



# NAVIGATING TALENT ATTRACTION CHALLENGES

DISCUSSIONS WITH  
YORK REGION EMPLOYERS

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# ABOUT THE WORKFORCE PLANNING BOARD OF YORK REGION

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The Workforce Planning Board of York Region (WPBoard) is a not-for-profit community based organization established in 1999 by the Province of Ontario to identify local labour market issues in York Region and undertake projects or partnerships that would contribute to addressing local employment needs. WPBoard is one of 26 independent non-government organizations located across the Province of Ontario and funded by the Ministry of Labour, Immigration, Training and Skills Development. A volunteer Board of Directors comprised of business and labour members from across the region provides the governance for the Board.



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# Table of Contents

## S T R U C T U R E

01.

Introduction

03.

What was heard from employers

12.

Insights from employer interviews

17.

Conclusion

# NOTHING BUT THE BEST

This report offers a comprehensive overview of the insights gathered from employers in the York Region concerning their experiences with employee recruitment and retention. The data collection process spanned from early September to mid-October, during which, in-depth discussions were held with a diverse range of employers representing a wide cross-section of businesses, in terms of both industry sector and number of employees.

The extended conversations conducted during this period allowed for a nuanced understanding of the challenges, strategies, and perspectives prevalent among employers in the York Region. By engaging with a varied group of businesses, the report aims to provide a holistic and inclusive representation of the recruitment and retention landscape in the region.

The period right after COVID restrictions were lifted saw a large increase in the number of job vacancies in the Greater Toronto Area. The following chart shows the total number of job vacancies in the Toronto Region.<sup>[1]</sup> The figure for 2018 (102,168 job vacancies) represents the average number of job vacancies per each quarter in 2018.

The number of job vacancies from Q1 of 2019 to Q2 of 2020 stayed very close to this level; when COVID first hit and lockdowns were instituted, StatsCan suspended the Job Vacancy and Wage Survey for Q2 and Q3, 2020. As the lockdowns began to be lifted and as the survey was resumed, the job vacancy rate started rising sharply, reaching 181,980 in Q2 of 2022, almost double what it had been through 2018 and 2019.

1. The Toronto Region is an economic region defined by Statistics Canada and includes the City of Toronto, York Region, Durham Region, Peel Region and Halton Region (except for the City of Burlington).

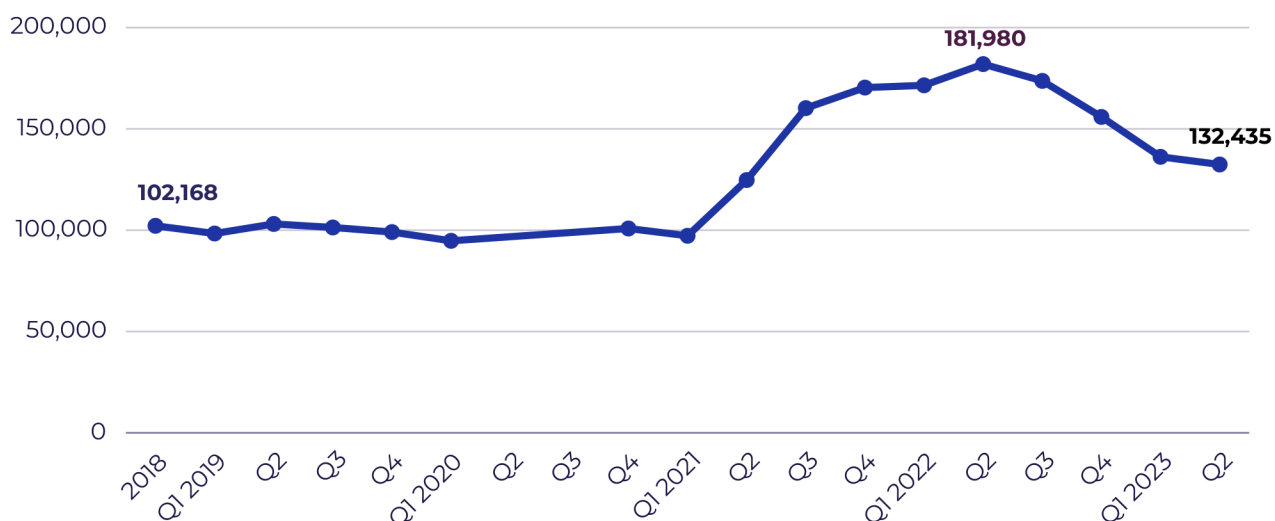
The Toronto Region accounts for almost half (47%) of Ontario's labour force.



