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A REPORT TO
ALBERTA CHAMBER OF COMMERCE



**BUSINESS COUNCIL
OF ALBERTA**

HIRING INTENTIONS

Labour Shortage Survey

July 2021

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ABOUT THE RESEARCH

OBJECTIVES

- The overall purpose of the research is to understand the experiences and expectations of Alberta businesses regarding their hiring needs over the next year. To this end, questions probed current staffing needs, skills required, difficulties hiring these skills, barriers to hiring and the role of government income support programs in any hiring challenges.

METHODOLOGY

- In all, 487 businesses responded to the survey which was administered on the Alida platform by the Alberta Chambers of Commerce.
- Businesses represented a broad spectrum of the economy. As the table below shows, businesses of varying sizes participated.

SIZE OF BUSINESS IN ALBERTA					
Total	1 - 9	10 - 49	50 - 99	200- 499	500 +
n	n	n	n	n	n
487	131	98	109	50	99

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SUMMARY OF FINDINGS

Overview of Findings

- The response from Alberta businesses suggests that they anticipate staffing up but expect to experience difficulty in hiring over the course of the next year. Many already report lack of staff has been a problem leading to lost production and sales. The twin causes of this appear to be lack of applicants and lack of required skills. These required skills tend to be of a higher order than entry level or those requiring only a high school education.
- The Alberta Jobs Now program is having some impact. Those who say they will make use of the program are more likely to say they are experiencing a hiring shortage that is having an impact on productivity or sales. However, a majority of those experiencing a hiring shortage say they do not intend to take up the program or are undecided.
- Among those experiencing a hiring shortage, half or close to it, cite lack of applicants, lack of applicants with appropriate skills or competition from other employers as the main barriers. In addition, a quarter cite government income support programs as a barrier, although only 7% cite this as the single most important barrier.

Overview of Findings: Workforce Demands

- A significant proportion of Alberta businesses foresee an increased needs for staff over the next 6 – 12 months; slightly higher proportions expect staff needs will increase over the next year as opposed to the next 6 months.
- Nearly half of businesses (48%) are experiencing a significant or moderate staff shortage that is being felt most acutely by businesses with more than 200 employees. In all, half (52%) of respondents say this shortage is having a significant or moderate effect on their production and sales.
- There are significant variations by education level in the difficulty employers are experiencing in their hiring needs. Excluding those who are not seeking specific education levels, 68% of businesses indicate that it is somewhat or very difficult to find university graduates to meet their staffing needs and 63% report challenges in finding employees with trade certificates. Similarly, excluding those not seeking this type of skill, 77% of businesses encounter difficulty in finding senior level managers; 75% of businesses are pressed to find individuals they need with trade certificates; and 77% report facing challenges finding professional or scientific staff. Overall, this suggests significant challenges for businesses as they staff up, which could significantly inhibit their capacity to grow.

Barriers to Recruitment

- The leading factors cited as barriers in recruiting staff include the lack of applicants; the lack of people with the right qualifications, including people and technical skills; and competition from other employers for skilled workers. In competing for skilled workers, there is a strong likelihood employers will be compelled to bid up salaries. This could be a serious challenge for those firms that are not in a position to compete for scarce skills.
- In the ranking of barriers to recruitment, the top 2 are the lack of applicants and lack of people with the right technical skills or qualifications.

Government Support

- One third of those expecting to increase their workforce in the next year plan to apply for Alberta Jobs Now program support. An equivalent proportion are undecided. There is some variation in take-up depending upon whether or not a business is experiencing staffing shortages. Among those with none or mild shortages, 31% say they will use the program compared with 38% among those experiencing moderate (36%) or severe (42%) shortages.
- Among the 24% who cited income support programs as a barrier to hiring, the great majority (89%) cite it as a major or moderate barrier to recruiting the right people. It is unclear how to be definite about the impact of these programs, as entry-level jobs and those where the qualification is high school only are cited as the easiest jobs to fill. It might be expected that people in these situations might be the most likely to use these programs. However, it is clear that these programs have some impact on hiring difficulties; 38% of those reporting a difficulty in hiring entry-level positions cite income support programs as a barrier.

Incentives

- Among the cohort with plans to hire in the next six months to a year that do not intend to apply for the Alberta Jobs Now program or are undecided, approximately two thirds plan to provide incentives such as flexible hours or work arrangements; 44% will offer skills training, a third will increase compensation and 18% plan to expand benefits. A further 18% say they plan to do nothing.
- There are no appreciable differences in the incentives that will be offered by those who have decided not to apply for the Alberta Jobs Now Program or those who are undecided.

