EXECUTIVE SUMMARY

Career Development in the Canadian Workplace: National Business Survey

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Prepared for:

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This report provides findings from the Canadian Education and Research Institute for Counselling (CERIC) National Business Survey, based on a telephone survey conducted between October 25 and November 11, 2013 with a sample of 500 senior executives from Canadian businesses. The sample was designed to conduct interviews with senior staff of businesses across Canada, of various sizes, location (urban, rural and suburban) and industries.

The National Business Survey focused on several topics that pertain to Canadian employers and organizations, in particular those reflecting executives’ perceptions on challenges facing Canadian businesses in general, the skilled labour shortage and skills gaps, and approaches toward employee training and finding workers with appropriate technical and soft skills, young workers as well as career management practices. Key research highlights are summarized below.

Research highlights

*Executives identify a skilled labour shortage and the general state of the economy as the biggest challenges facing Canadian businesses – both for the coming year and right now.*

**Greatest challenge facing Canadian businesses.** When asked to name, top-of-mind, the biggest challenge facing Canadian businesses in the coming year, executives identify:

- Shortage of skilled workers (31%)
- General state of the economy (22%)

When presented with a series of issues and asked about the degree of challenge they present right now, these two issues also emerge at the top of the list:

- The economy in general (77%)
- Shortage of skilled workers (68%)

**Key differences on the greatest challenge in the coming year:**

- Shortage of skilled workers – greatest in the Prairies (50%)
- General state of the economy – greatest in Ontario (32%) and B.C. (29%)

**Key differences on greatest current challenge:**

- Shortage of skilled workers – less of an issue in Ontario (59%)
- Finding young employees – greatest challenge in rural areas (64%)

**Finding skilled workers.** Seven in 10 (70%) Canadian executives say that finding skilled workers is not an easy task, including one in four who find it very difficult. Nearly two in three attribute this to the difficulty of finding qualified candidates with the right skill set. Just under three in 10 (27%) say finding skilled workers is at least somewhat easy, mainly because of a good supply of candidates (51%) and their company’s good reputation (32%).

Finding skilled workers is less of a challenge in Ontario (38% easy), and more challenging in Quebec (21%) and B.C. (22%). Businesses in rural locations are more likely than others to say it’s a very difficult prospect (37%).
Recruiting. In order to find skilled employees, employers have mostly relied on employee referrals (70%), offered training/advancement for lower-level employees (65%) or identified internal candidates (64%). Half (52%) of Canadian executives believe a potential employee’s online footprint is important and three in four (76%) say that resumes carry the same weight as they did in the past; one in 10 (10%) believe resumes are even more important now. Half (50%) say they have not put much effort into customizing recruiting to attract members of under-represented groups such as visible minorities, Aboriginal people, people with disabilities and new Canadians.

Organizations with 500 or more employees are the most likely to customize recruitment to under-represented groups, with 30% saying they put a lot of effort into it.

A strong majority of seven in 10 Canadian executives agree that there is a “skills gap,” but it is not necessarily a new challenge. Those who believe a skills gap exists are evenly divided on the best way to address it.

Is there skills gap? A strong majority of seven in ten Canadian executives agree strongly (23%) or somewhat (50%) that a skills gap exists, and half (48%) believe that the skills gap has stayed the same over the past five years. Fewer than four in 10 (36%) believe the skills gap has increased and 15% believe it has decreased.

Agreement that a skills gap exists is highest in Atlantic Canada (82%) and lowest in Quebec (64%). The perception that the skills gap has gotten worse over the past five years is highest among executives in organizations of 500 or more employees (51%).

Best way to address the skills gap. Executives who agree that a skills gap exists are evenly divided on the best way to address it: employers providing more training (43%) and prospective employees better preparing themselves for the marketplace (43%). About one in 10 (13%) believe it needs to be a combination of these two solutions.

Most businesses are willing to train new staff, but many are concerned about losing employees after investing in training. Most provide training for long-standing employees. Three in four provide professional development opportunities and fewer than half provide coaching or mentoring programs. Six in 10 senior-level positions are filled by advancing current employees.

Training for new employees. Eight in 10 (82%) executives say they are willing to provide technical training for new employees. The majority provide job-specific training (88%), orientation (80%) and mentorship (65%). Fewer than half (45%) provide apprenticeships and only 3% say they offer no training. However, about two in three (64%) are concerned about losing employees after making this training investment.

