

A background image showing a group of business professionals in a meeting, looking at documents and talking. The image is partially obscured by a large orange torn-paper graphic.

Information and
Communication Technology
(ICT)

Financial Services

Manufacturing

Skill Gaps, Labour Shortages and Challenged Job Seekers

in Key Employment Sectors
of York Region

The logo for the Workforce Planning Board, featuring a stylized 'W' and 'P' in blue and yellow.

**Workforce
Planning BOARD**

OF YORK REGION & BRADFORD WEST GWILLIMBURY

wpboard.ca

EXECUTIVE REPORT

SECTOR PARTNERSHIP PLANNING PROJECT

November 2017

Acknowledgements

The author and the Workforce Planning Board of York Region and Bradford-West Gwillimbury would like to gratefully acknowledge the support, inputs

and perspectives contributed to the research for this project by the following employers, industry associations and community services agencies:

- Arthur J. Gallagher & Co.
- Aurora Scientific Inc
- BAASS Business Solutions Inc.
- Buchner Manufacturing Inc.
- Business Development Bank of Canada
- Canadian Manufacturers and Exporters Association
- Chaggares and Bonhomme Chartered Professional Accountants
- CleanRiver Recycling Solutions
- Clover Tool Manufacturing Ltd.
- Commport Communications
- Compugen
- Desjardins Property and Casualty Insurance
- E & W Development Centre
- EmergiTEL
- Evron Computer Systems Corp.
- Freedom 55 Financial
- Gieseke+Devrient Mobile Security
- Hibar Systems Limited
- Honeywell Building Solutions
- Huawei Technologies Canada
- IBM Canada Limited
- Investors Group
- King Cole Ducks Limited
- KPMG Management Consulting Services
- Kraft Burger LLP
- Laipac Technologies Inc.
- Lotek Wireless Inc.
- Lott & Company Professional Corporation
- LSC Communications
- Manpower Group Corporation
- Nella Cutlery and Food Equipment
- Neopost Canada
- Nexya Canada Inc.
- Onico Solutions
- Ontario Centres of Excellence
- Ontario Manufacturing Learning Consortium
- PTC Recruiting
- Robert Half
- Royal Bank of Canada
- TechConnex
- The Taligent Group Inc.
- Toronto Financial Services Alliance
- Tree Frog Inc.
- Vertex Precision Manufacturing
- VPI Working Solutions
- The Region of York Community Health and Services
- yorkworks Employment Services
- RNC Employment Services
- Women's Centre of York Region
- Welcome Centre Immigrant Services
- Thornhill Employment Hub
- Job Skills
- Georgina Trades Training Incorporated
- Literacy Council York-Simcoe
- JVS Toronto
- YMCA Employment Services
- COSTI
- The Region of York Planning & Economic Development
- Seneca College
- York University
- NPower Canada

Table of Contents

Section Title	Page
1 Project Description & Research Methodology	3
2 Executive Report	6
2.1 Background	6
2.2 Information and Communication Technologies (ICT)	7
2.3 Manufacturing	9
2.4 Financial Services	11
2.5 Employer Feedback and Issues Common to All Three Target Sectors	13
2.6 Under-represented and Challenged Labour Market Groups	14
2.7 Recommendations at the Local Level	22
2.8 Proposal for Government Policy Makers	24

Project Description and Research Methodology

SECTION 1

The Workforce Planning Board of York Region and Bradford-West Gwillimbury (WPBoard), were favoured with funding under the Sector Partnership Planning Program to undertake a project with the following goals:

Within the Information and Communication Technology (ICT), Manufacturing and Financial Services sectors of York Region;

- determine the employee skills and capabilities the Region's employers need now and for the future,
- determine the employee skills and capabilities currently available within their firms and in local labour markets,
- determine development and training strategies to address identified gaps and make use of local educational institutions, employment service providers and other community/sector partners

Concurrently, within York Region and neighbouring labour markets serving York Region Employers;

- identify and characterize the groups of "challenged" labour market supply-side participants, (job seekers), specifically in terms of youth, (aged 15 - 29), experienced workers "displaced" from declining industries, whose knowledge and skills are no longer current, and Internationally Educated Professionals seeking economic opportunity in Canada.
- determine typical skill levels in these groups, and "gaps" with respect to the needs of York employers in the three segments identified above, and
- identify development, training and support programs which may be delivered through local or provincial agencies, educators and service providers, to help these "challenged" job seeker groups meet some of the employer talent needs and find meaningful work in doing so.

The WPBoard partnered with the Region of York, York University and Seneca College in this initiative. Both primary and secondary research activities were undertaken in order to achieve these goals.

Primary Research

Primary research consisted of directly engaging York Region employers in the three target industry sectors, challenged job seekers, employment service providers and other local community service agencies.

