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A REPORT TO
ALBERTA CHAMBERS OF COMMERCE

AB PERSPECTIVES SURVEY

Skills, Training, Labour Market Policy

April, 2020

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ABOUT THE RESEARCH

About the Research

- A combination of factors have contributed to the recent economic and political turbulence in Alberta, including:
 - Significant declines in the world price of oil and natural gas;
 - Significant opposition to the energy industry, led by assertive environmental groups;
 - Challenges in exporting oil due to pipeline constraints;
 - Opportunities in the US energy sector have attracted Canadian investment and the out-migration of jobs;
 - The move to increase Alberta's energy exports has been hampered by political resistance to pipeline expansion;
 - Fiscal options have been reduced due to declining government revenues; and
 - Higher rates of unemployment.
- This is the third in a series of surveys of the business community, commissioned by the Alberta Chambers of Commerce (ACC), working on behalf of the Chambers of Commerce across the province.
- The research is designed to reinforce ongoing advocacy efforts by undertaking a province-wide effort to gather, prioritize and articulate perspectives of the business community and the public on core economic and policy issues of relevance to municipal and provincial government leaders.

About the Research

- The ACC has engaged The Strategic Counsel, a national market research advisory firm with an office in Alberta, to develop a research program that will include surveys of Chamber members and the public at regular intervals.
- The ACC will make use of these surveys in a number of ways:
 - Use the findings to broaden and deepen the evidence the ACC and local Chambers can table to articulate the perspective of the province’s business community; and
 - Make the research available to individual Chambers for their own use with local municipalities.
- This survey is designed to explore business needs related to their skills requirements and options for enhancing access to skills.



In order to survey Chamber members, an invitation to complete the survey with a link to the online survey was sent to all member Chambers across the province. Chambers in turn sent the invitation with the link to the survey to their members. There was also a social media component.

A total of 353 ACC surveys were completed through this approach. The survey was paused when the economic and social impact of COVID-19 started.



Surveying was undertaken between February 13th and March 18th, 2020.

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KEY FINDINGS

Key Findings

EASE OF HIRING PEOPLE WITH THE SKILLS THEY NEED

Over half of businesses indicate it is difficult to hire people with either the entry-level or mid-level skills they need to manage their business.

- For entry-level skills, just over half (54%) report it is difficult – more than double the number that find it easy (23%).
- The difficulty increases when hiring people with mid-level skills. While 65% report difficulty with this segment, only 14% report it is easy to find people with the mid-level skills they need for their business.

TOP PEOPLE/TECHNICAL SKILLS AND COMPETENCIES NEEDED

In terms people skills, the top tier competencies that businesses look for when hiring at any level within the organization are problem-solving skills; service orientation/team/interpersonal skills; and a commitment to quality.

- For technical skills, six-in-ten (61%) look for industry-specific technical skills. However, this is followed by the basic skill sets of numeracy and literacy, business acumen, and science/math skills.

Key Findings

IMPACT OF SKILLS SHORTAGES

3 Among all businesses, four-in-ten (44%) anticipate that skills shortages will have a significant or moderate impact on their ability to thrive over the next year.

- And, among businesses that already find it difficult to hire people with the entry or mid-level skills they need, skills shortages are expected in the key skills they look for: industry-specific technical skills (28%) as well as the people skills of problem-solving (30%), commitment to quality (26%), and service orientation (24%).

BARRIERS FOR RECRUITING SKILLS BUSINESS NEEDS

4 Three quarters of business cite lack of skills/qualifications – both people (40%) and technical (35%) skills – as top barriers for recruiting the skills they need. This is followed by financial considerations, both business budget constraints (36%) and wage/salary demands beyond their ability to meet (36%).

- Lack of applicants (28%) or competition from other employers (23%) are also top barriers.
- Fully half of businesses rely on either employee referrals (52%) or social media tools and online networks (50%) to recruit employees and the skills they require.

Key Findings

WILLINGNESS TO TRAIN NEW EMPLOYEES

Among businesses that have found it difficult to hire people with the entry or mid-level skills they require, fully half (51%) report they have undertaken training while 36% would consider training.

- Those businesses that would not consider training new employees, the expense of training is the most cited barrier.
- But it is also clear that businesses have very limited budgets for training per employee. In all, 45% either plan no spending (18%) or less than \$350 per employee in the next year (27%).
- Smaller businesses – one to ten employees – are more likely to indicate they have no planned spending.

WORKING WITH POST-SECONDARY INSTITUTIONS AND WIL

There is a high level of willingness to work with post-secondary institutions (public or private) or provide Work Integrated Learning (WIL) to recruit or acquire skilled workers.

- One-in-five are either currently working with (18%) or have worked with (19%) post-secondary institutions. And, a further one-third (34%) would consider doing this.
- And, while one-in-ten (12%) businesses are currently providing WIL opportunities – and 16% have provided these opportunities in the past – just over one-third (35%) would consider doing this.

Key Findings

WORKING WITH CHAMBERS OF COMMERCE

Working with chambers of commerce to connect with and recruit skilled workers is also an option for many businesses.

- While one-in-five businesses are either currently working with, or have worked with, chambers of commerce to connect with and recruit skilled workers, fully half (50%) would consider doing this.

INVESTING IN CAPITAL EQUIPMENT/TECHNOLOGIES

Just over half of businesses that have had difficulty hiring people with the skills they need have either invested in capital equipment/other technologies (36%) or would consider this (19%) to overcome skills shortages. But clearly this has its limits.

- Since, seven-in-ten (72%) businesses also report that there is **NO** equipment or technology available to replace the skilled workers they require.
- Among the 18% that say it is available, the upfront investment cost is the main barrier to investing in this technology, followed by economic uncertainty (42%).

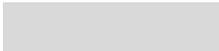
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DETAILED FINDINGS

Just over half (53%) of businesses continue to report they feel negative about the long-term future of Alberta, with those ‘very’ negative (17%) three times those ‘very’ positive (6%).