Regional Variations

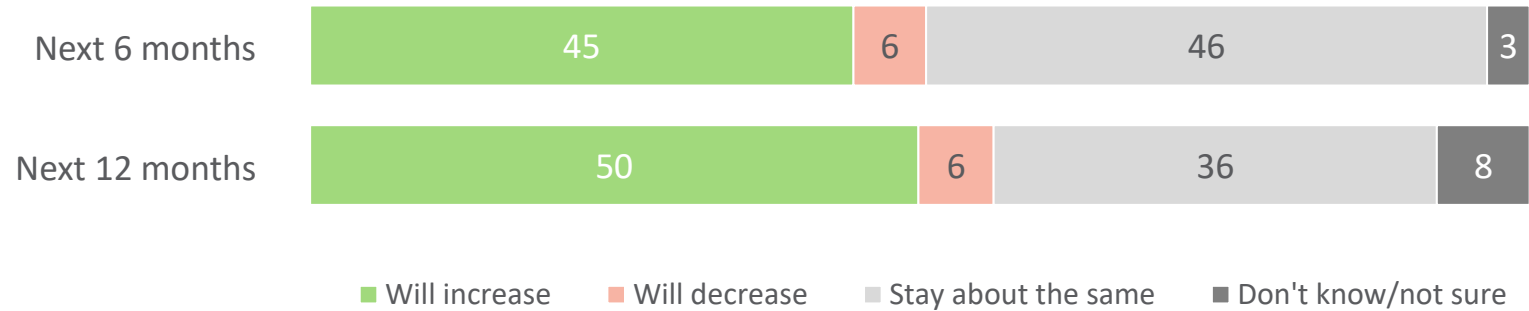
- Overall, no consistent and significant regional variations were identified.

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DETAILED FINDINGS

FUTURE SIZE OF WORKFORCE

Few businesses (6%) believe their workforce needs will decrease over the next year and a significant proportion believe their needs will increase. Slightly more see an increase in the next year rather than the next 6 months (50% compared to 45%).



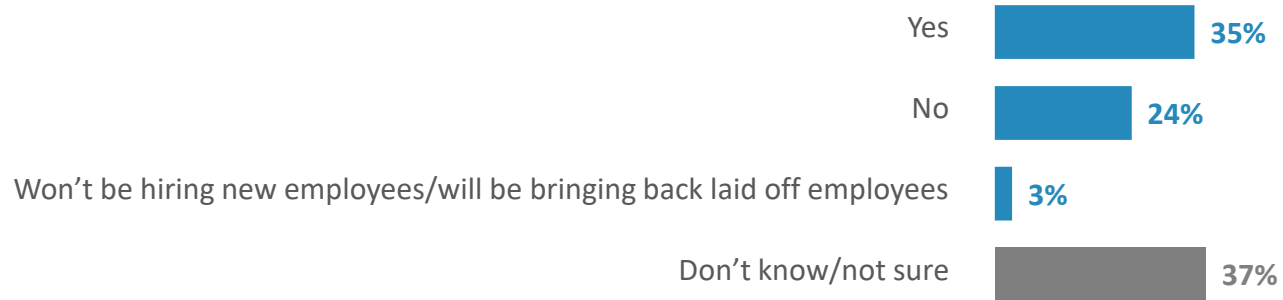
Business with fewer than 10 staff are the least likely to believe their staffing needs will increase over the next 6 months (24%) and the next year (34%).

Q1. Aside from any seasonal fluctuations, do you anticipate any change in the size of your workforce in the next 6/12 months (relative to the previous 6/12 months)?

Base: Total sample n=487

Among those saying the size of their workforce will increase or are not sure, a third say they'll apply to the Alberta Jobs Now program, but an equally large number don't know or are not sure.

- Those currently experiencing a staffing shortage are more likely to apply for this government program support than those not experiencing a shortage (28% among those with no shortage rising to 42% among those with a significant shortages).