While the number of job vacancies started declining after that (as a result of the Bank of Canada's decision to raise interest rates as a way to reduce inflation), in Q2 of 2023 the number of job vacancies stood at 132,435, still a third higher than what it had been in 2018 and 2019.

## Number of job vacancies

Toronto Region, 2018 to Quarter 2, 2023



Source: Statistics Canada

This is the quantitative evidence for the expressed view of employers that there were not enough job candidates for the job openings they had available. The rest of this report probes deeper into the experiences of employers.



*Employers expressed that there were not enough job candidates for the job openings they had available*

# WHAT WAS HEARD FROM EMPLOYERS

## Occupations difficult to recruit for

Employers who agreed to a request to be interviewed for this report were already more likely to be experiencing recruitment challenges, as this gave them an opportunity to express their frustrations and to contribute to local labour market insights. Regardless of their industry sector, virtually each of them found it difficult to recruit. It became apparent that the labour market dynamic of each of these occupations was slightly different.



Hiring challenges exist across the labour market regardless of industry sector

**Perennial shortages.** Some of these occupations have experienced longstanding shortages, the most prominent ones being among the skilled trades. For several generations now, there has been an assumption that a university degree is the preferred route to a rewarding career, and increasing numbers of youth have stayed in school longer and have more often chosen a university education. Yet skilled trades offer a great variety of career options, often at above average wage levels, and the decline in enrolments in apprenticeship programs over the years has resulted in a dire shortage of tradespersons. While apprenticeship numbers have increased in recent years, it does not make up for a longstanding gap, especially among experienced employees, as the Baby Boom generation has been retiring.

Skilled trades have experienced long standing shortages and will continue with the retiring of baby boomers



**Smaller pool of candidates.** The shift toward prioritizing post-secondary education has resulted in a decrease in the number of individuals opting for employment immediately after completing high school. Consequently, there is a reduced pool of candidates for positions traditionally requiring only a high school diploma. This trend is notably observed in occupations such as transport truck drivers and general laborers, whether for manufacturing, construction, or warehouse and logistics jobs.



More students move on to post-secondary education thus reducing the number of candidates for jobs that typically require only a high school diploma.

**Increasing demand in the marketplace.** Certain occupations have seen increased demand because of how our economy has been changing. A good example are various occupations in the IT field, from software engineers to web designers, as technological change has resulted in greater reliance on the Internet as a way of marketing to and interacting with customers. This tendency accelerated as a result of COVID.

Occupations in the IT field have increased in demand due to greater reliance on internet marketing and electronic interaction with customers.



**Shifts in employment resulting from COVID.** Among the sectors most affected by COVID were the Accommodation & Food Services industry, as customers could no longer travel or congregate in restaurants or bars. A considerable portion of individuals employed in those jobs chose during the lockdown period to find work in other sectors, and when those establishments re-opened, there was a smaller pool of workers seeking to return to their old jobs, creating a shortage; job vacancy rates in this sector were much higher than average. For a different reason, shortages also emerged in many health care occupations, as the strain of working through the pandemic took its toll, resulting in early retirements or choosing to work in other fields.

**Increasing demand due to government policy changes.** In other cases, changing government policies have spurred increased demand. The federal government's policy to reduce childcare fees across the country has resulted in increased usage of childcare services. Because of requirements relating to adult-child ratios within these services, it has resulted in an increased demand for early childhood educators.

**Other occupations.** It hardly mattered which sector these employers came from, for whatever their field, they expressed difficulty in recruiting new employees. This included such a diverse range of occupations as accountants, massage therapists, auto sales representatives, and teachers for tutoring programs outside of school boards.