- Since the last wave in November, views have remained static. Compared to July 2019 results, this indicates a significant decrease in those feeling positive (20-point drop) and a significant increase in those feeling negative (20-point increase).
- However, it is important to note that this survey was paused in March as the economic and personal ramifications of the COVID-19 pandemic was becoming evident.

VIEW ON THE LONG-TERM FUTURE OF PROVINCE

	Jul 2019	Nov 2019	March 2020	NET Change Nov 2019 – March 2020
TOTAL POSITIVE	62%	42%	 42%	—
Very positive	10%	6%	 6%	—
Somewhat positive	52%	36%	 37%	+1
Somewhat negative	27%	36%	 35%	-1
Very negative	6%	18%	 17%	-1
TOTAL NEGATIVE	33%	54%	 53%	-1
Don't know/not sure	5%	4%	 5%	+1

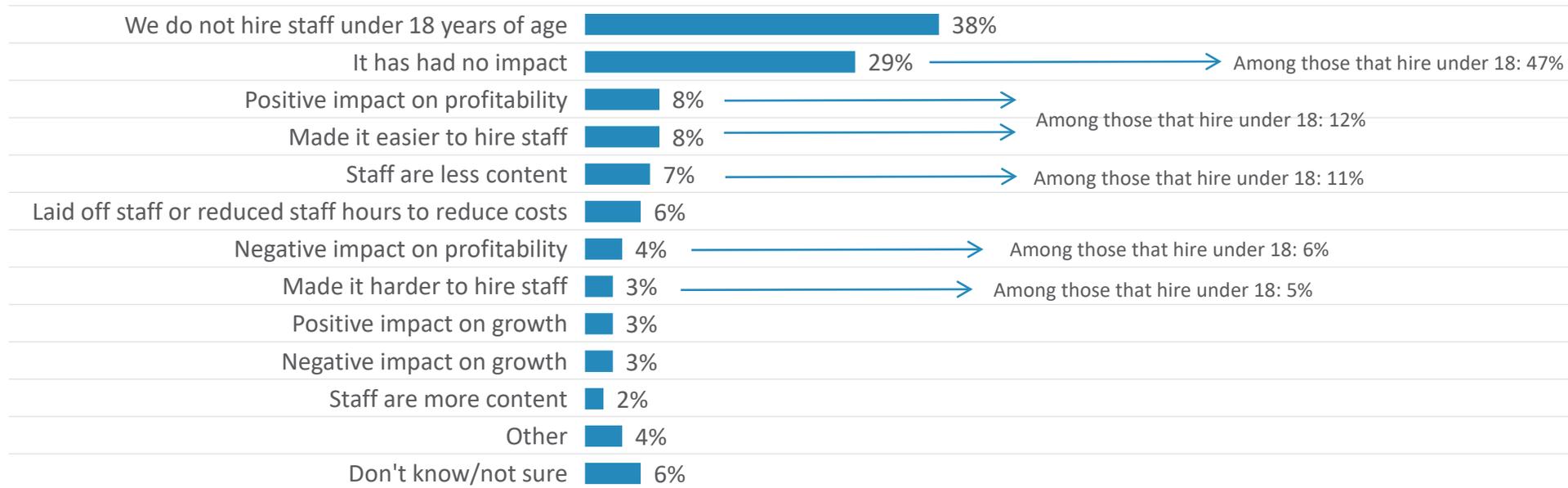
Q1. Overall, how do you feel about the long-term future of the province?
 Base: Total sample (Jul 2019 n=714; Nov 2019 n=1028; March 2020 n=353)

BUSINESS IMPACT OF REDUCTION OF MINIMUM WAGE FOR STUDENTS UNDER 18

Overall, four-in-ten (38%) of the businesses report they presently do not hire staff under the age of 18. Among only those businesses that do, almost half (47%) report the reduction of minimum wage for students under the age of 18 had no impact. Other reactions suggest a mixed response.

- Among those that hire staff under the age of 18, 12% report a positive impact on profitability and the same number say it is easier to hire staff (12%).
- But this is, in part, offset by the 11% who report staff are less content, the 6% who report a negative impact on profitability and the 5% who say it has made it harder to hire staff.

BUSINESS IMPACT OF REDUCTION OF MINIMUM WAGE



Q2. Which of the following impacts, if any, has the reduction of the minimum wage for students under 18 had on your business?

Base: Total sample (n=353)

TOP PEOPLE/TECHNICAL SKILLS AND COMPETENCIES BUSINESS LOOKS FOR

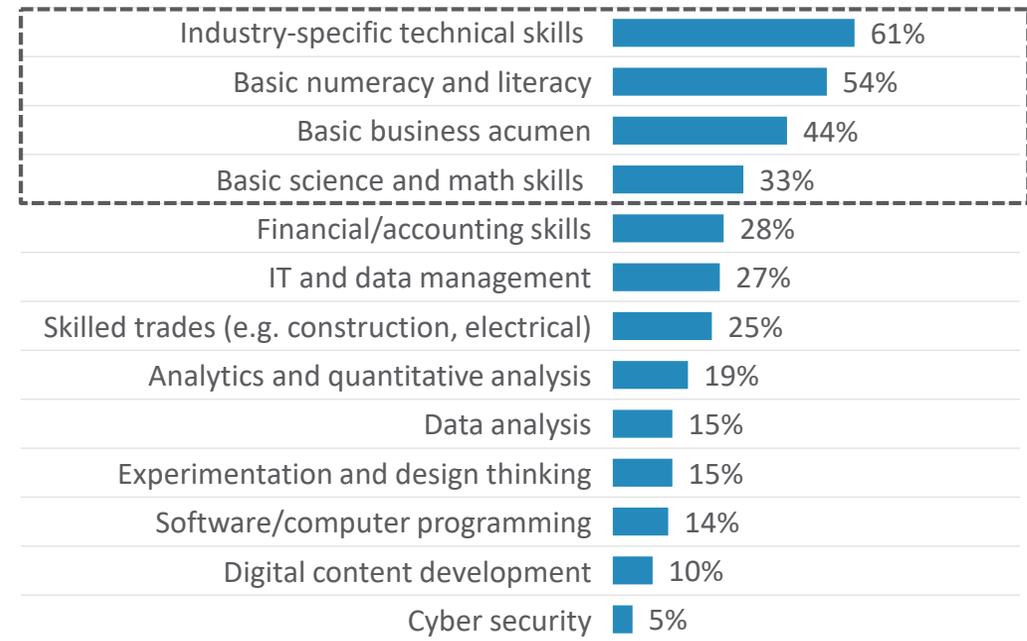
Among the top tier people competencies that businesses look for when hiring at any level within the organization problem-solving skills; service orientation/team/interpersonal skills; and a commitment to quality are all key.