Employers:

WPBoard engaged with over 50 employers in a variety of methods including face to face consultation meetings, one-on-one telephone interviews and electronic surveys. All industry sectors were well represented, and results and feedback from this engagement has been summarized in appropriate sections of the full report.

Youth:

Youth is one of the three “challenged” job seeker groups under study. We engaged with over 120 young job seekers through an online survey distributed to clients of local employment service and training providers. The online survey contained 22 questions developed to solicit the information as defined in our goals. Results of the survey have been comprehensively reported in the full report.

Displaced Workers:

Utilization of Employment Ontario Service Providers feedback regarding displaced workers provided WPBoard with excellent feedback about their job search challenges. Our literature investigation into this group also revealed good amounts of important and useful information, which contributed heavily to our recommendations.

Internationally Educated Professionals / Skilled Immigrants:

There were two direct engagements with a total of 78 Internationally Educated Professionals (IEP’s) as part of our primary research. One was a Workforce Planning Board labour market workshop attended by skilled immigrants, which formed part of a larger IEP conference. The second was an online 17 question survey that was responded to by IEP’s through Welcome Centre Immigrant Services, Employment Ontario Service Providers and Bridging Programs. Results of the survey are comprehensively reported in the full report.

Community Stakeholders

There was additional engagement with York Region community stakeholders, such as Employment Service Providers, Literacy Councils, Welcome Centres, School Boards, agencies serving Youth, York Region’s Community Health and Services team, and Training Agencies. WPBoard consulted with them on a full range of subjects related to their experiences with the “challenged groups”.

Secondary Research

Secondary research consisted of an extensive survey and review of current, (and almost current), studies, reports, articles and papers written by various authorities on the particular industries, labour markets, talents and skills under review. Particularly helpful or interesting material too extensive to include in the main body of this report have been attached as Appendices in the full report. All references used or quoted have been cited within the report, and at the end of the full report under “References”.

The report is designed to serve seekers of high-level summary information in the “Executive Report” (Section 2). For those seeking more specifics and detail, the full report includes the Executive Report and greater detail in Sections 3 through 10. Sections have been designed to be somewhat stand-alone, and the entire report is intended as a reference as well as a project status summary.

Validation

In an effort to obtain an objective “second opinion”, as to what was learned by the Project Team on this initiative, the services of a second consultant was arranged to undertake limited parallel research into skill gaps and labour shortages in our 3 target sectors in York Region.

The consultant was advised of the information that was sought, and they undertook telephone interviews or conducted surveys with employers. Their findings are included in Appendix H of the full report.

Executive Report

SECTION 2

2.1 Background

Canadian and York Region Information and Communications Technologies, Manufacturing and Financial Services customer and labour markets are undergoing rapid change, primarily because rapidly

advancing technologies are “changing the game” in terms of customer demands and the kinds of talent employers need to grow and compete. The kinds of jobs that must be filled are changing. Employees need to become “digitally literate”, and expand their capabilities to capture new technical as well as “soft” people and business skills. However, both new entrants to the workforce and existing workers are struggling to acquire the knowledge and skills employers need. Colleges and Universities are struggling to maintain the pace of change and align programs to teach skills in demand. Employers have apparently decreased their investments in employee training over the last two decades.

To make things more challenging, older workers, who form a large part of the workforce, will be retiring in the next decade, more quickly than they can be replaced with the right kind of talent. At the same time, several groups of workers are under-represented and under-utilized in the labour market, including young people, women, indigenous peoples, “displaced workers” and people with disabilities. Labour Market Information (LMI) available to students, educational institutions and employers is limited, disorganized and hard to find. As a result of all these issues, serious and costly “skill gaps” are developing in the market place, along with a growing labour shortage for key occupations.

Part of the solution will be to increase the numbers of skilled immigrants coming into the workforce. “Millennials”, with their great technical aptitudes and new ways of thinking, will be another part of the solution. Frequently recommended measures to address these challenges are the following;

- develop better Labour Market Information,
- improve connections between educators and employers to better align curricula,
- promote “STEM” (Science, Technology, Engineering and Mathematics) and “Digital Literacy” in all phases of education,
- increase the range and depth of experiential learning programs,
- help under-represented groups to increase their workforce participation, and

- simplify access to and use of government training and employment support programs.

The Sector Partnership Planning Grant program reflects government awareness of the situation and proposals as outlined above, and an attempt to move forward “at ground level” with specific markets, specific institutions, and specific outcomes in terms of tackling the Skills Gaps, Skills Mismatches, the resource under-utilization and the disconnects among labour market stakeholders. As such, it is an opportunity to make constructive change happen.

Information and Communication Technologies (ICT)

2.2

ICT is the *industry* that produces anything and everything related to information and communication technologies, in the forms of both products and services, everything “tech” and “high tech”. ICT also refers to a set of *occupations*. Workers in these occupations are employed in both ICT and non-ICT firms.