## The reasons for the difficulty in recruitment

**Shortage of candidates.** The previous discussion makes clear that the foremost issue is that there simply are not enough candidates. Employers frequently noted that there were simply too few individuals applying for a job posting. That shortage of numbers has further consequences.

**Skill gap.** The hiring process typically involves applying a set of filters, each of which involves a set of assessments, narrowing the pool of candidates to a short-list.

These filters would often include:

- Does the candidate have the right technical skills for the job? (this also gets expressed in terms of having experience, because some of these skills are acquired in the doing)
- Does the candidate have the right soft skills for the job?
- Does the candidate have the right fit with our corporate culture?

The fewer candidates who apply, the smaller the number of candidates progressing through these filters. Indeed, with a limited number of candidates, there may not be anyone who successfully passes through each of these filters.

The overall lack of individuals looking for work also means that those who are qualified are far more likely to be employed. The tight job market may motivate those who were not previously in the labour market to decide to seek employment again, believing that they may have a better chance at getting a job. But it may also be the case that their skill set may be slightly lower or needing refreshing. Employers may have to consider hiring individuals and either training or coaching them for some time before they match the skill expectations needed for the job. (As one employer expressed it regarding a common entry-level job: *“All employers in this field are competing aggressively with each other over a lower quality pool of candidates.”*)



Given the limited pool of entry-level candidates, employers need to consider providing training or coaching to new hires to meet the skill expectations required.

It is also the case that skill expectations have gone up, starting with a greater need for digital skills, but also a desire that workers manage themselves, that they take the initiative, exhibit an attention to their work, and can problem-solve.



“Digital skills are defined as a range of abilities to use digital devices, communication applications, and networks to access and manage information.” UNESCO, 2018



**Wage gap.** A tight labour market allows job candidates to hold out for a higher wage, knowing that employers may have limited choice in who is available to be hired. Moreover, the increase in inflation that started in the second half of 2021 and kept increasing through all of 2022 contributed to the wage demands of job seekers, as their own increased living expenses resulted in their desire to seek a higher wage offer. At the same time, businesses were struggling with the impact of inflation on their expenses, such that there was an emerging gap between what employers were prepared to offer as a wage and what job candidates were seeking.

**Retention.** The tight labour market means that incumbent workers were also being lured by job opportunities from other employers, attracted by higher wages, more benefits and/or more suitable working conditions (such as a preferred schedule, less commuting or working remotely). Turnover among existing staff places more pressure at the recruitment end – not only are there fewer job candidates, but the number of jobs to be filled might be increasing.

**External issues.** There are also other issues which may be peculiar to an employer which make recruitment difficult. This includes such factors as transportation (either distance or poor public transit), or the presence of other employers who are better positioned to meet the job candidate's needs.



# Views regarding on-line job recruitment platforms

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Given the increasing reliance on on-line job recruitment platforms, employers were asked to provide their opinions about their usefulness. The first question sought to learn which platforms were most frequently used by employers. By far, Indeed was most often cited by employers – almost three-quarters indicated that they used Indeed. LinkedIn came in second, mentioned by almost a third of employers, several of whom said they preferred LinkedIn when recruiting for higher-level positions. Around a fifth mentioned some other sites (Job Bank, ZipRecruiter, Workopolis, Charity Village, or specialty sites for specific industries).

The most likely positive comment about Indeed was that one typically got a larger number of applicants. For some, they were satisfied with the experience. But for many others, the complaint about Indeed was the larger number of unsuitable applications, both in terms of individuals who were applying for the job opening from outside Canada (in the hopes of getting a work visa) as well as individuals who clearly were not at all a fit for the job. As more than one employer stated, it was as if they had not even read the job posting.

The large proportion of unsuitable applicants meant more work for employers in sifting through the applications. Many employers lamented the fact that Indeed could not do a better job of filtering out unsuitable applications.