- For technical skills, six-in-ten (61%) look for industry-specific technical skills. However, this is followed by the basic skill sets of numeracy and literacy, business acumen, and science/math skills.

TOP PEOPLE SKILLS AND COMPETENCIES



TOP TECHNICAL SKILLS AND COMPETENCIES



Q4. Of the following, which are the top 5 **people skills and competencies** your business looks for when hiring at any level within the organization? Base: Have more than one staff (n=325)

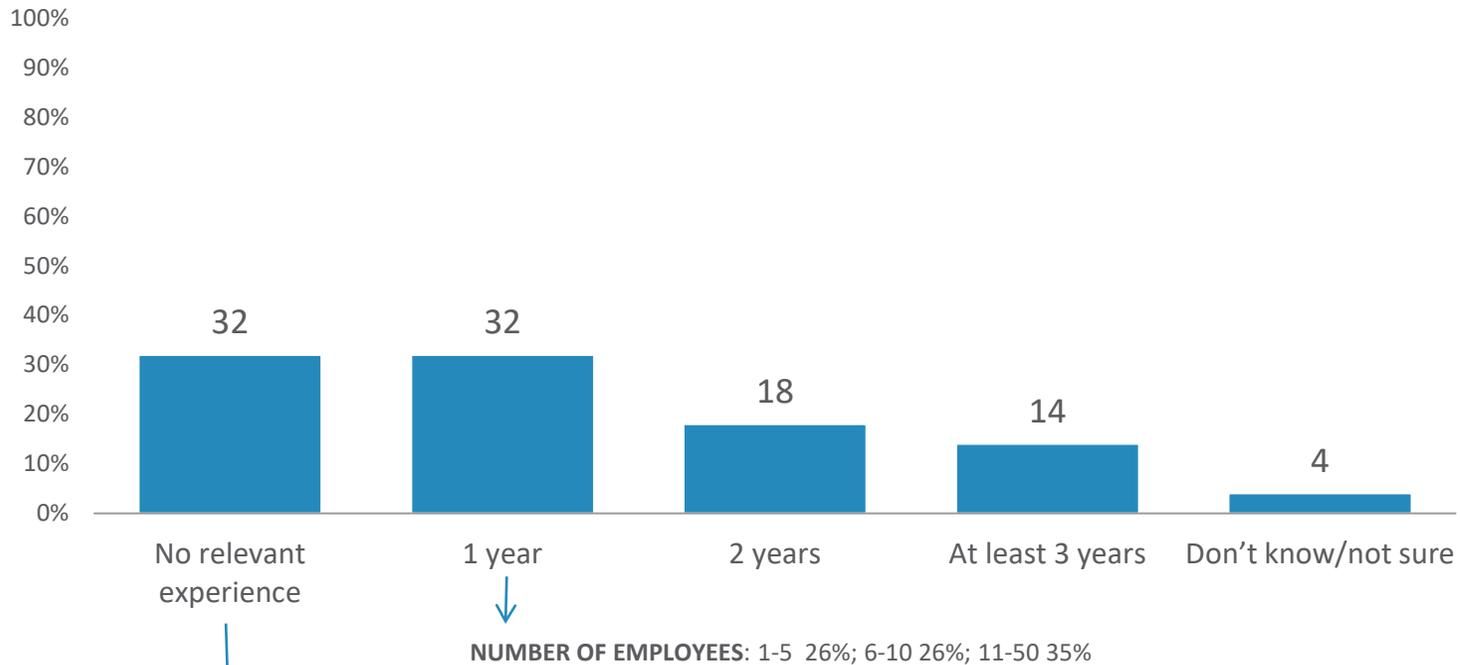
Q5. Of the following, which are the top 5 **technical skills and competencies** your business looks for when hiring at any level within the organization? Base: Hire staff (n=317)

YEARS OF RELEVANT EXPERIENCE FOR ENTRY-LEVEL HIRES

About two-thirds of businesses (64%) do not put a priority on new entry level hires having relevant experience, with equal numbers reporting they do not require any relevant experience (32%) or require only one year (32%).

- One-in-five (18%) typically look for 2 years of relevant experience with only 14% reporting they look for at least three years.

NUMBER OF YEARS OF RELEVANT EXPERIENCE FOR ENTRY-LEVEL HIRES



WHERE BUSINESS OPERATES: Calgary area 19%; Elsewhere south AB 25%; Central AB 30%; Edmonton area 26%; Northwest AB 28%; Northeast AB 35%; Mountain Parks BTS

