

Business Impact Survey - EmployerOne 2021

The results are in! For the eighth year Workforce Planning Hamilton (WPH) has delivered the EmployerOne Survey. This year, EmployerOne pivoted; we partnered with City of Hamilton Economic Development to develop and distribute the Business Impact Survey. This survey included workforce development question from our usual EmployerOne survey but also focused on the impacts businesses have endured through the global pandemic. Hamilton employers across all industries shared their hiring experience on the most in-demand jobs in Hamilton and highlighted recruitment, retention and skills concerns. This survey provides a snapshot of how local employers were fairing in the January 2020 labour market. **This year 1,559 employers completed the EmployerOne Business Impact survey.**



Your Workforce. Our Future.

Acknowledgements

We would like to thank City of Hamilton Economic Development division for their partnership and support to complete this project. With this valued partnership we were able to extend our reach for survey completion and gather valuable feedback from our local economy during these challenging times.



About Workforce Planning Hamilton

Workforce Planning Hamilton is a community-based economic and labour market research and development organization. WPH works with a broad range of stakeholders including business, labour and employment service organizations to understand the employment needs in Hamilton. WPH is funded by the Ministry of Labour, Training and Skills Development. Visit our website for other labour market information www.workforceplanninghamilton.ca

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Introduction

This year the *EmployerOne* Survey has been done in conjunction with the City of Hamilton's Economic Development and is also titled the *Business Impact and Workforce Needs Survey*. This collaboration was done together to limit survey fatigue many employers are feeling during the pandemic. The survey was done between January and February 2021. The purpose of this survey is to better understand the needs and issues of the employer community in Hamilton now that employers have almost had an entire year of adjusting to the COVID-19 pandemic.

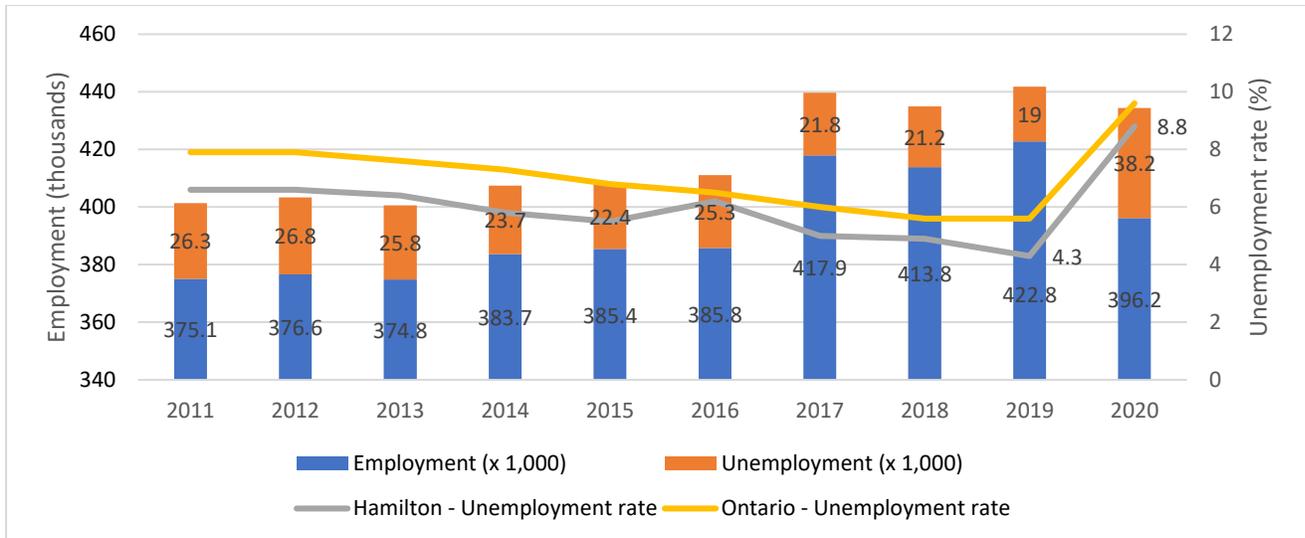
The survey questions varied from workforce needs and challenges to specific priorities businesses need for 2021. Survey results reveal many Hamilton businesses are struggling and need government investments. Access to personal protective equipment and uncertainty of public health restrictions are creating very challenging business environments. The survey reveals there are opportunities for the community to help address many of the challenge's employers face. It will take a concerted effort by many stakeholders in the community to work together to help Hamilton recover and grow post-pandemic. The last question shows the immediate priorities many businesses have currently. This is a good start to where the community can help the business community.