The one difference between LinkedIn and Indeed was that one could better target the job candidate one was seeking. The drawback was it was not always apparent whether that individual was actually looking for or interested in a job opportunity.



Many employers identified that the large on-line job recruitment platforms need to do a better job of filtering job applications to remove applications that clearly do not meet the hiring criteria.



# Impact on businesses arising out of recruitment challenges

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When employers are not able to fill job vacancies in a timely manner, it has consequences for their business. The top four consequences were the following:

- The business ends up delaying the delivery of goods or services to customers
- The business defers taking on new contracts or puts off plans for expansion
- Employees may be asked to work overtime; in some cases, workers are happy to earn more income, but among some employers they avoid this option because of concern for staff burnout
- Supervisors and managers may step in to help with front-line duties

The following impacts were mentioned as well by at least one employer:

- The business cross-trains their staff, so that employees can be shifted from one function to another, depending on where there is a staffing shortage
- The business may hire additional workers on contract or make use of a temp agency (although this latter option was deliberately avoided by many employers)
- The business may sub-contract some of its work to another business
- The business may reduce its hours of operation

One further point bears mentioning: for a small establishment, the pressure of addressing staff shortages often necessitates the owner stepping in and taking on more tasks, all of which results in mental and physical fatigue for the owner.

The point is, there are tangible consequences for businesses when they cannot fill vacant job positions, including lost revenue, a decline in productivity, and possible burnout for owners, supervisors and staff. It is evident that aggregating these impacts across a large number of businesses means the economy is operating at a sub-optimal level.



Failure to fill job vacancies in business can lead to decreased productivity, employee burnout, and the local economy operating below its optimal level.



# Reliance on Employment Ontario Services

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In exploring how employers dealt with the recruitment challenges they faced, several questions focused on what other forms of assistance they relied upon. The first of these was in relation to Employment Ontario Employment Services. These services are funded by the provincial government through local service providers (largely community agencies as well as a few private sector providers) to assist job seekers in finding employment. They do this by helping with resume writing, acquiring interview skills and learning about job search techniques, as well as providing career counselling and referral to other services.

These agencies also reach out to employers to match their job seekers to current job postings, and employers can also reach out to these agencies to solicit job candidates. There are 18 **Employment Ontario locations in York Region** providing these services.

Around a quarter of the employers interviewed were either not aware or only vaguely aware of these services. About a third of them had used the services but felt that they received too few referrals or that the referrals they received were not a good match for the job opening. Around one in eight of the interviewees appreciated the services, in particular the wage incentives that sometimes accompanied a new hire, which helped them defray the cost of training a new worker and supporting them as they become productive contributors to the business.



While Employment Ontario service providers effectively refine a job candidate's resume and offer valuable assistance in preparing for interviews, they may not always be successful at finding the right match for what the employer is looking for.

# Reliance on government programs or services

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In addition to employment services, there are an array of government programs which can assist in one way or another with addressing an employer's human resources needs. Many of these programs are accessible through Employment Ontario employment services providers. At least four to five interviewees each referred to one of the following:

- Canada Ontario Job Grant – matching dollars to support skills training of incumbent workers as well as new hires.
- Apprenticeship – employers need to qualify as sponsors of an apprentice and there are also incentives for both the apprentice and the employer.
- Canada Summer jobs subsidy – several employers made use of summer hiring programs.
- Other hiring and training programs – a number of employers made reference to programs they had used in the past but could not remember the precise name of the program.

On the other hand, several employers admitted that they really did not know what programs were available.

Employers sometimes complain about the paperwork or the conditions which accompany a government grant, but when specifically asked about this, most employers said that the paperwork was not that difficult or that they received assistance to complete the forms, and that none of this served as a disincentive. Only a few indicated that they preferred to avoid such programs for that reason.



Some of the government programs available to employers include Canada Ontario Job Grant, Apprenticeship Sponsorship grants and Canada Summer Job Program.