There are 41,822 ICT firms in Canada, 22,469 in Ontario, and 4,522 in York Region. The great majority at each level are in the “Computer systems design and related services” sub-sector. Depending on geography, 73.5% to 83.5% of these firms employ from 1 to 4 people. Canada’s “Digital Economy” employs 1,389,000 people, of which 730,000 are ICT workers in Non-ICT industries, 487,000 are ICT workers in ICT firms, and 168,000 are Non-ICT workers in ICT companies. Immigrants make up 394,000 of Canada’s ICT workers. The number of ICT professionals living in York Region is approximately 65,000. The number working in the Region is approximately 50,000.

The industry in Canada is alive and growing well, and has great opportunity for continued expansion. It is at the centre of rapidly evolving technologies that are transforming business and daily life around the globe. However, it faces several near and medium-term challenges that must be overcome somehow.

There is currently strong industry demand for highly technically qualified employees, and that demand is forecast to accelerate beyond current supply. While ICT as an industry sector has its challenges, total labour market demand for *ICT professionals* for all *other* industry sectors is even larger, and

growing as quickly. Across the country, about 216,000 **new** jobs in ICT work will have to be filled, 88,000 of those in Ontario. Driving this demand growth are both strong customer demand for new technology-based solutions, and strong “internal” industry demand for process automation, productivity multiplication, and “digital adoption” by and for all employees. Our education systems are not yet providing students all the skills the labour market demands, and even if they were, they could not graduate enough people to meet the demand. “Under-represented groups”, as described earlier, represent an excellent source of workers to partially fill the gap. More skilled immigrants are another.

The numerous jobs and skills in high demand in the ICT sector both on a national and a local (York Region) level, have been identified in sections 3 and 6 in the full report. The challenge in addressing the short supply of long lists of industry-specific technical skills *just for ICT*, is that there are not just two or three skills to be found. The list is long, and constantly changes with time.

The good news is that the list of *non-technical* skills in demand for ICT matches those in demand for Manufacturing and Financial Services as well, and solutions for increasing availability of these “soft” skills can be developed for all three sectors in the same exercise.

One skills-related problem observed was that employers could be unrealistic in their expectations in looking for *both types of skills*.

York Region’s ICT industry is growing well, and has strong opportunities. Many high-profile firms are located there, and many residents are highly educated, and have “STEM” backgrounds.

Our consultations with the Region’s ICT employers revealed that they are seeing many of the same trends, and are experiencing many of the same shortages and skill gaps, as revealed by the literature review. They see and feel the impact of advancing technologies both within and outside their firms. They struggle to recruit several technical occupations as well as sales-people with good technical acumen, and the ability to sell complex solutions to executives.

Manufacturing

2.3

Despite years of decline in Manufacturing, growth in the sector has been restored, albeit at modest rates. As with ICT, there are excellent growth avenues and opportunities in the industry, but there is a lot of lost time to make up, and a lot of investment to undertake.

Our manufacturing productivity is low compared to our global competitors and needs to be accelerated. Becoming or remaining competitive in Canada and locally will require all manufacturers to adopt “advanced” methods, processes, and technologies. It will also require that firms throughout the sector engage in *upskilling* of their employees.

There are 50,817 manufacturing firms in Canada, 20,182 in Ontario, and 2,627 in York Region as of December 2016. “Fabricated metal product manufacturing” has the largest number of firms at each geographic level. Unlike the case in ICT, the largest fraction of each of these totals are firms employing 5 to 49 employees, (with 1 to 4 employees being second). Total Canadian employment in the sector is 1.7 million, 800,000 of which are employed in Ontario, where Auto Parts and Aerospace are “experiencing a rebirth”, and Food Manufacturing is strong as well. As at the end of 2016, manufacturing accounted for 15% of total employment, 79,600 jobs in York Region.

Current and emerging technologies well-suited to manufacturing are a specialized subset of those that characterize the ICT sector, and include industrial automation, robotics, nano-technologies, artificial intelligence and additive manufacturing, among others. “Fixing” manufacturing will require a lot of investment in R&D, innovation, new product development and global marketing. Government support and encouragement will be imperative.

Heavily engaged in the “Digital Economy”, manufacturing must also invest in the *human talent* to be able to apply, operate and maintain advanced equipment. In fact, Manufacturing’s *biggest problem* is its current and growing labour shortages, in both traditional and newer “technical” functions. Firms are challenged to re-hire those they laid off in the past, because they don’t often have the skills now needed in advanced operations. Manufacturing has a particularly larger “older” cohort, and will see many retirements in the coming decade. At the same time, the industry is not attracting highly skilled young people for long-term careers.