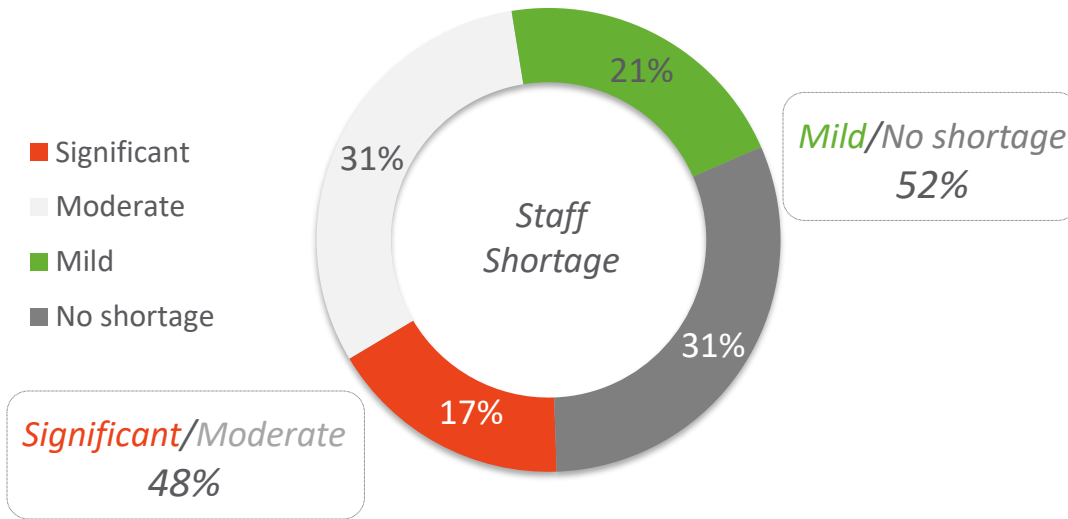


Q2. If you are hiring new employees, do you plan to apply for the Alberta Jobs Now Program?
Base: Answered "Will increase" or "Don't know/not sure" at Q1 n=305

STAFFING SHORTAGES AND ITS IMPACT

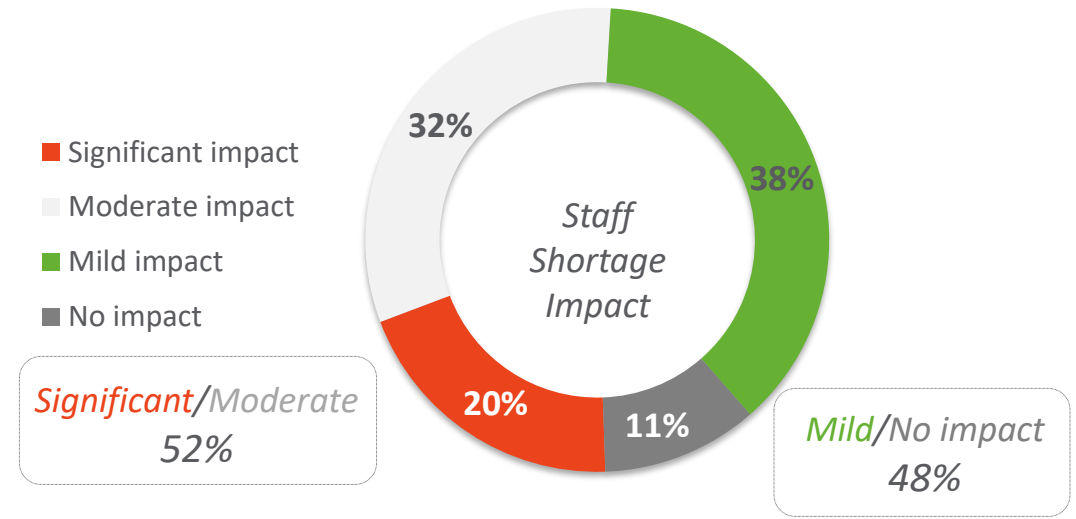
Over two thirds (69%) of businesses report at least a mild staff shortage; for half it is moderate or significant. Almost all (89%) say this shortage is having at least a mild impact on production or sales opportunities, and half cite this as moderate or significant.

Extent of Business Experiencing Staffing Shortage



Businesses of 200 or more staff are especially likely to cite the impact of the shortage as significant to moderate (58%).

Impact of Staffing Shortage on Production and Sales opportunities



Among those saying they expect to increase their workforce in the next year and are already experiencing shortages, 89% say this is already having an impact on production and/or sales and 28% say this impact is significant.

Q4. To what extent is your business currently experiencing a staffing shortage, that is you have insufficient qualified candidates to meet your business needs?