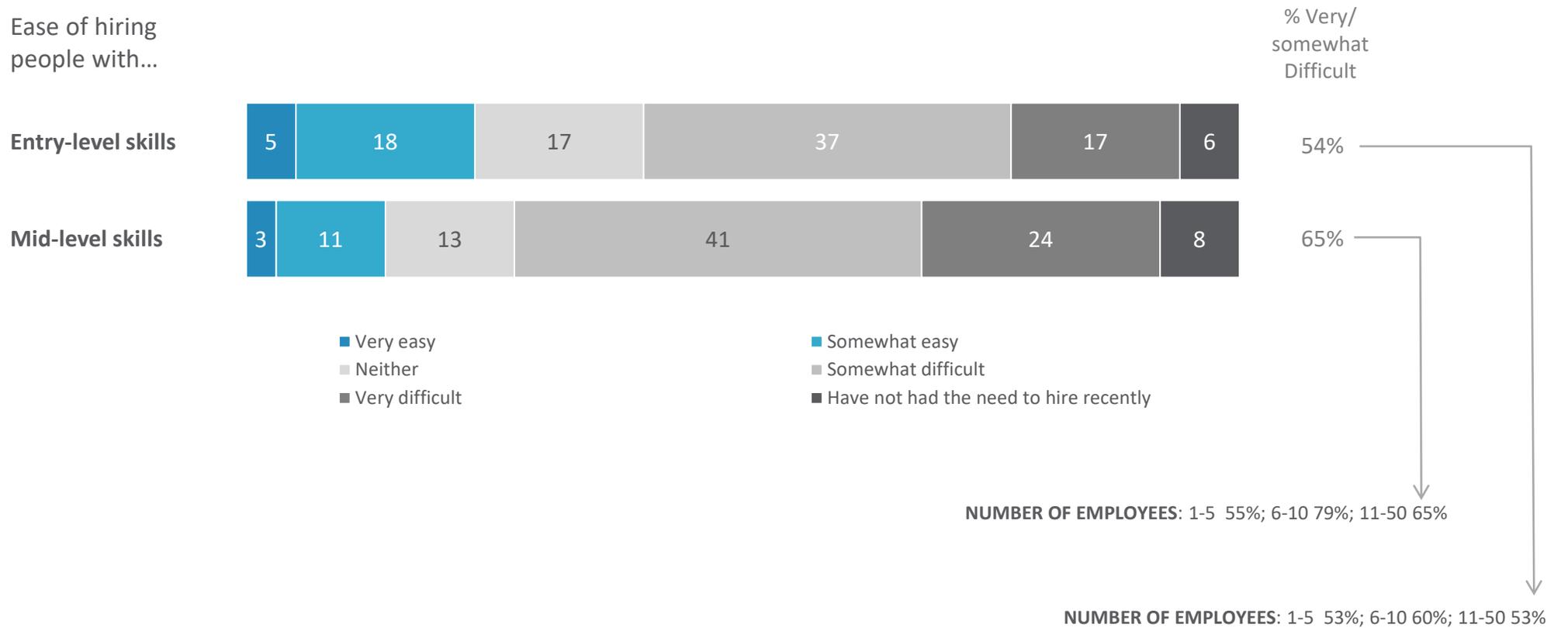
Q6. How much relevant experience do you typically look for in entry-level hires?

Base: Hire staff (n=317)

EASE OF HIRING PEOPLE WITH ENTRY-LEVEL/MID-LEVEL SKILLS

Businesses indicate it is difficult to hire people with either the entry-level or mid-level skills they need to manage their business. For entry-level skills, just over half (54%) report it is difficult – more than double the number that find it easy (23%).

- The difficulty increases when hiring people with mid-level skills. While 65% report difficulty with this segment, only 14% report it is easy to find people with the mid-level skills they need for their business.



Q7. How easy or difficult is it to hire people with the entry-level skills you need to manage your business?

Q8. How easy or difficult is it to hire people with the mid-level skills you need to manage your business?

Base: Hire staff (n=317)

AREAS OF EXPECTED SKILLS SHORTAGES AND IMPACT ON BUSINESS

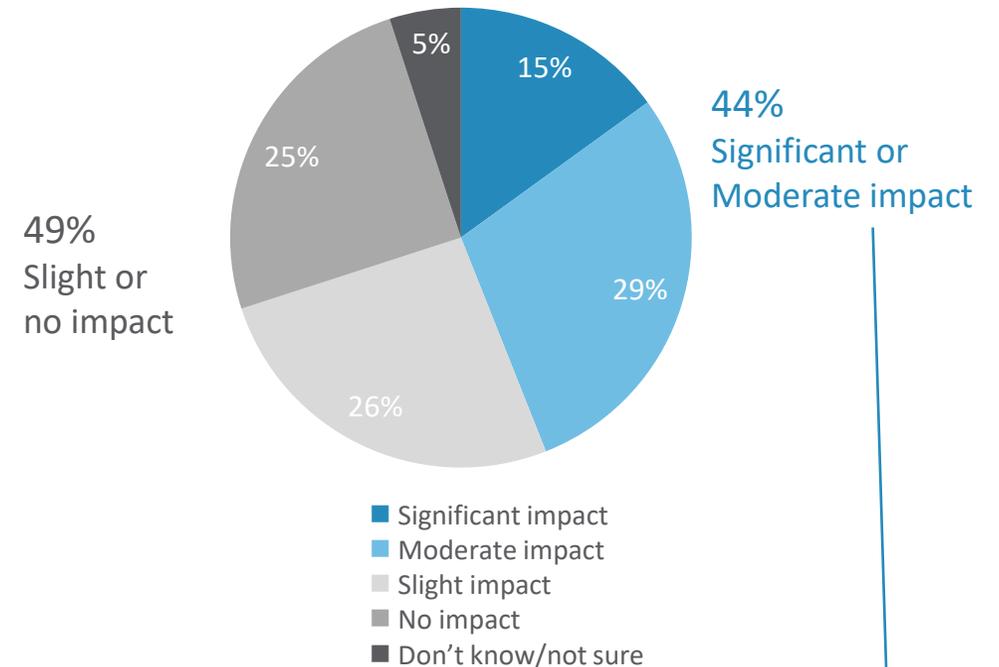
Over the next three years, among businesses that already find it difficult to hire people with the entry or mid-level skills they need, skills shortages are expected for industry-specific technical skills (28%) as well as the people skills of problem-solving (30%), commitment to quality (26%), and service orientation (24%).

- And, among all businesses, four-in-ten (44%) anticipate that skills shortages will have a significant or moderate impact on their ability to thrive over the next year.