Below is the list of Hamilton industries that completed the survey. There was good representation for most industries across Hamilton. However, not surprisingly the two most impacted industries had the most employer responses, i.e. **Accommodation and food services**, and **Retail trade**.

Industry	Employers	Share
Accommodation and food services	306	20%
Retail trade	201	13%
Other services (except public administration)	192	12%
Construction	159	10%
Manufacturing	124	8%
Professional, scientific and technical services	103	7%
Arts, entertainment and recreation	96	6%
Health care and social assistance	94	6%
Transportation and warehousing	80	5%
Real estate and rental and leasing	59	4%
Wholesale trade	32	2%
Educational services	28	2%
Finance and insurance	24	2%
Agriculture, forestry, fishing and hunting	17	1%
Administrative and support, waste management and remediation services	15	1%
Utilities	9	1%
Information and cultural industries	8	1%
Public administration	5	0%
Management of companies and enterprises	4	0%
Mining, quarrying, and oil and gas extraction	3	0%
Grand Total	1,559	100%

Impact of COVID

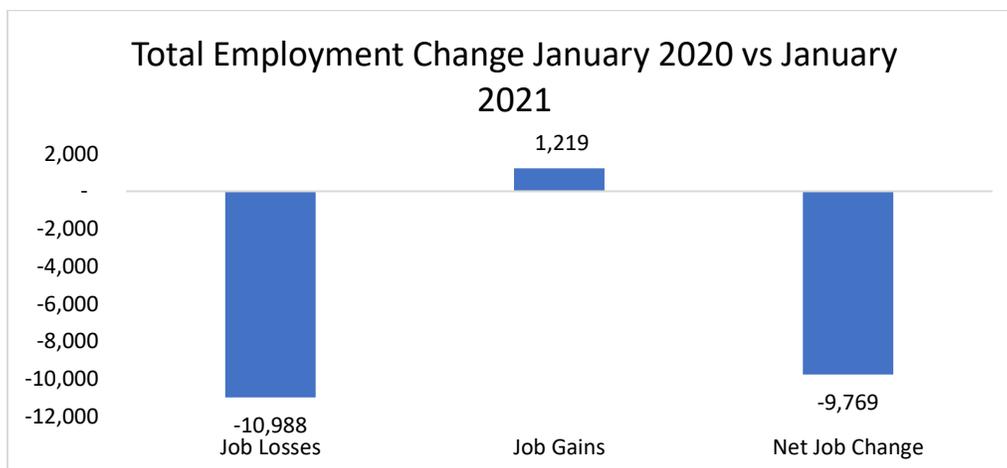
The COVID-19 pandemic in 2020 created a lot of uncertainty and major economic disruptions in our community and across the country.