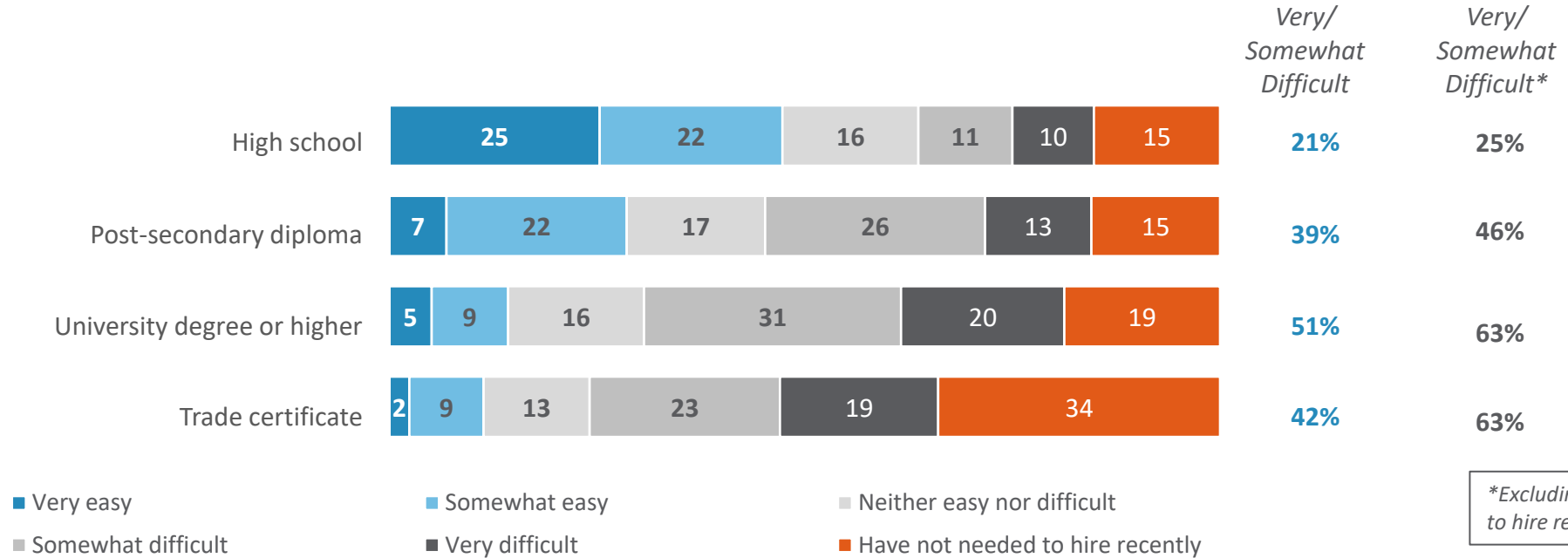
Base: Total sample n=487

Q5. How much of an impact, if any, is your staffing shortage causing in loss of production or sales opportunities?

Base: Answered "Significant, Moderate or Mild Shortage" at Q4 n=336

LIKELIHOOD OF HIRING DIVERSE EDUCATION BACKGROUNDS

Businesses tend to believe that it would be significantly easier to hire high school graduates (47%) compared to those with university degrees (14%) or trade certificates (11%).



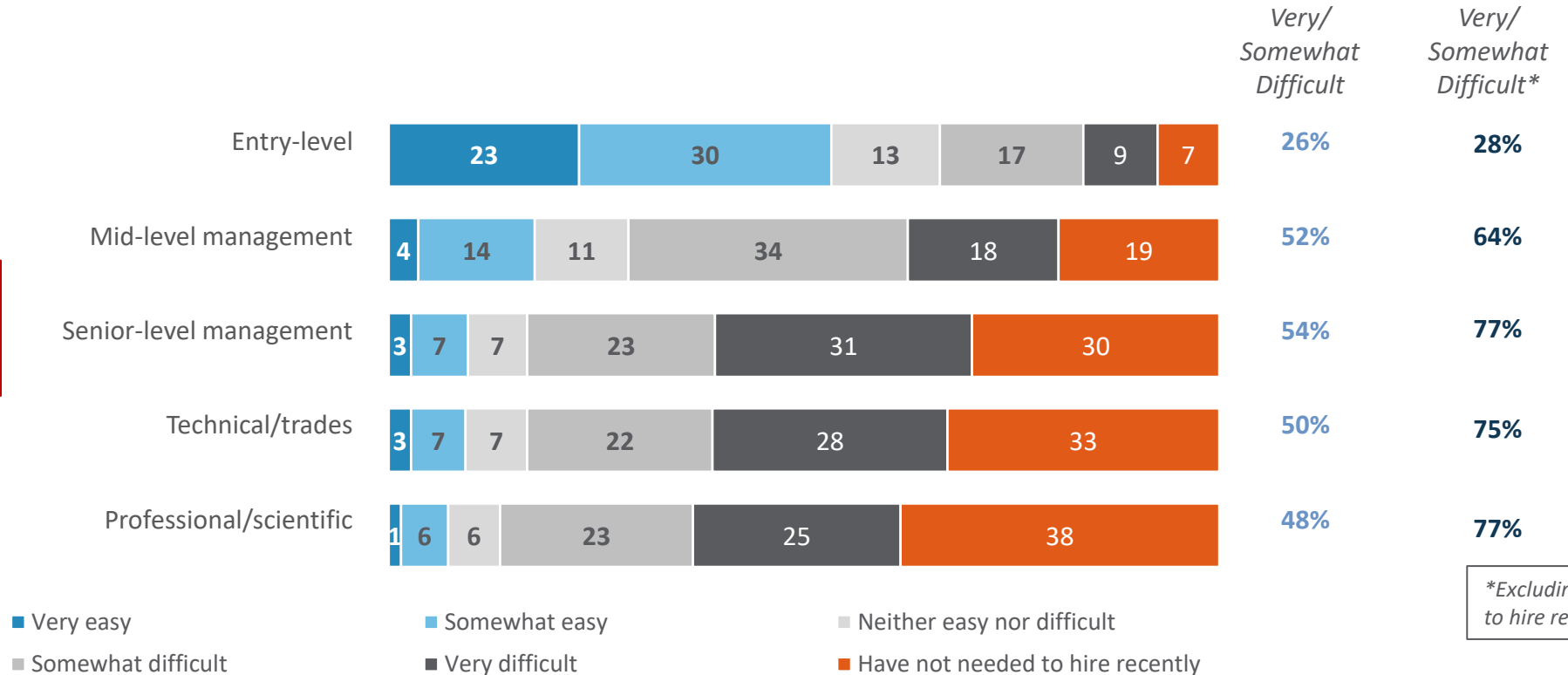
Businesses already experiencing significant staff shortages are much more likely to say it is difficult to hire at all education levels, but especially those with a diploma (62%), degree (56%) or trade certificate (63%).