EXPECTED SKILLS SHORTAGES

Problem-solving skills	30%
Industry-specific technical skills	28%
Commitment to quality	26%
Service orientation	24%
Interpersonal skills	15%
Relationship-building skills	15%
Skilled trades (e.g. construction, welding, electrical)	15%
Leadership and decision-making skills	14%
Adaptability/resiliency	13%
Basic business acumen	13%
Judgement and risk-management skills	13%
Collaboration/team skills	12%
Basic numeracy and literacy	10%
Financial/accounting skills	9%
Continuous learning	6%
Information technology and data management	6%
Basic science and math skills	6%
Analytics and quantitative analysis	6%
Experimentation and design thinking	5%
Personal management	5%
Data analysis	3%
Software/computer programming	3%
Negotiation	3%
Digital content development	2%
Cyber security	1%
I don't expect a skills shortage for the kinds of staff we hire	10%
Don't know/not sure	6%

IMPACT OF SKILLS SHORTAGES



WHERE BUSINESS OPERATES: Calgary area 37%; Elsewhere south AB 46%; Central AB 37%; Edmonton area 44%; Northwest AB 47%; Northeast AB 45%; Mountain Parks BTS

NUMBER OF EMPLOYEES: 1-5 38%; 6-10 57%; 11-50 41%

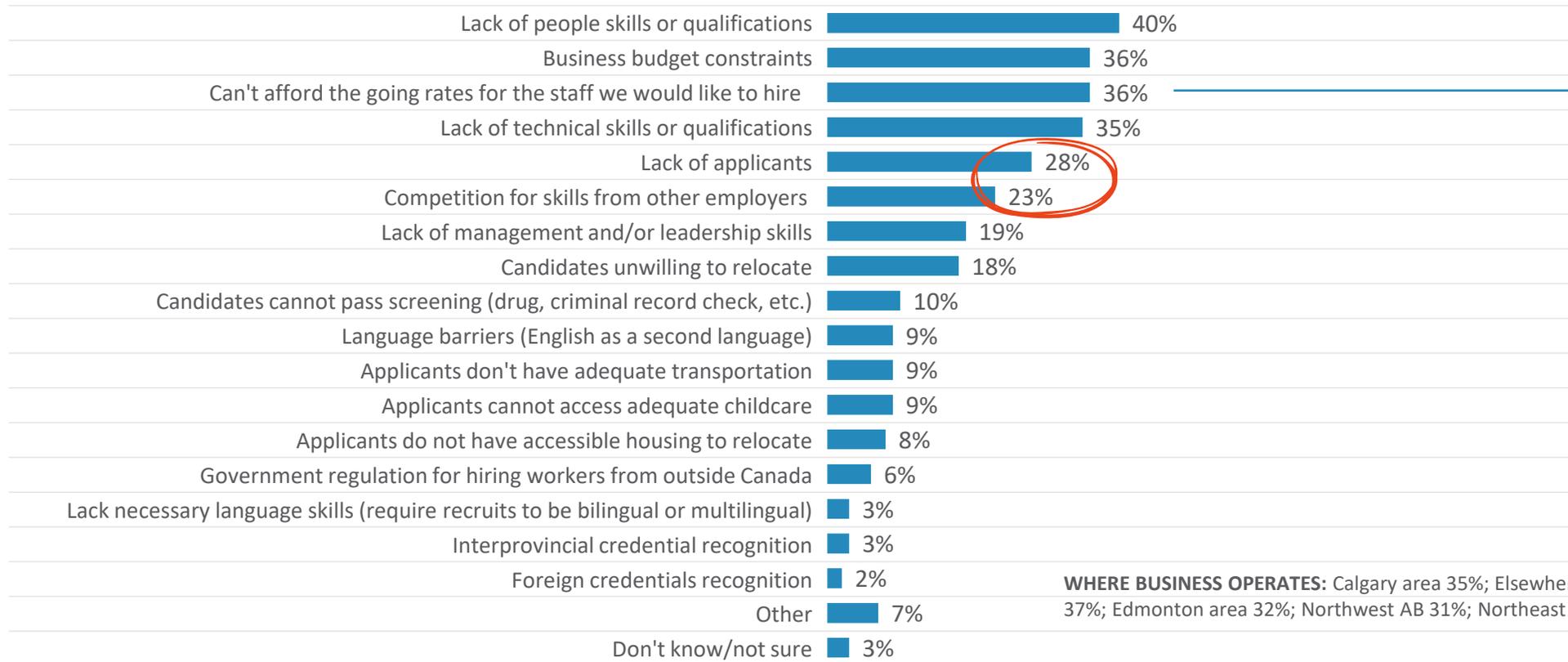
- Q9. Of the top skills important to your organization in hiring at any level, which areas do you expect to experience skills shortages over the next three years? Base: Very/somewhat difficult to hire people with entry or mid-level skills (n=233)
- Q10. To what extent do you anticipate skills shortages will impact your business's ability to thrive over the next year? Base: Hire staff (n=317)

BARRIERS FOR RECRUITING SKILLS BUSINESS NEEDS

Three quarters of business cite lack of skills/qualifications – both people (40%) and technical (35%) skills – as top barriers for recruiting the skills they need. This is followed by financial considerations, both business budget constraints (36%) and wage/salary issues (36%) and which are likely related.

- Lack of applicants (28%) or competition from other employers (23%) are also top barriers.

BARRIERS FOR RECRUITING SKILLS NEEDED



WHERE BUSINESS OPERATES: Calgary area 35%; Elsewhere south AB 40%; Central AB 37%; Edmonton area 32%; Northwest AB 31%; Northeast AB 53%; Mountain Parks BTS

Q11. What are the top barriers for recruiting the skills your business needs?