Source: Labour Force Survey

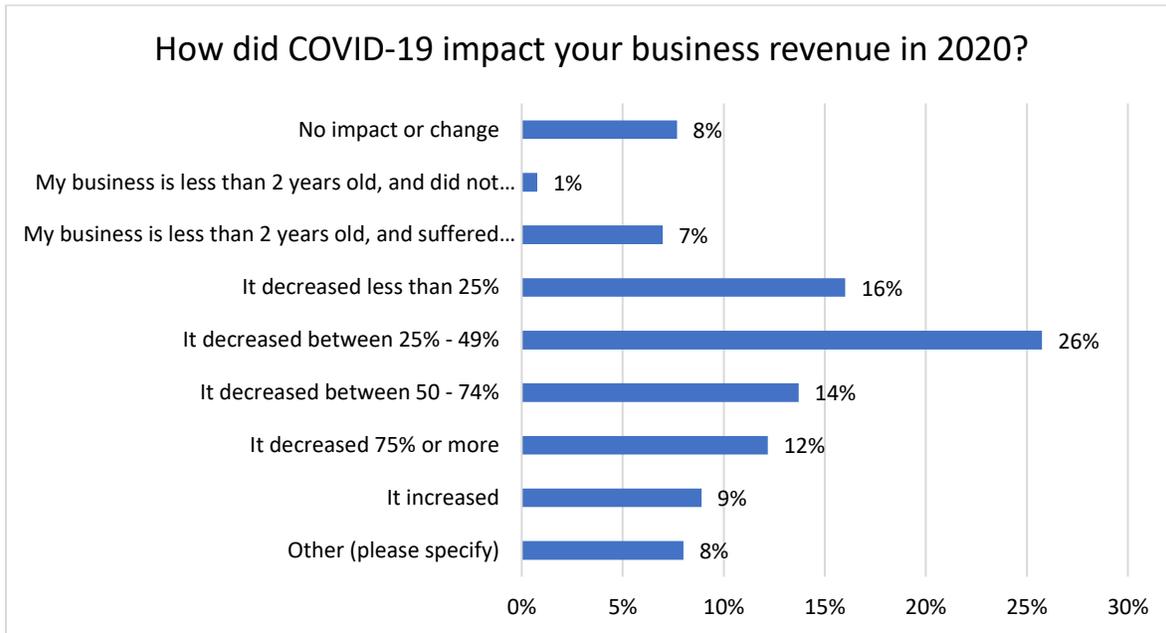
The Hamilton economy in 2020 was vastly different than the years preceding it. Prior to COVID-19, Hamilton's economy has not been as negatively impacted since the Global Financial Crisis in 2008. Since 2017 there was also a period of robust growth with the unemployment rate falling to 4.3% in 2019, lower than the Ontario rate, 5.6%. In 2020, we saw the unemployment rate increase drastically to 8.8%, with unemployment increasing from 19,000 in 2019 to 38,200 in 2020.

Many businesses saw declines in employment



- From survey respondents, there were 10,988 job losses and only 1,219 job gain in 2020, showing the devastation the job market felt last year
- Employers in the **Accommodation and food services; Arts, entertainment and recreation; Retail trade; Transportation and warehousing** industries had the largest decreases

Many businesses saw declines in revenue



- Most employers saw their business revenue decrease by 25% to 49%. Overall, the vast majority of employers had a negative impact to their business revenue in 2020
- Over a quarter of employers also saw their businesses revenue decrease by over 50%
- The industries that saw a greater share of revenue decline by at least 50% or more were: **Arts, entertainment and recreations; Information and cultural industries; and Accommodation and food services**. This is not surprising as these industries were severely impacted by lockdowns
- Some employers did see an increase during 2020, the industries with the highest share were: **Finance and insurance** (38% of employers); **Agriculture** (29%); and **Public administration** (20%)
- Two industries that had a higher share of employers stating no impact or change were: **Professional, scientific, and technical services** (14% of employers), and **Real estate and rental and leasing** (15%). The former can easily adapt to a more digital environment, and the latter saw an increase in business activity due to an increase in home sales

Government Financial Support

36% of employers indicated they used the Canada Emergency Wage Subsidy (CEWS) for their workforce

% of Workforce Using CEWS	Number of Employers
Less than 25%	197
25% to 49%	46
50 to 74%	74
75% and over	241

- A significant share of the workforce used or are using the CEWS program. There is a difference however among employers, as most used it for a small share of their workforce or for the vast majority
- Employers in **Accommodation and food services; Other services** and **Retail trade** used CEWS across all the workforce shares including employers that used it for a small percentage or for most of their workers
- **Construction** and **Manufacturing** employers used it for only a small percent of their workforce, but Arts, entertainment and recreation used it for over 75% of its workforce

“The reality is even when the lockdowns are lifted majority of my clients are still to afraid to come in and be serviced. Lockdown or not my business is hurting from the fears in covid-19. No matter how safe I run my business and show my clients there is still a huge fear in leaving their homes.”

