupation in ...

- Education, law and social...: 21.27%
- Natural resources,...: 19.53%
- Sales and service: 15.41%
- Occupations in...: 12.45%
- Trades, transport and...: 11.45%
- Art, culture, recreation and...: 7.12%
- Health: 5.26%
- Management: 3.66%
- Business, finance, and...: 3.31%
- Natural and applied sciences...: 0.55%

Planned hires [%] by employment type

- Full-time: 63.81%
- Part-time: 35.73%
- Contract: 15.89%
- Seasonal: 9.1%
- Total: 40.81%
Calculations and benchmarks

• Planned hiring ratio
  \[(\frac{2925}{40357})\times100 = 7.3\%\] of current workforce
  • Could be interpreted also as a business confidence indicator

• Expansion demand: 1.8% in 2017, in LER (Central 1 Credit Union forecast, Vol.8, Issue 2, Feb. 2017)

• + Replacement demand
  • Retirement generated demand - raw estimation
    • Annual replacement rate: 0.1\times20.1\% (age 55+) = 2.1\% of total employment in LER. If waited longer, it is safe to assume an annual replacement rate between 2\% and 6\%
  • + generated by frictional unemployment (quits)
  • + generated by other separations (dismissals, return to school, etc.)

• Ranking the reasons for anticipated hiring:
  1) Expansion; 2) Fill a vacancy/replacement; 3) Seasonal
Provide professional development or training opportunities for your employees

A larger proportion of organizations indicated that they provide professional training or training opportunities for their employees.
A smaller proportion of employers (11%) indicated that they participated in apprenticeship training in 2016.
Conclusions

• Regional EOS expertise gained
• Vibrant labour market activity in LER region during 2016
  • Profile specific to an economic expansion/peak
  • Increasing recruitment costs (quits)
  • Increased difficulty finding talent
    • Soft skills in demand
    • Skill level B, C, & D demand
    • Occupations in “education, law and social, community and government services,” “sales and service,” and “manufacturing and utilities” were in greater demand
  • People from diverse population groups were hired for a variety of jobs
Conclusions

• LER labour market will remain *tight* during 2017
  • Medium growth of employment is anticipated
  • A large proportion of organizations expressed their intentions to hire
    • Expansion, replacement, seasonality, and friction
    • Contract and seasonal work among the preferred work arrangements
    • Employers still remain cautious and reserved regarding expansion
    • Economic uncertainty created a certain psychology
    • Identified demand by sector and work type
    • Shortages of talent are expected to continue

• Employers’ labour market behaviour is determined by organization’s size, geographical location, maturity of business, type of location, etc.
Conclusions

• Employers used a variety of recruitment methods

• Employers focused their recruitment efforts mostly in the LER

• A large proportion of employers used free ES services targeting diverse population groups and programs
  • Youth, mature workers (55+), and immigrants among high priority groups

• Employers indicated that they support in various ways the professional development and training of their workforce
  • Limited participation in apprenticeship programs
  • Limited co-op, internship, or mentoring opportunities offered to job seekers
Into the future

• Improve the sampling
  • Reassess the population of interest
  • Standardize the technique across the regions

• Reassess the questions and question categories
  • Frequency (every year vs. every three years)

• Explore new ways of analyzing and disseminating this information
References


Many thanks to our EOS community partners

Better Business Bureau Western Region
Career and Employment Services St. Thomas/Aylmer
Centre Communautaire Régional de London
College Boreal
Community Employment Choices
Community Employment Services Fanshawe
Community Employment Services Oxford
Downtown London
Elgin Economic Development
Employment Sector Council
Employment Services Elgin
Excellence In Manufacturing
Fanshawe College
HRPA London Chapter

Ingersoll District Chamber of Commerce
Knighthunter
Leads Employment Services
Literacy Link South Central
London Chamber of Commerce
London Economic Development Corporation
London Home Builders Association
London Small Business Centre
Middlesex Economic Development
Nokee Kwe
Ontario Ministry of Agriculture, Food and Rural Affairs
Oxford County
Oxford Workforce Development Partnership
Pillar Nonprofit Network
Many thanks to our EOS community partners

South Central Ontario Region Economic Development Corporation
St. Thomas & District Chamber of Commerce
St. Thomas YWCA
Strathroy and District Chamber of Commerce
TechAlliance
Thames Valley District School Board
The Business Help Centre of Middlesex
Tillsonburg District Chamber of Commerce
Town of Tillsonburg
Tourism London
Western Fair District
Woodstock Chamber of Commerce
Questions ?