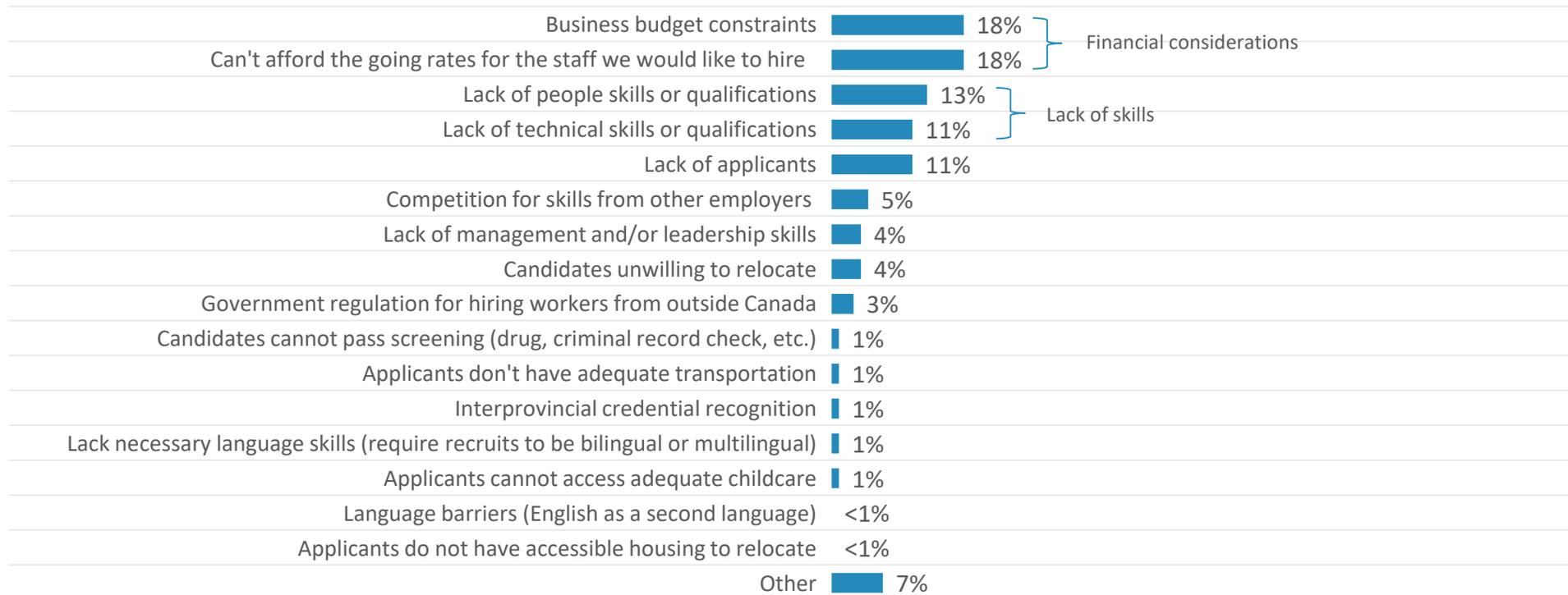
Base: Hire staff (n=317)

TOP BARRIERS FOR RECRUITING SKILLS BUSINESS NEEDS

Top barriers for businesses when recruiting for skills their business needs are financial considerations followed by a lack of people and/or technical skills.

- The third tier of top barriers is a lack of applicants.

TOP BARRIERS FOR RECRUITING SKILLS NEEDED



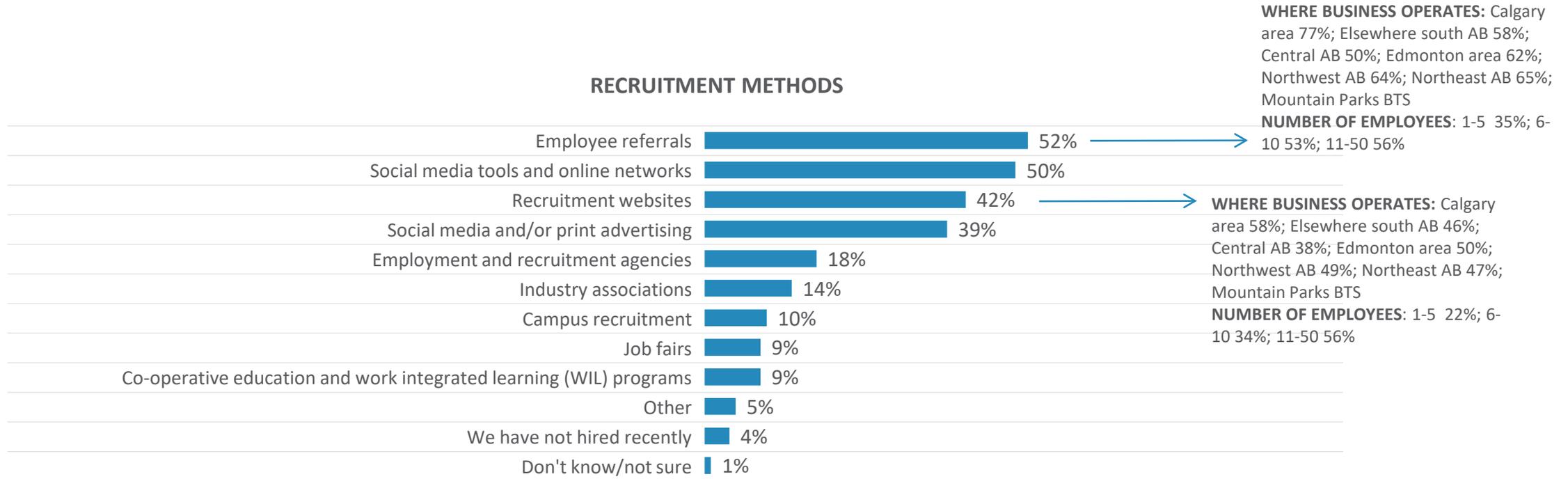
Q12. Which of the barriers you selected is the largest barrier to recruiting the skills your business needs?

Base: More than one barrier indicated (n=280)

ORGANIZATION'S TOP RECRUITMENT METHODS

Fully half of businesses rely on either employee referrals (52%) or social media tools and online networks (50%) to recruit employees and the skills they require.

- About four-in-ten make use of recruitment websites (42%) or social media/print advertising (39%).



Q13. What are your organization's top recruitment methods?