- Employer

Workforce Impacts

Impacts	No change	Small Negative Impact	Negative Impact	Significant Negative Impact	Positive Impact	Grand Total
Childcare availability for your employees	32%	0%	49%	15%	3%	100%
Regular public transportation availability to your work locations	75%	0%	17%	5%	3%	100%
Employee mental health	23%	0%	59%	17%	1%	100%
Uncertainty/concern regarding employment stability	29%	0%	46%	23%	3%	100%
Retention of existing employees	57%	0%	24%	11%	8%	100%
Recruitment of new employees	36%	0%	32%	23%	9%	100%
Employee productivity	38%	0%	43%	12%	7%	100%
Sufficient availability of PPE for safe operation of your work locations	55%	0%	21%	4%	21%	100%
Demand for your business' products and services	16%	0%	36%	29%	19%	100%
Overall business stability	21%	0%	47%	24%	8%	100%

Note: We are not showing Not Applicable responses, only the responses where employers could indicate there was an impact or not.

Note2: Red highlights are for impacts that have a high share for Negative and Significant Negative Impact

- Some impacts were felt more by the workforce. The following impacts all had a high percent of employers stating the impacts were *Negative* and *Significant Negative*: *Employee mental health*; *Overall business stability*; *Uncertainty/concern regarding employment stability*; *Demand for your business' products and services*; and *Childcare availability for your employees*
- *Regular public transportation availability to your work locations* saw No change as a workforce impact, since many of the jobs were switched to remote working
- Similarly, 57% of employers saw *No Impact* for *Retention of existing employees*
- The industries with the highest share of employers stating a *Negative* and/or *Significant Negative Impact* for *Overall business stability* were: **Arts, entertainment and recreation** (86% of employers); **Information and cultural industries** (86%); **Accommodation and food services** (84%); and **Other services** (79%). **Construction** and **Manufacturing** has the highest share of employers stating *No Impact* as these two industries saw impressive employment gains during 2020
- The industry that saw the largest impact of *Employee mental health* was **Healthcare and social assistance**, as 84% of employers said it had a *Negative* or *Significant Negative Impact* on its workforce

Jobs - Planning to Hire

Fifty-two percent of employers stated they plan on hiring over the next 6 months

- This represented 10,424 potential openings in Hamilton over the next 6 months
- The majority of employer’s plan on hiring in the next 6 months, and this was true across most industries. While this years results were the smallest share of employers planning to hire based on previous seven years of Employer One Surveys, it still represents a significant number of employers that are optimistic about the year
- The **Construction** and **Manufacturing** industries had the highest share of employers stating they will be hiring in the next 6 months, both at 71%
- Interestingly, the sectors that plan on having the most openings are the same sectors that saw the most job losses in 2020: **Accommodation and food services** (also 62% of employers plan on hiring); **Arts, entertainment and recreation**; and **Other services**. This could be related to employers re-hiring many of the workers that have been laid off
- **Retail trade**, which also saw immense job loses in 2020, had a majority of employers stating that they do not plan on hiring, 58% do not anticipate hiring in the next 6 months

Employers plan on hiring jobs across the skills spectrum



“No clue when can reopen but am trying to build website and find alternate ways to reach few customers have left.”

-Employer

Future Hiring Plans by Occupations

Occupation	1 employee	2-4 employees	5-9 employees	10 or more employees
Managers and Executives	56%	39%	3%	2%
Professionals	51%	42%	4%	3%
Technical	54%	37%	7%	2%
Trades (Journey person)	39%	44%	8%	9%
Apprentices	57%	35%	4%	4%
Sales and Marketing	79%	19%	2%	1%
Administrative and Clerical	83%	16%	1%	1%
Production Workers	29%	41%	17%	13%
Service Workers	28%	45%	10%	17%
Other (please write the type in the comment section)	34%	40%	12%	13%