Q5. How easy or difficult is it to hire people with the following education levels to manage your business?
 Base: n=336 (Excludes those reporting No shortage at Q4)

LIKELIHOOD OF HIRING DIVERSE SKILL SETS

Among those experiencing significant, moderate or mild staffing shortages, more than half (53%) believe that it is easiest to hire those with entry-level skills to manage their business. Above this level, the difficulty is significant.

• But among those experiencing significant staffing shortages, even entry-level hiring is seen as somewhat/very difficult (51%).



Q6. How easy or difficult is it to hire people with the following skills to manage your business?
 Base: Answered "Significant, Moderate or Mild Shortage" at Q4 n=336

Among those experiencing a hiring shortage, over half of businesses (54%) report a lack of applicants as the largest barrier to effective recruitment.

- Lack of skills/qualifications and competition from other employers also prove to pose a challenge, with just under half of businesses (48%) reporting both factors as significant recruitment barriers.

Top Barriers for Recruiting Skills Your Business Needs

Among those reporting a significant staff shortage, 73% say lack of applicants is the top barrier.

This response does add support to the view that government income support programs are having an impact. Among those reporting a difficult entry-level hiring problem, 38% give this response re-hiring for entry level positions.

<i>Lack of applicants</i>	54%
<i>Lack of people skills or qualifications</i>	48%
<i>Competition for skills from other employers</i>	48%
<i>Lack of technical skills or qualifications</i>	45%
<i>Can't afford the going rates for the staff we would like to hire</i>	35%
<i>Lack of management and/or leadership skills</i>	31%
<i>Business budget constraints</i>	27%
<i>Candidates unwilling to forgo government income support programs</i>	24%
<i>Candidates unwilling to relocate</i>	20%
<i>Applicants cannot access adequate childcare</i>	14%
<i>Government regulation for hiring workers from outside Canada</i>	13%

Cont'd

<i>Candidates cannot pass screening (drug, criminal record check, etc.)</i>	12%
<i>Language barriers (English as a second language)</i>	9%
<i>Applicants don't have adequate transportation</i>	9%
<i>Applicants do not have accessible housing to relocate</i>	8%
<i>Foreign credentials recognition</i>	8%
<i>Candidates can't relocate with ongoing COVID-19 travel restrictions</i>	8%
<i>Interprovincial credential recognition</i>	7%
<i>Lack necessary language skills (require recruits to be bilingual or multilingual)</i>	5%
<i>There are no significant barriers</i>	3%
<i>Other</i>	11%
<i>Don't know/not sure</i>	1%

Q7. What are the top barriers for recruiting the skills your business needs? (Please select all that apply)
 Base: Total sample n=336 (Excluding n=151 who at Q3 said no shortage)

RECRUITMENT BARRIERS

When asked to identify their number one barrier, a lack of applicants is still identified as the largest recruitment barrier, followed closely by a lack of technical skills (14%) and competition from other employers (14%), amongst those saying that there are no significant barriers or are not sure.