The jobs and the technical skills in high demand in manufacturing are somewhat different from those in ICT. Those jobs and technical skills include traditional roles and trades, as well as more modern engineering and IT-related areas. They are very different, for the most part, from those associated with the simple, repetitive functions of the past. Today, the industry is looking for more technical-trained, more capable “knowledge” workers to apply, operate and maintain the “digitally controlled” production equipment now in use. Workers need to be problem solvers, analysts, trouble-shooters and programmers, and be flexible, effective communicators and team players. Mostly gone are the days of classical craftsmen and pure manual labour. Section 5, of the expanded report, provides the lists of manufacturing jobs and technical skills currently in demand.

But manufacturers also need their employees to possess strong non-technical skills, and our findings are that the list of such skills for manufacturing matched that for the ICT industry very closely, as already mentioned. Again, the employability “soft” skills list may be found in Section 6 of the full report.

York Region’s manufacturing industry is growing slowly, and has strong opportunities. It is the Region’s largest employer, and it continues to require the Region’s support. The expanded report contains an in-depth examination of the Region’s manufacturing *recruiting* environment. It provides historical numbers of job postings in various *traditional* manufacturing occupations, with skills requested both technical and soft.

Our discussions directly with York Region manufacturers revealed that they are certainly feeling the impact of advancing technologies, and finding difficulty in recruiting a variety of positions, including entry level people such as labourers and assemblers, CNC machine operators, plant managers, skilled trades, technical salespeople, and both hardware and software engineers.

Financial Services

2.4

Financial Services is a multi-subsector industry that includes Banking, Insurance, Investment and Wealth Management, Accounting and Bookkeeping, and “Fintechs”. The industry is alive and

thriving in the GTA, and represents a great “opportunity” sector for York Region, as do ICT and Manufacturing. Performance and growth in Financial Services is strong, but things are changing rapidly. Just as advancing technology is transforming ICT and Manufacturing, it is to some extent actually disrupting the traditional Financial Services markets. There are rapid changes in the way financial institutions are serving their customers, with a substantial migration to online services, mobile apps, and modern interfaces for Enterprise Resource Planning (ERP) systems. Internally, new technologies are driving improvements in productivity and profitability, and “Big Data” and “Analytics” are becoming more powerful tools. Those players not investing, innovating and “digitally adopting” will be left far behind by those embracing and driving new applications.

Fintechs are often small or start-up ICT firms focusing on delivering new financial services in new ways to clients. As such they are the disruptors. However, most traditional financial institutions are becoming Fintechs themselves through partnerships, acquisitions or direct investment in technology application and “product” development.

There are 60,571 Financial Services firms in Canada as of December 2016, with 23,222 located in Ontario, and 2,921 in York Region. Firms employing 1 to 4 people form the largest number of these totals, followed by those employing 5 to 49, but of course the largest institutions employ extremely large numbers of workers. Canadian employment in finance and insurance at the end of 2016 was 808,000, for Ontario it was 409,000, and in York Region it was 27,000. If we add in Accounting, Bookkeeping and Tax Services, those numbers would likely almost double for the whole sector.

Canadian banks are doing well, despite carrying lots of large mortgages at low interest rates. They are attractive places for young MBA graduates to start a long and stable career. But advancing technologies and market entry of “Fintechs” are driving banks to invest in technology.

Investment firms also face the technology challenge, and are seeking new ways to serve millennials who stand to inherit very large amounts of money. They fear a scarcity of financial advisors as older employees retire. Insurance firms are a little slower to pick up the technology ball, but recognize that they will get left behind if they don't. Not as popular as banks as a career destination, they need to promote themselves.

Most accounting firms are typically much smaller, and while they apply technology to improve both customer service and productivity, it is not as pre-occupying. However, they face difficulties in finding some kinds of employees, especially in York Region. Fintechs themselves are the fastest growth sub-sector in the industry, and typically join larger, more established firms to reach more market and finance their growth.

Financial Services jobs in large institutions are evolving, and new ones are emerging in IT roles, especially in Cyber Security, Big Data Analytics, Artificial Intelligence, Mobile Systems and Legacy Systems interfacing. Traditional financial functions are being automated, and new positions of opportunity lie in multi-skilled roles that integrate finance, technology and business.

Jobs and skills in the industry now involve new and different skill sets to support technological evolution of business models, and in a number of cases, the skills financial institutions now seek are unavailable in their traditional labour pools and recruitment categories. As a result, there are certainly skill gaps. The jury is still out as to whether there is or will be an actual labour shortage in the industry. Some studies claim Toronto has a labour surplus in terms of traditional financial roles. Other studies claim CFO's are complaining about being short-staffed and struggling to find the right people. Feedback we have received from employers and recruiters is mixed. Large financial institutions with whom we spoke didn't seem to be having significant recruiting problems, but recruiters and smaller firms reported a very tight market for both traditional and "digitally enhanced traditional" financial workers.

The specific jobs and technical skills in demand for Financial services are indicated in the full report. They are quite different from those for the other two industries. However, the "soft" skills in demand closely match the list for ICT and Manufacturing.