Businesses in Quebec (26%) and in major cities (22%) are the least willing to provide training. However, Quebec businesses are also more likely to provide apprenticeships (71%). Concern about losing employees is highest in the Prairies (77%) and Ontario (76%), and also among organizations with 500 or more employees (75%).
Training for long-standing employees. Most employers (82%) provide training for long-standing employees, mostly in the form of technical training alone (40%), or both soft skills and technical training (39%); two in 10 (19%) provide only soft skills training. Professional development opportunities, such as conferences and workshops (73%), are much more common than formal coaching or mentoring programs (44%).

Larger organizations with 500 or more employees are more likely to provide training for long-standing employees (97%); this practice is least common among small businesses with fewer than 10 employees. Larger organizations are also the most likely to provide professional development opportunities (97%), and coaching or mentors (74%).

Filling senior-level positions. Senior-level positions are most likely to be filled by current employees who have advanced within the organization (58%). Two in 10 (20%) say these positions are filled by new employees, while 15 percent say it depend on the position.

Ontario (49%) and Quebec (47%) businesses are least likely to rely on internal advancement.

**A positive attitude and good communication skills top the list of soft skills most valued by employers, although a majority says it’s difficult to find employees with the right soft skills.**

What soft skills are important? A positive attitude (36%) and good communication skills (29%) are the soft skills most valued by executives, followed by teamwork skills (25%) and a strong work ethic (23%). Two in three (66%) employers find it difficult to find employees with the right soft skills. If employers are having difficulty finding technically skilled employees, six in 10 (62%) say they would hire someone with soft skills who is a good fit and provide training, while just under three in 10 (26%) say they would keep searching until they found someone with the right technical skills; one in 10 (12%) are unsure or say it depends.

Smaller businesses (<50 employees) most value a positive attitude; businesses of 100 employees or more are more likely to value teamwork. Businesses in Ontario (73%) report the most difficulty with finding employees with soft skills. Rural employers (72%) are more likely to hire someone with soft skills who is a good fit and provide training; those in Ontario (33%) and major urban centres (29%) are more likely to keep searching for someone with the right technical skills.

Employers think the top reasons for high youth unemployment are that young people are too demanding and lack real-world experience. Canadian businesses are split on whether hiring young workers is part of their organization’s CSR efforts. Half use online job sites and social media, but only two in 10 are making an effort to customize their approaches to reach out to younger workers.

Reason for high unemployment among young workers. When asked to consider the reason for high unemployment for young workers under 25, employers say the top reasons are that young people are too demanding (19%) and lack real-world experience (18%).

Hiring young adults. Canadian executives are evenly split on whether hiring young workers is part of
their organization’s CSR (Corporate Social Responsibility) efforts: 49 percent say yes and 47 percent say no. About half use online job sites (55%) or social media (49%) to attract young workers, but only two in 10 (18%) are making an effort to tailor their recruitment approach to reach them.

Businesses in B.C. (59%) and rural locations (55%) are more likely to say that hiring young people is not part of their CSR efforts. Ontario businesses (73%) are more likely to use online job sites to attract young workers, while rural businesses (39%) are least likely to do so. Small businesses of fewer than 10 employees are the least likely to use any method to attract young workers. Businesses in Quebec (31%) are the most likely to tailor recruitment efforts to young people.

**A majority of seven in 10 agree that employers have a responsibility to provide career management programs for their workers and nearly nine in 10 say it is important to provide employees with opportunities to reach their own career goals, but only three in 10 have career management programs in place. The greatest challenge to providing these programs is time.**

**Providing career management programs.** Seven in 10 (71%) Canadian executives agree that employers have a responsibility to provide career management programs for their employees. However, only three in 10 (29%) say their organization provides such programs, most of which include tailored training/coaching (29%) and career planning/training (25%). Lack of time (45%) comes ahead of cost (33%) and a lack of expertise (13%) as the greatest challenge to offering career management programs.

Businesses in Ontario (76%), the Prairies (77%) and major cities (79%) are the most likely to agree that career management is an employer’s responsibility. Small businesses with fewer than 50 employees are more likely to say that lack of expertise is the greatest challenge to providing such programs.

**Importance of providing career goal opportunities for employees.** Nearly nine in 10 (87%) executives agree that it is important to their organization to provide employees with opportunities to reach their own career goals.