## Reliance on partnerships

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Another strategy that some employers rely upon in addressing their human resources needs is to connect with other institutions or organizations. By far, the clearest example of that is engagement with community colleges, both for apprenticeship programs but also for co-op placements, as a way to test future prospective employees. In addition, employers make use of such community college resources as their job boards or attend their job fairs. No other category of possible partnerships were mentioned as frequently. Only a few employers indicated that they had tried to approach their local community college but had no success making a connection.

There was some mention made of high schools, including participating in career evenings or making use of summer job programs. Several employers were less likely to turn to high schools because of the lack of experience of high school students or because they felt that high school students were not far enough along in their career choice path to warrant the time and effort at this early stage. Several manufacturers specifically raised safety concerns when it came to considering high school students for work placement opportunities.

There was little mention made of universities as possible workforce partners, while a few employers cited their industry association as a source of resources or advice, as well as the Workforce Planning Board of York Region.



# INSIGHTS FROM EMPLOYER INTERVIEWS

Apart from the specific responses to the range of topics covered by these interviews, there were themes which regularly came up, partly as a result of the give-and-take of a question-and-answer interview, and partly when employers themselves would volunteer their impressions of what has been changing in the labour market in the last few years.

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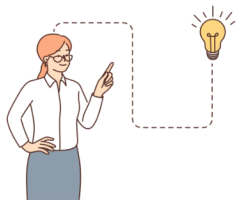
## The aftereffects of COVID

Not only was COVID completely unexpected in terms of its outbreak, but it has also been a revelation to experience its subsequent impact. At first, the trajectory was like a sharp recession, with an immediate drop in employment. But as the lockdowns lifted, employment in many sectors returned to normal at a much faster pace than after a typical recession. However, the lingering effects were two-fold: an impact on employment levels and job vacancies, but also a change in attitudes and behaviours.

02

## Shift in the labour market balance

Already before COVID, the unemployment rate had been dropping and the labour market was tightening. But when COVID hit, a number of impacts affected the labour market. For one, the tourism sector (food services, accommodation services, various visitor sites) was especially affected. It appears that workers who had been employed in this sector took the opportunity during the lockdowns to seek employment in other sectors. When the tourism sector rebounded, it was harder to find employees because the usual pool of workers had shrunk. For another, workers in the health sector, especially those employed long-term care facilities and hospitals, experienced high levels of stress and over-work during the pandemic, and a number of them left this sector. The great shift to remote work activities increased the demand for IT workers and workers with digital skills, such that this was another area where demand much exceeded supply.



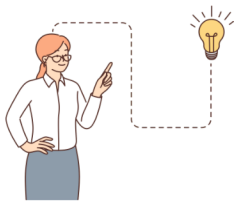
*COVID caused a halt of immigration to Canada, while baby boomers continued to retire, thus further contributing to a shortage of workers. During this time, the labour market shifted to job seekers having the power.*

The simple fact of this shortage of workers in many sectors meant that job seekers could hold out for higher wages, leading to what was earlier called a wage gap between what job seekers were asking for and what employers were prepared to pay. The pressure for higher wages was also exacerbated by rising inflation, as employees sought compensation for the drop in the purchasing power of their income.

## 03

### Changes in employee and job seeker expectations

It has also been very apparent that some significant attitudinal changes took place in the labour force as a consequence of COVID. Some would say that the heightened threat and anxiety posed by the pandemic caused many to reconsider their life priorities, such that a higher premium on one's own health caused some to re-evaluate the effort they invested into their work life.

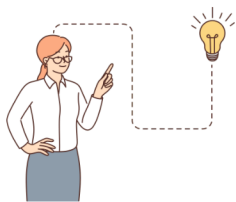


*Since COVID, a far greater premium has been placed on finding a better work-life balance.*

At the same time, more employees appear to be seeking more from their work, whether it means more personal fulfillment or different experiences, or just greater flexibility in how they carry out their tasks. This appears to have contributed to greater mobility among workers as they frequently are on the look-out for how to improve their circumstances. Many employers felt that job tenure had declined since COVID (several employers said that people would stay in a job for several years at least; now, in some cases, it is down to one to two years, and even less).