The feedback obtained speaking directly to Employers reflects a substantial difference between the employment needs and challenges of large institutions and smaller, local operations. The large institutions don't currently face labour shortages, and are typically popular career destinations for business students. They are also making larger investments in technologies, and as such are beginning to seek recruits with STEM educations in their back-grounds.

Smaller, mostly accounting firms, are less technology absorbed, and report a very "tight market" of the more traditional roles they seek, such as accounting managers, payroll specialists, auditors, and A/R – A/P specialists.

Employer Feedback and Issues Common to All Three Target Sectors

2.5

2.5.1 "Essential Soft Skills"

In our various engagement events with employers from all three target industry sectors, we found that they all reported requirements for "Essential Soft Skills" with the same or very similar lists of skill types. We therefore combined the three-sector essential soft skill lists into one, which can be

found in Section 6 of the full report. There was also general consensus that employers "shouldn't" have to teach new hires fundamental life skills, and that new young entrants into the workforce typically lacked a lot in the essential skills area.

2.5.2 Labour Market Information, Employee Training and Government Support

Employers we consulted about their access to good Labour Market Information (LMI), mostly told us that what they have and what they can access is entirely adequate for their recruiting purposes. However, it seems that we have heard smaller employers without dedicated H.R. departments tell us that they really need to have access to LMI, especially to understand going wage rates and where to access good labour pools for the various positions they hire.

In terms of employee training, we ran into a big disconnect from what the literature review tells us. As opposed to limiting their investments in employee training, employers told us they "do a ton of it". From new hire orientation to on-the-job training and specialized courses for upskilling and management development, they are firm believers and investors.

In terms of government support, employers feel that the Canada Ontario Job Grant program was already overly restrictive, and now is becoming more so. They also strongly feel some government or agency should streamline and cost-reduce local transportation into, out of and within York Region. Finally, skilled immigrants are felt to be a very important source of talent that is hard or impossible to hire locally. Employers would really like to have access to information about the skilled immigrants already here and those on the way, if possible.

2.5.3 York Region Location Issues

York Region is a great place to live and work, and has a large educated population of high-skilled workers. It can access an extremely large labour pool, and is preferred by many families to the noise, smog and safety issues connected with downtown living. Nevertheless, York Region has to compete hard with Toronto firms for high-skilled talent. The pay is better downtown, as are the cultural and sports amenities and the nightlife. The big head offices are there, and a very high concentration of jobs per square mile. In light of these factors, strategies need to be developed to make the Region more competitive.

Under-represented and Challenged Labour Market Groups

2.6

2.6.1 Youth

Youth are the future. No one else will take over the operation of our societies and our economies. Yet they face some serious challenges in getting their start in life and in the Labour Market. For a long time, people under 25 in the workforce have experienced unemployment levels approximately twice

the rate of that of the rest of the workforce. The “teen” portion of the 15 to 24, (or 29) cohort are far more unemployed than those in their early 20’s. Ontario appears to be worse off in terms of teen unemployment than most other provinces. Youth are far more likely to have “precarious” part time work than their elders. Their “real” hourly wages have actually dropped since the early 1980’s.

There are some issues and arguments related to the meaningfulness of the unemployment statistics, but our research has revealed that Youth are *really struggling* to find meaningful work, especially those still in their teens.

There are, of course, different kinds of young people, with varying backgrounds, education levels, living standards and advantages or disadvantages. Some didn't finish high school before entering the workforce, and are really hard-pressed to find steady work, even at "entry levels".

Others have finished high school, and have decided not to pursue post-secondary education. They are better off but still face limited opportunity and career choices. Then there are graduates of colleges and universities. Those that chose professions or programs aligned with high demand, well-paying jobs, are generally finding work, (although it is not an "automatic" outcome by any means).

Those that didn't base their choice of education stream on labour market needs, and pursued general B.A. programs and the like, have faced challenges in transitioning into the labour market without a career related skill set. To make matters worse they typically graduate carrying massive debtloads. Many stay with, or move back in with their parents until they can support themselves independently.

However, there are a few common challenges youth in almost any circumstances face in finding work. Some are:

- Lack of work experience is a major barrier at all levels and in all markets, (save perhaps for a few minimum-wage, low-skilled entry level roles). This well-known "Catch 22" position for new job seekers has existed forever, but remains unsolved. Co-ops and internships as part of one's education can help, but those opportunities are not as heavily engaged as they could be. Summer jobs also help, but are hard to get in any but the most basic roles.
- Over-control or under-involvement on the part of parents often results in career decisions being made for the wrong reasons, or never being made at all.
- Lack of labour market research and career planning in advance of making career decisions in high school, leads many to make uninformed, unfortunate decisions. Young graduates typically have no training in job search skills, and don't know where to begin.