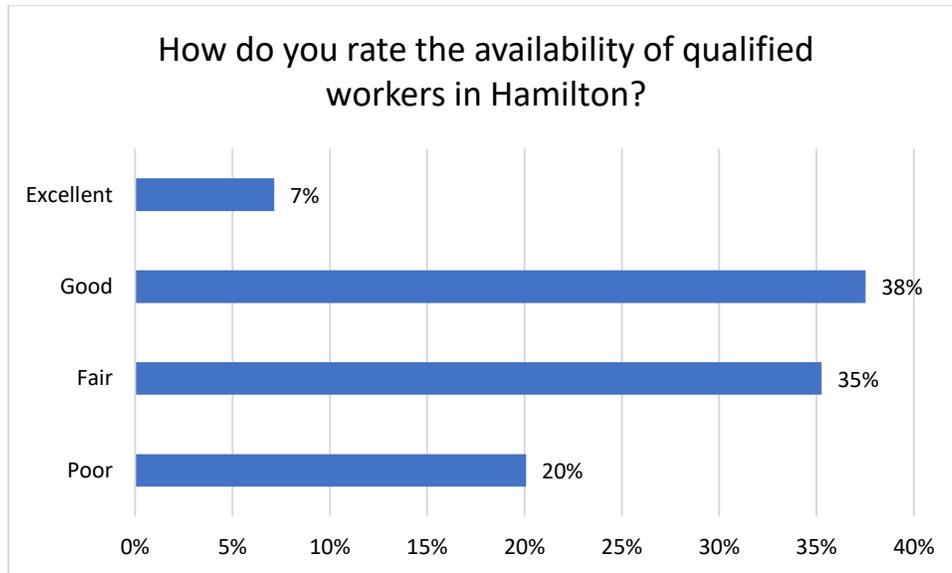
- Employers were planning to hire various types of jobs in the next 6 months but the highest selections were: Service Workers, Managers and Executives, and Trades (Journey persons)
- Service Workers were dominated by **Accommodation and food service** and **Retail trade**. These two industries saw the largest declines but most likely are planning to hire more staff once restrictions are lifted
- The sectors most likely hiring Managers and Executives were **Accommodation and food services**; **Construction**; and **Manufacturing**

"I can't imagine trying to hire anyone new at this point. We're barely getting by and having the mental capacity to have another body and train them is too much when we're just trying to stay open."

- Employer

Recruitment Challenges

Many employers are having a hard time finding qualified labour in Hamilton



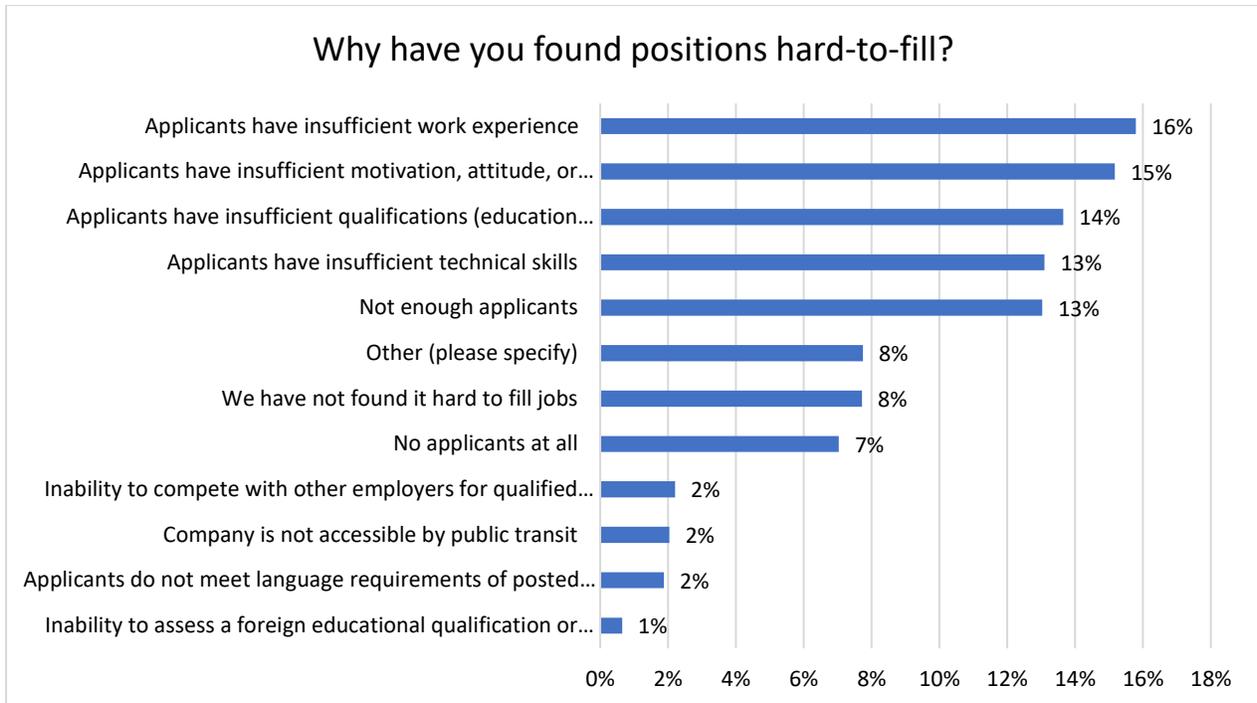
- Even during a pandemic, employer still have concerns with the quality of the workforce. In general, employers had less favourable views of qualified labour in Hamilton. 55% of employers said qualified labour is *Fair* or *Poor*, and only 7% said it was *Excellent*
- Four industries that the least favourable ratings of labour were: **Construction, Manufacturing, Transportations and warehousing, and Wholesale trade**
- Industries that had a favourable view of labour in Hamilton include: **Professional, scientific, and technical services; Arts, entertainment, and recreation; Real estate and rental and leasing; and Educational services**