It is also the case that for some employees, the slightest increase in the offered pay can be enough to cause a worker to switch jobs. Quite a few employers lamented what they felt was a decline in the sense of loyalty to their workplace.

It also bears mentioning that the phenomenon of ghosting – not showing up for an interview or job start and not communicating that absence – appears to have increased since COVID. Quite a few employers mentioned the frequency of this practice, and no one has a compelling explanation for it.



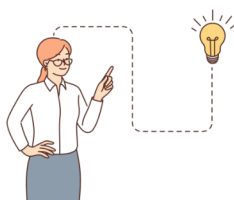
*There is also a greater awareness of diversity, equity and inclusion (DEI) as part of the HR equation; employees expect firms to have greater regard for DEI, which affects how job seekers evaluate a prospective employer.*

## 04

### Remote work

While the challenges employers face in recruiting new employees were front-and-centre in these discussions, one side issue was often raised, that of remote work. Perhaps one of the biggest changes that COVID made to our labour market was to cause the conditions that resulted in many more employees having to work from home. That experience proved that it was not only possible, but also had a number of benefits, most notably eliminating the need to commute, as well as facilitating a better work-life balance.

The shift in the labour market balance toward employees and job seekers expresses itself through this issue as well, as the option of remote work becomes yet another item that makes up the employment package. Employers were of the view that offering hybrid work was definitely an incentive for job seekers. But it was also apparent that while employers could understand that they held a weaker hand in the face of a tight labour market, the issue of remote work probably causes more consternation for them because it is not limited to the compensation package, but it affects how an employee will do their work, something which employers feel is their exclusive prerogative.



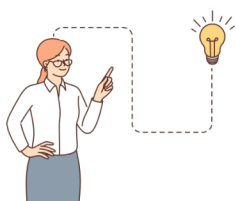
*"The issue is no longer whether there will be hybrid work, but rather what is the best way to structure it, to meet the needs of the employer and the employees."*



# 05

## Holistic HR approach

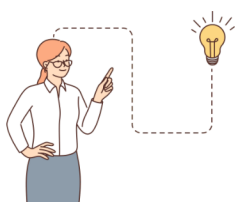
During the course of these conversations, employers were also asked what strategies they have adapted to respond to these various shifts affecting recruitment and retention. A number expressed the view that such changes in the labour market environment meant that they had to change their approach as well. Two employer quotes express this change in the following way:



- *HR needs to be so much more than just compliance.*
- *Employee expectations have changed; they are more vocal about socio-emotional needs and work-life balance. That has required us to adapt and apply a different style of management.*

This change is not limited to adopting one or two tactics or tools; rather, it encompasses a holistic HR strategy, aiming to attract and retain employees using multiple approaches, such as:

- Ensuring that wages are competitive (among occupations experiencing severe shortages, employers also offer signing bonuses)
- Including a wide range of benefits as part of the compensation
- Providing training and demonstrating a path for advancement and/or opportunities for growth
- Creating an attractive workplace culture which respects work-life balance, promotes employee engagement and empowerment (for example, by formalizing consultation processes or inviting feedback about the workplace), and by facilitating hybrid work



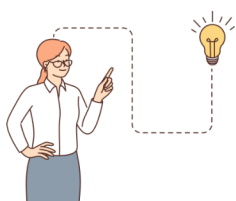
*Having a great culture, as well as having an attractive brand is a great aide in recruitment and retention and does not involve a large monetary cost.*