- Being young, one hasn't had the opportunity to develop many of the qualities and soft skills that employers expect, but that can only be acquired over years in and outside of working life. Employers can be reluctant to allow for this very real and natural circumstance, and instead look beyond it into the potential, the enthusiasm and the energy a new young employee can bring.

There is a long list of important skills that employers complain young job seekers typically lack, in Section 6 of the full report. The challenge is that many of those skills are only acquired through long work experience, so employers should not be surprised young people do not yet have them. The rest are serious gaps that need addressing somehow, through training at home, in the education system, or via outside agencies.

We solicited feedback from young people in the job market through an online survey, and received over 120 responses. Most respondents had high school education only, but 22% had college or university degrees. 63.4% of respondents to our question about employment status indicated they are unemployed. Those that are employed have a wide variety of primarily entry level jobs in customer service, retail sales and several other areas. Many of the respondents are enrolled in IT training, and have ambitions in the sector. This is great news, and more needs to be encouraged.

Respondents reported having some solid employability skills already under their belts. But they reported needing more in order to get the jobs they seek, primarily in the technical, professional and specialized industry knowledge areas. Far and away the most frequently mentioned barrier to landing a job was lack of experience. Respondents provided a long list of things that would further help them, most were in the area of more job search support, more network connections, references and counselling. *One suggested that job search skills should be taught in high school.*

Feedback from young people reflected positive attitudes, serious job seeking efforts, and good coaching and support from employment service providers and other agencies. The challenges they report include their need for more education, (especially technical), their need to develop self-confidence and solid communications skills, their needs for market contacts and networking support, and their need to be able to build great résumés, and get them into the hands of the right decision makers.

Many of them depend on the service provider coaching they get, and they want it to last longer and go farther. Skill gaps are highly dependent on the career goals of the young person, but computer and technical skills as well as a litany of soft skills, seem to be the opportunity areas.

2.6.2 Displaced Workers

Displaced workers are those who have been permanently separated from long time employment with a single employer, or in a single industry. Their skills and experience are strongly related to the job and the industry from which they have been displaced. Displacement of men affects 8% to 9% of the workforce each year, the range is 4% to 5% for women. Only 80% of displaced men and women are re-employed within the first year.

But displaced workers are a conundrum. The news is not good when it comes to how they fare after they become “displaced”. Lifetime earnings drop considerably, it takes a long time for many of them to become re-employed. When they do, it is usually in a lesser position, with lower responsibility, lower compensation, and lower self-esteem. Displaced persons in their forties and fifties, with (often adult), children living at home and elderly parents to look after, find themselves in unbearable “no-win” situations, and family dissolution can result.

For older workers, the re-employment rate drops, and economic loss increases substantially when they are displaced. Older displaced workers have fewer transferable skills, and decreased use of mathematical, cognitive and relationship skills when they are re-employed. Many elect to take early retirement, whether or not they can afford it. Some simply become burdens on their families. Others find their way into social welfare systems and burden society.

Consequences of extended unemployment include a 15-20% increase in death rates, a drop in the likelihood that teen-aged children of displaced workers will attend college or university, and consequently children of a displaced parent will have 9% lower earnings.

The reality is that we need displaced workers to rejoin the workforce, and to contribute to the economy. There is already a very large (Baby Boomer) cohort due to retire over the next decade or two, thus ending their economic contributions. We must do anything we can to avoid exacerbating the situation, and we must help displaced workers find new hope and self-esteem by rejoining the labour force.

Displaced workers bring loads of experience, intelligence, judgement, wisdom and loyalty to a labour market whose young entrants bring plenty of other good things, but few of those. There is a definite “Skills Gap” that obstructs displaced workers from moving on. The missing skills are those related to today’s expanding industries, and tend to be “digital”, technical, and analytical, which rely on strong literacy and numeracy attributes.

Policy Issues and Possibilities

Retraining programs for displaced workers to move them into an expanding industry have questionable effectiveness. While Ontario’s Second Career Program was well subscribed and produced reasonable results in its early years, and according to Employment Service Providers with whom we spoke recently, the program has its challenges, and results are mixed:

- Older workers seem to have a hard time learning new disciplines and skills, especially in the digital and technical areas. They often can only learn through outdated methods that require their instructors to change their teaching methodology.
- Older workers are often justifiably very proud of the industry from which they have come, job they did, the expertise they had, and the money they made. They frequently resist diving whole-heartedly into starting all over again as a neophyte in a new field at much lower pay.
- There is no guarantee they will qualify for the Second Career program, and even if they do, and they manage to make it all the way through, the program does not equip them with the job search skills they will certainly need in the “new” industry sector.
- Employers, whether they will admit it or not, are reluctant to hire older workers into positions with any long-term potential, regardless of experience and fresh skills. What makes it tougher is that older workers know this, and defeat themselves mentally even before they go to an interview.