Largest Barrier for Recruiting Skills

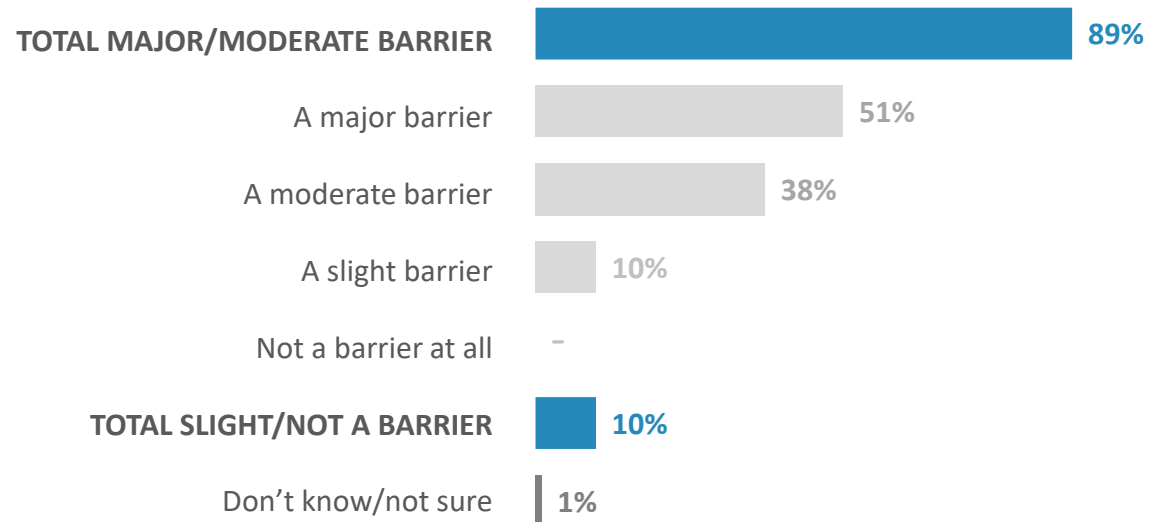
<i>Lack of applicants</i>	20%	<i>Cont'd</i>	
<i>Lack of people skills or qualifications</i>	9%	<i>Applicants cannot access adequate childcare</i>	1%
<i>Lack of technical skills or qualifications</i>	14%	<i>Government regulation for hiring workers from outside Canada</i>	2%
<i>Lack of management and/or leadership skills</i>	3%	<i>Interprovincial credential recognition</i>	<1%
<i>Candidates unwilling to relocate</i>	5%	<i>Business budget constraints</i>	8%
<i>Candidates cannot pass screening (drug, criminal record check, etc.)</i>	1%	<i>Can't afford the going rates for the staff we would like to hire</i>	9%
<i>Lack necessary language skills (require recruits to be bilingual or multilingual)</i>	<1%	<i>Candidates unwilling to forgo government income support programs</i>	7%
<i>Competition for skills from other employers</i>	14%	<i>Candidates can't relocate with ongoing COVID-19 travel restrictions</i>	1%
<i>Applicants don't have adequate transportation</i>	1%	<i>Other</i>	4%

But gov't income support programs are only one of many issues. Among those reporting shortages and difficulty hiring at the entry level, 15% cite this as their top problem.

Q8. Which of the barriers you selected is the largest barrier to recruiting the skills your business needs?
 Base: n=325 (Excludes those who answered "No significant barriers", "Don't know/not sure" at Q7 n=9)