# 06

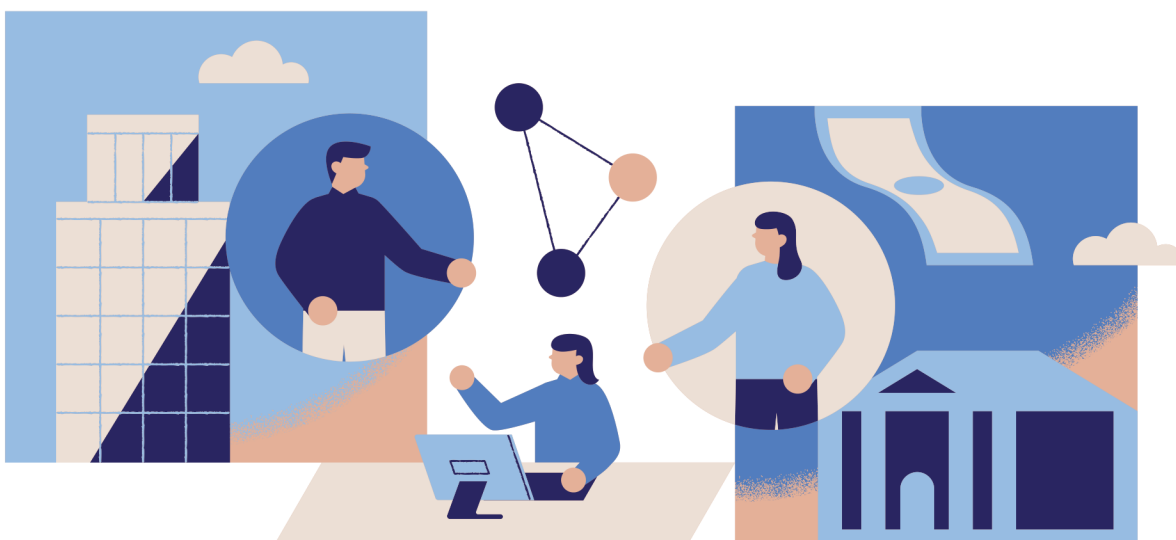
## Some challenges require a system-level response

Despite the insightful responses of employers, some of the labour market challenges they face, particularly in terms of severe shortages of job candidates among certain occupations, require a system-level response. No amount of creative poaching of workers from one another is going to magically expand the total supply of those workers. It is for this reason that we see specialized government programs targeting specific occupations, such as health care workers, transport truck drivers or early childhood educators, or for the skilled trades in general, through incentives for apprenticeships. This is also apparent in changes in the targeting of certain occupations through Canada's immigration policies.



*More localized projects can be developed to address the needs of local employers.*

These tend to be industry-specific and can involve a number of employers in the same industry, such as through the provision of targeted recruitment, job preparation, training and placement project. This is a function where a workforce planning board and/or a community college can play a useful intermediary role, identifying the need of employers and catalyzing the supply response



# CONCLUSION

For some time now, employers have been experiencing challenges recruiting job candidates. While some say this has eased somewhat, many still voice anxiety about the future hiring environment, especially those facing many retirements or those who are expanding their business.

The COVID pandemic had a clear and continuing impact on our labour market, long after the lockdowns were lifted. That impact was felt in terms of the number of workers available for job openings as a whole, and even more so for specific industries and occupations. But the pandemic experience also resulted in a change of attitudes and expectations on the part of employees and job seekers, most evident in relation to quality of work life issues.

The tightening of the labour market has given job seekers the advantage when it comes to asserting their desires, and so there is pressure on wages and in support of hybrid work arrangements. But there are strategies that employers can apply to make themselves “employers of choice.” It is also apparent that many employers seek out other forms of support, whether through government-funded programs or through partnerships with educational institutions.

The feedback from employers underscores the importance of improving the visibility and promotion of government programs and services designed to support employers. The suggestion implies that these initiatives may be insufficiently known or recognized among businesses. Specifically, with regard to Employment Ontario, there is a notion that the organization could increase its appeal to a broader spectrum of employers by implementing more robust awareness campaigns. The key insight here is that the current outreach efforts may predominantly focus on jobseekers, potentially overlooking the fact that employers can also benefit from the services offered.

The recommendation is to enhance communication strategies, ensuring that the availability and relevance of these programs for employers are effectively communicated. This proactive approach not only has the potential to attract more employers but also contributes to building a more comprehensive understanding among businesses about the support and resources available to them through these government initiatives.

# ACKNOWLEDGEMENTS

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*We would like to extend our sincere appreciation to all the employers who actively participated in the interview process.*

*Your valuable time, expertise, and engagement are instrumental in making workforce development a successful process.*

*Thank you for your commitment to provide insights.*

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