A targeted federal initiative for older workers showed initially great results in terms of re-employment, but follow success measurements dropped significantly.

The literature puts forth a number of recommendations for policy changes to improve the plight of displaced workers. They include;

- Improve our knowledge of the current situation,
- Encourage early retirement with a subsidy for wage maintenance until retirement age,
- Enhance both passive and active Employment Insurance programs,
- Explore 2-year college re-training, which has worked well in the U.S.
- Support re-location of displaced workers to markets with better opportunity.

2.6.3 Internationally Educated Workers

It is pretty clear that Canada will be depending heavily upon IEP's to fill a large portion of the serious gaps between current and future demand for highly skilled labour, and domestically available supply. The advice we are getting is to increase immigration over the next few years to an annual influx of 450,000 people. Recently, the federal government announced it would bring in *a million immigrants in the next three years*. That will be short of the recommended mark, and likely will allocate lower-than-recommended spots to economic (skilled worker) immigrants. Canada has an enviable reputation globally as having a "model" immigration system, finely tuned over many years, and designed to drive economic growth and improved life style. However global competition is heating up, and the country cannot afford to rest on its laurels.

Meanwhile the government has been trying hard to facilitate the immigration of skilled workers through new initiatives, such as changes to "Express Entry", and the new "Global Talent Stream". These measures are appreciated by the business community, and will accelerate processing of Temporary Foreign Worker work permit applications.

Both employers and newcomers face challenges when it comes to making "a job connection":

Employers

- Some employers can be reluctant to hire immigrants because fear of language issues, unverifiable qualifications, and difficulty in integrating and managing them. Mythical stereotypes about immigrant attitudes as well as unconscious bias also come into play.

- Employers who have hired immigrants have found them to have excellent attitudes and work ethics, but have struggled with government processes in trying to hire workers from outside the country. There are language and cultural difference challenges, but many employers have found work-arounds.

Newcomers

- The largest problems IEP's appear to face in coming to Canada are major difficulties in getting Canadian accreditation in their professions, and overcoming employer demands for Canadian experience. Inability to overcome these barriers has resulted in large numbers of in jobs for which they are over-qualified and under-utilized.
- They often face language barriers as well, immigration requirements notwithstanding. They find learning English difficult and flock to communities both where they live and at work, where they can speak their native tongues.
- They are increasingly preparing for emigration before they come over, by researching online, but they still find many unexpected challenges when they arrive.
- They believe the government welcoming and support services could be improved a lot, and they ask for access to a lot more labour market information than they can find.

Our direct feedback from seventy-nine IEP's to our consultations and survey confirms a lot of what we learned from consulting literature on the subject of Skilled Immigrants. Respondents to our survey are incredibly well educated, but can't find work here that applies and rewards their expertise. Accreditation is a major barrier. The "Canadian Experience" thing hasn't gone away, despite legislation. Discrimination, nepotism and not "having the right connections" as reported may partially be related to frustration and bitterness, but such feedback is unlikely to be baseless.

The feedback we got from the Employment Service Providers with whom we spoke informed us that immigrants are nowadays doing better research in their home countries and are arriving here better prepared than they used to be. Major improvements are within reach for addressing challenges employers face bringing skilled immigrants to Canada as new permanent employees, and challenges IEP's face after arriving in getting accreditation and landing that target job.

2.6.4 Feedback from Community Services Providers

We convened a meeting of York Region Employment Service Providers and representatives of other community agencies, to learn about their experiences in working with Youth, Displaced Workers, and Internationally Educated Professionals. What they told us for the most part aligned with what we had heard from Youth and IEP's, and what we found in the literature. The local labour market has tightened, fewer people are looking for work, more are finding work. Even entry-level workers are hard to find right now.

The three groups of challenged job seekers we asked about are definitely recognized by these agencies, and they do offer targeted programs for them. Youth Job Link, Youth Job Connection, Youth Reach and NPower were mentioned, as well as "Second Career" for displaced workers, and a number of Immigrant Welcome Centres and support programs. One training institute offers a wide variety of Certification programs for workers wanting to upgrade and make current their qualifications.

These groups definitely bring valuable skills to the labour market. Youth bring amazing digital and computer skills, displaced workers bring wisdom, experience, judgement and maturity. Skilled immigrants bring advanced educations, professional experience and excellent attitudes with them.

Skill gaps and other barriers these groups face include;

For young people, lack of essential soft skills, insufficient education, lack of work experience, lack of job search support, lack of job search skills, parental interference or lack of parental guidance, and for first generation newcomers, the challenges of dealing with Canadian values and culture outside the home, and "home country" values in culture in the home.

For displaced workers, lack of modern technical skills and "digital" acumen, some lack of soft skills, difficulty learning, their own attitudes; arrogance, pride, inflexibility, reluctance to learn and re-invent themselves, lack of labour market information and lack of job search skill.