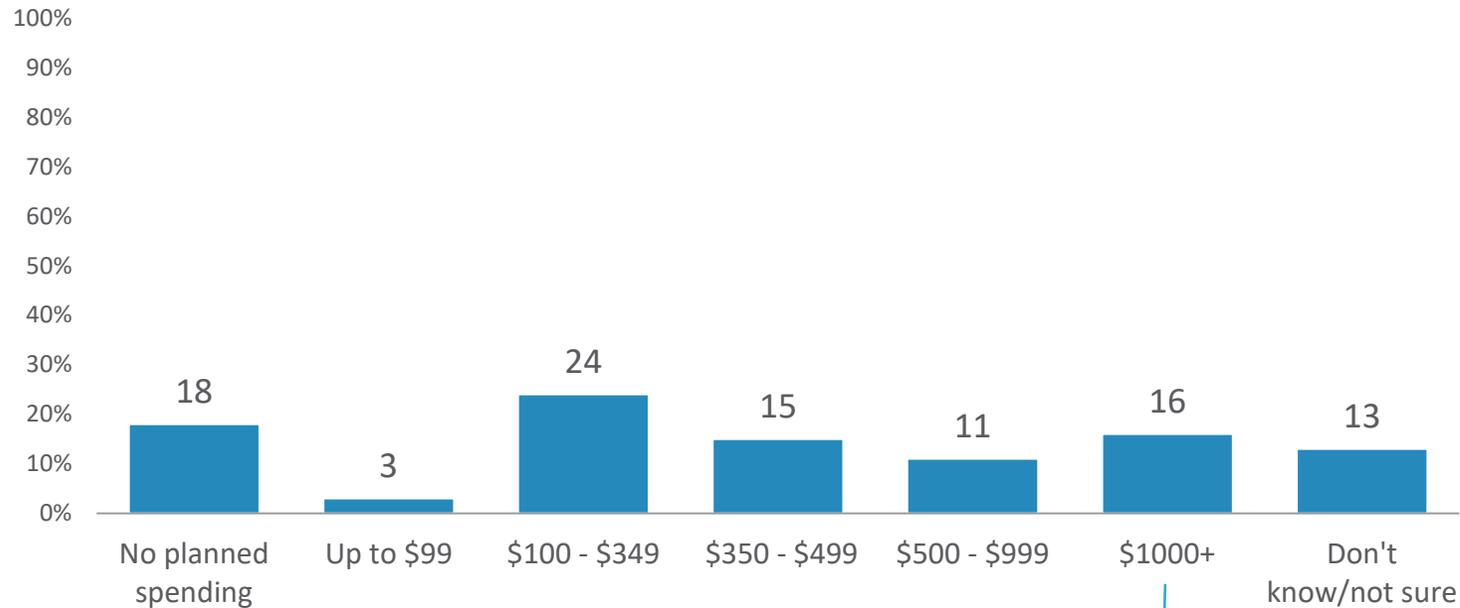
Base: Hire staff (n=317)

SPENDING PLANS FOR TRAINING

Most businesses report limited spending on training per employee over the next year. Two-in-ten (18%) businesses report no planned spending and among those that do, one quarter (27%) expect to spend less than \$350 per employee.

- Smaller businesses – one to ten employees – are more likely to indicate they have no planned spending.

SPENDING PLANS FOR TRAINING, PER EMPLOYEE



WHERE BUSINESS OPERATES: Calgary area 9%; Elsewhere south AB 17%; Central AB 20%; Edmonton area 14%; Northwest AB 19%; Northeast AB 14%; Mountain Parks BTS 20%;
NUMBER OF EMPLOYEES: 1-5 29%; 6-10 23%; 11-50 14%

WHERE BUSINESS OPERATES: Calgary area 19%; Elsewhere south AB 15%; Central AB 13%; Edmonton area 19%; Northwest AB 16%; Northeast AB 24%; Mountain Parks BTS 20%;
NUMBER OF EMPLOYEES: 1-5 13%; 6-10 17%; 11-50 24%

Q14. What are your business's spending plans for training over the next year, per employee?

Base: Hire staff (n=317)

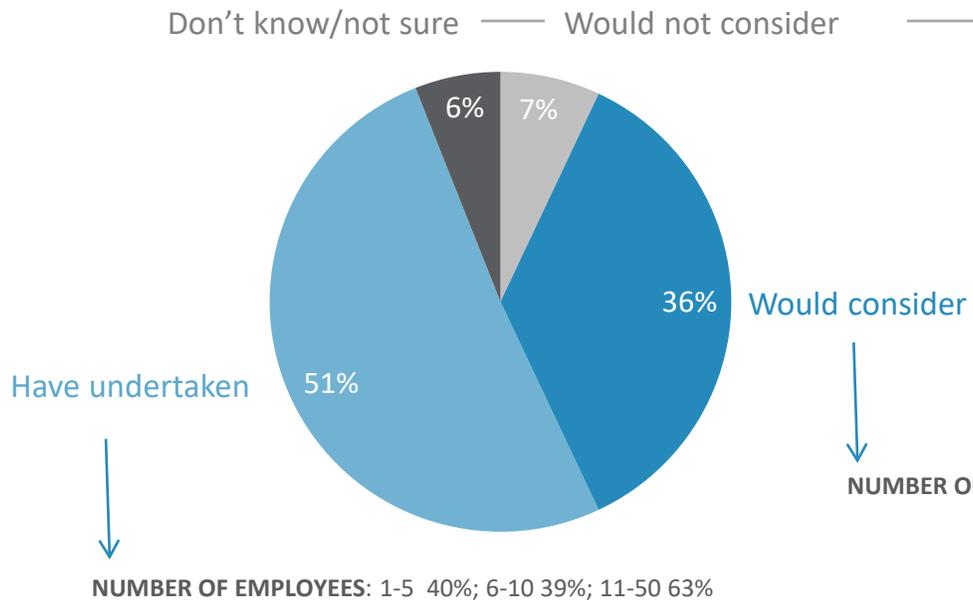
BTS: Base size too small

WILLINGNESS TO TRAIN NEW EMPLOYEES

Among businesses that have found it difficult to hire people with the required entry or mid-level skills, fully half (51%) report they have undertaken training while 36% would consider training.

- Among those (7%) businesses that would not consider or don't know if they would be willing to train new employees, a number of barriers are cited, including: the expense, not the firms way of functioning, skills are too complex, or being unable to find people interested in learning the skill set.