“It would be nice to have an easy to find, clear cut presentation of all the rules and guidelines for keeping my business going during covid. One place for all signs and forms nicely organized.”

- Employer

Hard-to-Fill Jobs

Work experience and soft skills were the top reason that employers found jobs were hard-to-fill



- The top five reasons positions were hard-to-fill were common across all sectors
- Three of the top five were regarding skills and one is not enough applicants: *Applicants have insufficient work experience*; *Applicants have sufficient qualifications*; *Applicants have insufficient technical skills*; and *Not enough applicants*. This relates to a skills mismatch in the community
- Soft skills are still also important as the second reason is *Applicants have insufficient motivation, attitude, or interpersonal abilities*
- Industries that were more impacted by the skills mismatch were: **Construction** (19% of selections were *insufficient work experience*, and 19% were *insufficient technical skills*); **Manufacturing** (19% of selections were *insufficient technical skills*); **Professional, scientific and technical services** (20% of selections were *insufficient work experience*, and 19% were *insufficient technical skills*); and **Transportation and warehousing** (20% of selections were *insufficient work experience*)
- Industries that had higher-than-average selections for soft skills were: **Wholesale trade** (22% of selections were *insufficient motivation, attitude, or interpersonal abilities*); **Accommodation and food services** (19%); and **Finance and insurance** (19%)

Hard-to-fill jobs were identified by the employers as the most challenging to fill. Not all employers answered the question, but a significant number of employers did have hard-to-fill positions. The following is the best attempt to aggregate the results. These are the ones that saw the most duplicates and are likely impacting the most employers.

Hard-to-fill Jobs
Bartender
Customer service
General Labourer
Project Manager
Various skilled trades
Managers
Material handlers
Production supervisors
Sales representative
Salesperson
Registered massage therapist
Server
Stylist
Technologist
Warehouse workers
Personal support workers



Various skilled trades
Carpenter
Butcher
Chef/Cook
Automation technician
CNC Machinists
Driver
HVAC service Tech.
Sheet Metal Journey Person
Plumber
Sheet Metal Journey Person
Trades-Electricians and Millwrights
Welder

- The jobs range from high and low skilled occupations. There are many entry-level jobs, a long with high skilled jobs. Managers were needed across industries, but similar to the previous question they were most common in **Construction, Manufacturing, Accommodation and food services, Retail trade**
- Project managers were seen mostly in **Construction** and **Manufacturing** industries
- One of the most common hard-to-fill occupational groups were skilled trades. This included many different types, and shows that even during a pandemic skilled trade occupation are in demand and challenging for employers to fill

Business Priorities in 2021

Shifting to online and knowledge of government funding a top priority for businesses