For IEP's, lack of Canadian accreditation, employer demands for "Canadian Experience", lack of English language skills, other "essential soft skills", and cultural differences in the workplace.

A wide variety of training and support programs are offered to address individual needs. These include Essential Skills, Computer Skills, the Youth

programs already mentioned, the Certification courses already mentioned, a program called “Networks” that offers Youth and Immigrants opportunities to make business connections and network with C-level executives, and many more. The Canada Ontario Job Grant has been well subscribed, and used mostly to train existing employees. Popular areas of study include Lean Six Sigma, ERP systems, Truck Driving, Sales, Leadership, IT courses and vendor-specific training.

Recommended improvements to current programs included making them more inclusive and more long term, allowing more local decision-making and continuation of client support well into the post- hiring, employed phase.

Recommendations at the Local Level

2.7

2.7.1 Addressing the “Essential Soft Skills” Gaps in all the Target Sectors

As a next step, more extensive research is needed into all the essential soft skills programs that are already available in or close to York Region. The subject matter taught, class sizes, program capacities, costs and delivery locations need to be understood,

along with the experiences and future plans of providers of these programs and the availability and the feasibility of online “self-help” course material.

With such information in hand, *the following step* would be to explore a way of unifying, promoting and growing the delivery of “Essential Soft Skills” learning throughout the Region. Educators, service providers and employers need to be involved in order to develop jointly supported objectives for aggressively growing the learning activity taking place throughout the Region. With a clear Terms of Reference and Goals in place, strategies and action plans for promotion, expansion, quality assurance, certifications and results tracking could be worked.

2.7.2 Transitioning Internationally Educated Professionals into the Labour Market

As a next step in supporting IEP's, undertake a three-stage approach to improving the lots of immigrants here trying to find meaningful work, and employers trying to find scarce talent:

- a. Utilizing 2016 immigrant census data, further investigation into the local population, the profiles, the employment status and the job search experiences of Skilled Immigrants in York Region.
- b. Partner and confer with local agencies that support skilled immigrants with employment services, accreditation and bridging programming.
- c. Develop activities that promote collaboration between local employer employers and skilled immigrant talent resource.

2.7.3 Transitioning Youth to the Labour Market

Working with the school boards, colleges and Employment Ontario to develop a local resource that supports the transitioning to post-secondary education and the labour market.

- help families learn about the importance of education and career planning,
- inform students and families about current labour market trends,
- identify desired attributes that employers require in new candidates
- promote resources to assist with job searching and networking

2.7.4 Addressing Potential Labour Shortages

Many graduates and workers living in the Region often look to downtown Toronto for work. Local employers often first look "downtown" for recruits. To reduce the daily outflow of resident professionals commuting to Toronto, and actually increase the daily inflow of Toronto talent, the following are proposed:

- In partnership with the Region of York, develop a promotion and communication plan to better inform York Region residents / local employers about all of the industries, employment opportunities and talent right here in the local labour market; this will encourage skilled job-seekers to check out employment opportunities in York Region first.
- Highlight ICT, Manufacturing and Financial Services sectors as high growth sectors within the region to address the live/work ratio in York Region and reduce the daily outflow of the skilled workforce commuting to Toronto.

In Section 9 of the full report, more details related to these recommendations for local initiatives are laid out. Possible additional local undertakings in the areas of i) addressing the technical skill gaps in each target industry sector, and ii) addressing the challenges Displaced Workers face in getting back to work, are presented as well.

Proposals for Government Policy Makers

2.8

Skill Gaps, Labour Shortages and Under-Represented Job Seeker Challenges to Address

There are many possible avenues for government policy makers to tackle the challenges currently being faced in our target sectors and by under-represented worker groups.

Our recommendations have been divided into six areas to address;

- 1) the “essential soft skill” gaps that characterize all sectors,
- 2) the opportunities that exist to facilitate and accelerate IEP’s coming into the country and finding meaningful work for which they have been educated,
- 3) the barriers Youth face in becoming full workforce participants,
- 4) the potential labour shortages that threaten all sectors,
- 5) the technical skill gaps in each target industry sector,
- 6) the challenges Displaced Workers face in getting back to work.

Access the full report at wpboard.ca

The full report contains up-to-date statistics and a comprehensive review of current literature supporting a more detailed examination of the three sectors and labour pools in York Region.

wpboard.ca



OF YORK REGION & BRADFORD WEST GWILLIMBURY

Workforce Planning Board of York Region and
Bradford West Gwillimbury acknowledges the funding from:



Disclaimer: The information contained in this report should by no means be considered a substitute for the advice of qualified professionals. All efforts have been made to ensure the accuracy of the information as of the date of publication. The Workforce Planning Board of York Region and Bradford West Gwillimbury expressly disclaim responsibility for any adverse effects arising from the use of the information contained herein.

Building tomorrow's workforce together