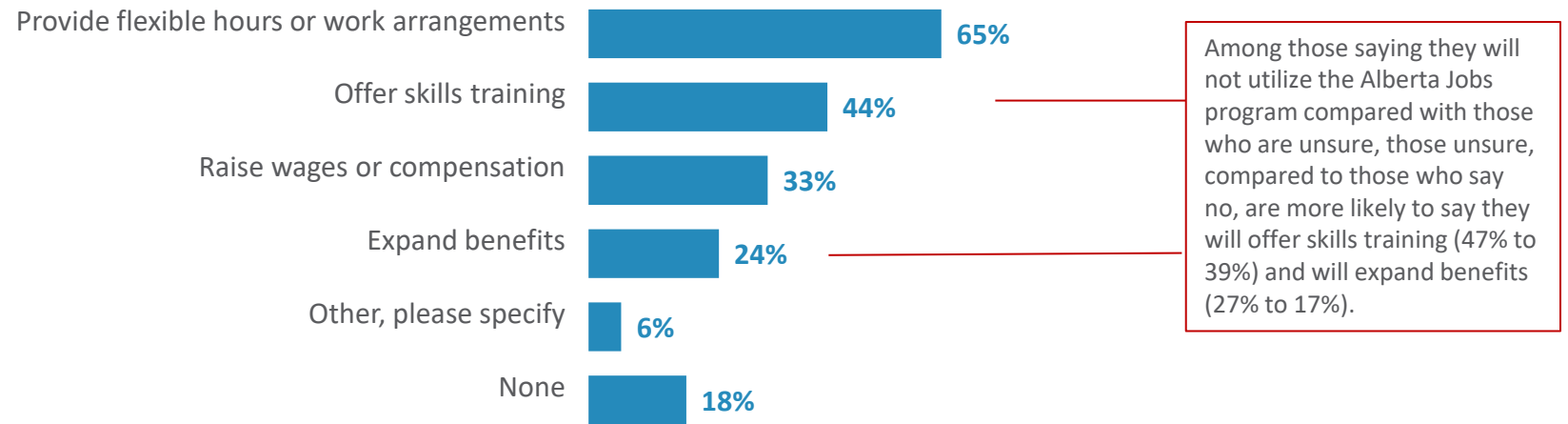
IMPLICATIONS OF GOVERNMENT INCOME SUPPORT PROGRAMS

Among those (n=82) who, in fact at Q7, cited government income support programs as a barrier to hiring, most (89%) report that they believe government income support programs serve as a significant barrier.



Q9. How much of a barrier to hiring, if any, do you believe government income support programs are to recruiting the skills your business needs to thrive?
Base: N=82 (Respondents who chose 'Candidates unwilling to forgo government income support programs' at Q7 as a barrier to hiring.)

Among those saying they intend to increase their workforce in the next year, but also say they do not plan to or don't know if they would utilize the Alberta Jobs program, close to two thirds of businesses (65%) are planning to offer flexible work conditions as an incentive to attract top talent.



Q10. What incentives, if any, is your company planning to offer to attract talent? (Please check all that apply)

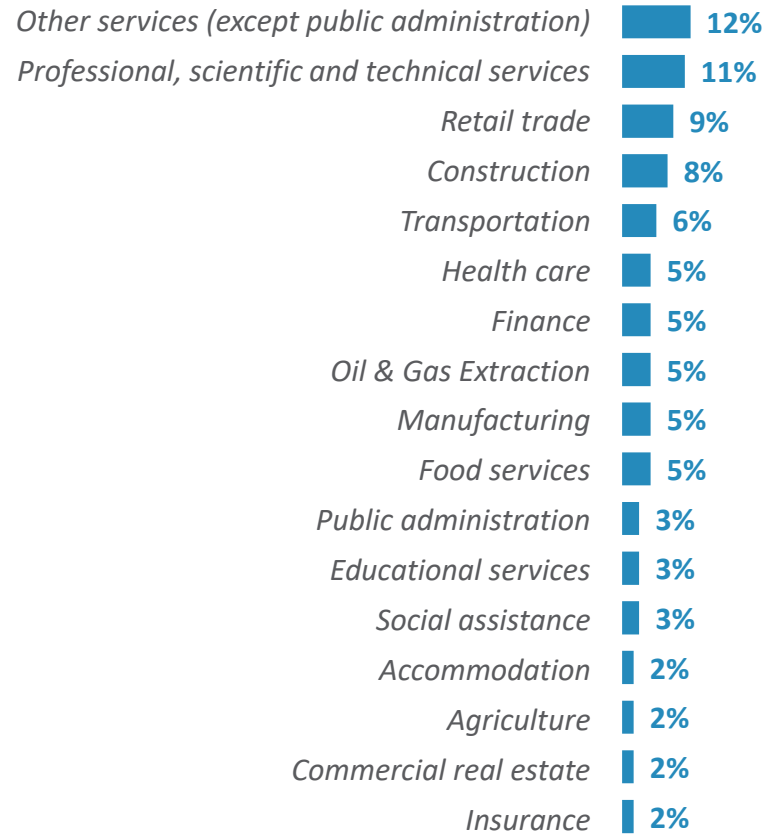
Base: Hiring at Q2 and "No" or "Don't know/not sure" to access to the Alberta Jobs program n=187

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ABOUT THE RESPONDENTS

INDUSTRY CHARACTERISTICS

Survey respondents were drawn from across the Alberta business landscape.



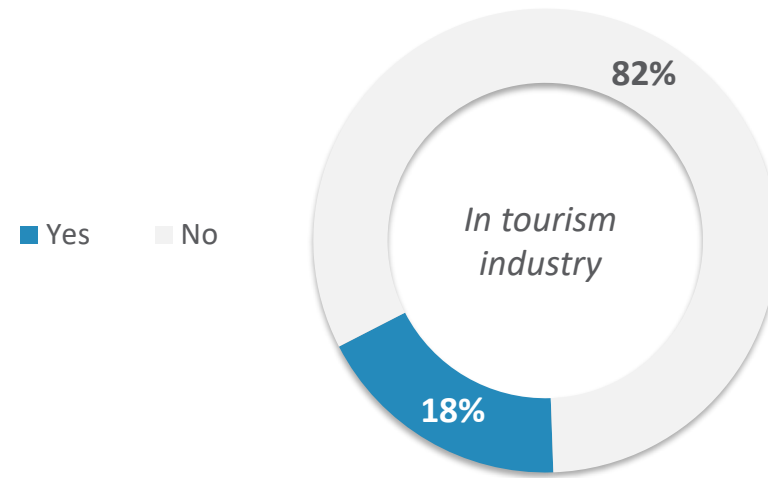
Mentions of 2% and above

Q11. Which best describes your industry? (Please check one only)

Base: Total sample n=487

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Less than a quarter (18%) of respondents in key businesses that could have a tourist focus, consider themselves to be a part of the tourism industry.