Business Priority	% of Employers
Increasing the online presence / activity of your business	46%
Increasing marketing / promotional activities to increase customer awareness	45%
Finding and applying to current provincial and federal government funding programs	37%
Obtaining a better understanding of current provincial and federal government funding programs	35%
Obtaining a better understanding of current government mandated COVID-19 rules	32%
Attracting new employees	31%
Forming local partnerships / buying local	24%
Implementing new technologies/systems to automate or improve processes	23%
Expanding my business (to a larger location or adding another location)	18%
Offering co-op, internship, apprenticeship and/or work placements	17%
Providing external training or professional development opportunities for your staff (example digital skills)	16%
Increasing diversity among employees (sex/gender, Indigenous, Black, people of colour, newcomers, differently abled, etc.)	13%
Increasing environmental protection (or "Green") activities in your business	13%
Increasing equity / diversity / inclusion (or EDI) practices in your business (hiring, staff training, client relations, etc.)	12%
None of the above	10%
Other (please specify)	9%
Finding local COVID-19 related suppliers and services providers	9%
Undertaking research and development activities	9%
Winding down or transitioning business to a new owner	6%
Pursuing international export opportunities	5%
Obtaining a better understanding of current provincial government COVID-19 rules	0%
Obtaining a better understanding of current City of Hamilton government COVID-19 rules	0%

Note: The priorities listed in green are directly related to workforce priorities

- Many businesses were concerned with switching to more online and increasing marketing. This makes sense as the shift to a more digital space due to public health restriction was a major challenge for many small businesses
- The next two priorities businesses are concerned about are related to obtaining and understanding government funding, followed by understanding of current government mandated

COVID-19 rules. Therefore, employers are better able to understand funding and the new rules governments have put in place

- Overall, the first five priorities are related to business immediate survival and navigating this new digital landscape. Workforce priorities, highlighted in green, have taken a slight less important role for most employers. The three related to workforce are: *Attracting new employees* (31% of employers); *Offering co-op, internship, apprenticeship and/or work placements* (17%); *Providing external training or professional development opportunities for your staff (example digital skills)* (16%)
- The industries most concerned about *Attracting new employees* are: Accommodation and food services; Construction; and Manufacturing.

"I have found following local and provincial Covid-19 guidelines extremely stressful and confusing. There is not enough done to educate employers or businesses about what is expected and we are basically left to our own devices to figure out how we should be navigating the pandemic."

- Employer

Conclusion

The Business Impact Survey shows that employers in Hamilton were severely impacted by the COVID-19 pandemic. A significant percent of employers lost employees and revenue. Some Hamilton businesses were more impacted than others with a few industries experiencing a more challenging environment most likely due to the public health lockdowns: **Accommodation and food services; Retail trade; Arts, entertainment, and recreation, and Other services**. Certain industries have slightly less impacts such as **Construction** and **Manufacturing** which did see employment increases in 2020 according to the Labour Force Survey.

There were a number of effects that the pandemic created, the following were the most common across all sectors: *Employee mental health; Overall business stability; Uncertainty/concern regarding employment stability; Demand for your business' products and services; and Childcare availability for your employees*. Mental health impacts were also high in the Healthcare and social assistance industry, which shows the strains the workers in the sector are feeling.

In the upcoming year, employers were feeling slightly more optimistic with 52% of employers planning on hiring. However, this is the lowest it has been since WHP began the *EmployerOne* survey asking this question. Nonetheless, there will be a number of openings this year and many will be from industries that were most impacted by the lockdowns.

One concern is that many employers do rate the availability of qualified workers as poor or fair. Industries, such as **Manufacturing, Construction, and Professional, scientific and technical services** have the least positive ratings. Both technical and soft skills were a concern. There are still a number of positions that are challenging to fill with a particular focus on skilled trades. This is where employment stakeholders in the community can focus attention on.

Overall, there are a number of priorities employers are focused on; the two main ones are shifting their businesses to a more digital environment and gaining a better understanding of the public health restrictions. Many businesses still need assistance from government in terms of funding, PPE, public health information, and support with adjusting to the new economy. This is where the community can work together, connect with different stakeholders, and help workers and employers navigate this difficult situation and help grow the local economy in the post pandemic environment.