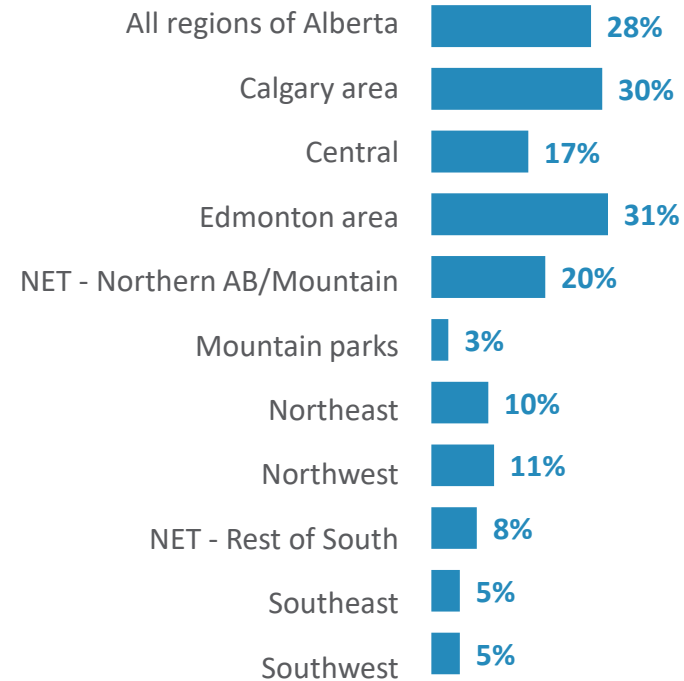


Q12. Do you consider yourself to be in the Tourism industry?

Base: Answered "Fishing OR Hunting OR Retail trade OR Transportation OR Information and cultural services OR Insurance OR Private real estate OR Other" at Q11 n=283

OPERATING REGIONS OF BUSINESSES

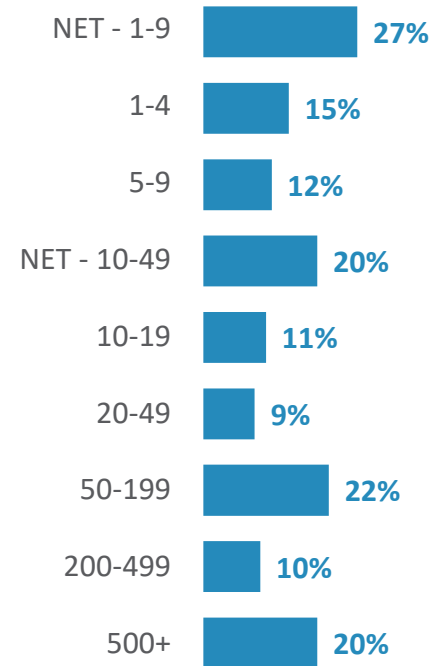
More than half of respondents (61%) were concentrated in the major urban centres of Alberta: Edmonton area (31%) and Calgary area (30%).



Q13. In what region(s) of the province does your business operate? (Please check all that apply, unless throughout the province)

Base: Total sample n=462

Respondents came from a broad range of business sizes.



Q14. How many people does your organization employ in Alberta?

Base: Total sample n=487

SAMPLE DEMOGRAPHICS

GENDER

50%	Female
49%	Male
2%	Prefer not to answer

JOB TITLE

71%	President, CEO, Owner or Executive Director
3%	Vice president or equivalent
2%	C-Suite executive (CFO, CMO, CTO, CXO)
6%	Partner, advisor or associate
8%	Other senior manager
4%	Contractor or self-employed
4%	Assistant, coordinator or manager (or equivalent)
2%	Other

OWNER/PARTNER IN ORGANIZATION

71%	Yes
29%	No

YEARS COMPANY IN OPERATION

14%	NET - < 6 Years
3%	Less than 2 years
11%	2 – 5 years
12%	6 – 10 years
18%	NET - 11-20 Years
10%	11 – 15 years
8%	16 – 20 years
56%	NET - 21+
17%	21 – 30 years
24%	31 – 50 years
15%	More than 50 years
1%	Don't know/not sure

SECTOR

14%	Public
70%	Private
16%	Not for profit