WILLINGNESS TO TRAIN NEW EMPLOYEES IF SKILLS ARE IN SHORT SUPPLY



BARRIERS

Among those who would not consider training/don't know
caution, small base size (n=31)

Too expensive	35%
Doesn't fit our business model	29%
Skill set is too complex to learn on the job	29%
Can't find people interested in learning the skill set	23%
External sources are better equipped to provide training	16%
Don't have the technology or equipment	10%
Don't have the skill set to manage training	10%
Other, specify	10%
Don't know/not sure	10%

Q15. To what extent is your business willing to train new hires if skills are in short supply?

Base: Very/somewhat difficult to hire people with entry or mid-level skills (n=233)

Q16. Which of the following are barriers to training people for the skills your business needs?

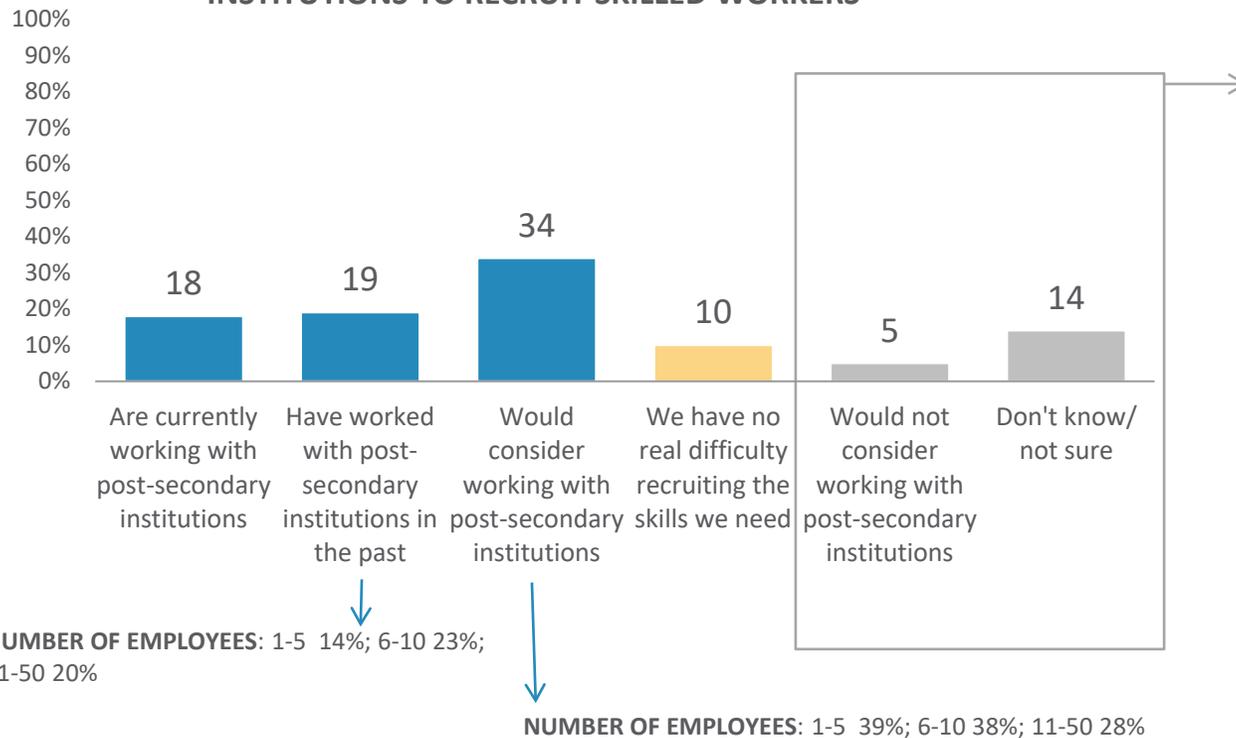
Base: Would not consider training new employees or are not sure (n=31, caution small base size)

WILLINGNESS TO WORK WITH POST-SECONDARY INSTITUTIONS

There is a high level of willingness to work with post-secondary institutions (public or private) to recruit or acquire skilled workers. One-in-five are either currently working with (18%) or have worked with (19%) post-secondary institutions.

- And, a further one-third (34%) would considering doing this.
- Among those that would not consider doing this (5%) or aren't sure (14%), the main barriers tend to be the fact this doesn't fit into their business model, the expense, or issues regarding post-secondary institutions – either they are difficult to work with or are too far away.

WILLINGNESS TO WORK WITH POST-SECONDARY INSTITUTIONS TO RECRUIT SKILLED WORKERS



BARRIERS

Among those who would not consider/don't know

Doesn't fit our business model	32%
Too expensive	21%
Post-secondary institutions are too difficult to work with	19%
Not located near a post-secondary institution	18%
External sources are better equipped to connect with skills we need	8%
Can't find people interested in learning the skill set	8%
Not interested in incorporating learning platforms and/or strategies	6%
Don't have the skill set to manage training	2%
Skill set is too complex to learn on the job	2%
Other	6%
Don't know/not sure	27%

Q17. Would your business be willing to work with post-secondary institutions (public or private) to recruit or acquire skilled workers?

Base: Hire staff (n=317)

Q18. Which of the following are barriers to working with post-secondary institutions to recruit and acquire the skills your business needs?

Base: Would not consider working with post-secondary institutions or don't know (n=62)

WILLINGNESS TO CONSIDER WORK INTEGRATED LEARNING (WIL)

While one-in-ten (12%) businesses are currently providing WIL opportunities – and 16% have provided these opportunities in the past – another one-third (35%) would consider doing this.

- However, a relatively large number (23%) of businesses report they are not sure. Barriers to providing work integrated learning opportunities, as a strategy to recruit or acquire skilled workers, are that: it doesn't fit into their business model, too expensive, work is too complex for short-term projects, or their distance from a post-secondary institution.



Q19. Would your business be willing to consider providing work integrated learning (WIL) opportunities (co-operative education placements, internships, applied research projects, etc.) to post-secondary students as a strategy to recruit and/or acquire skilled workers?

Base: Hire staff (n=317)

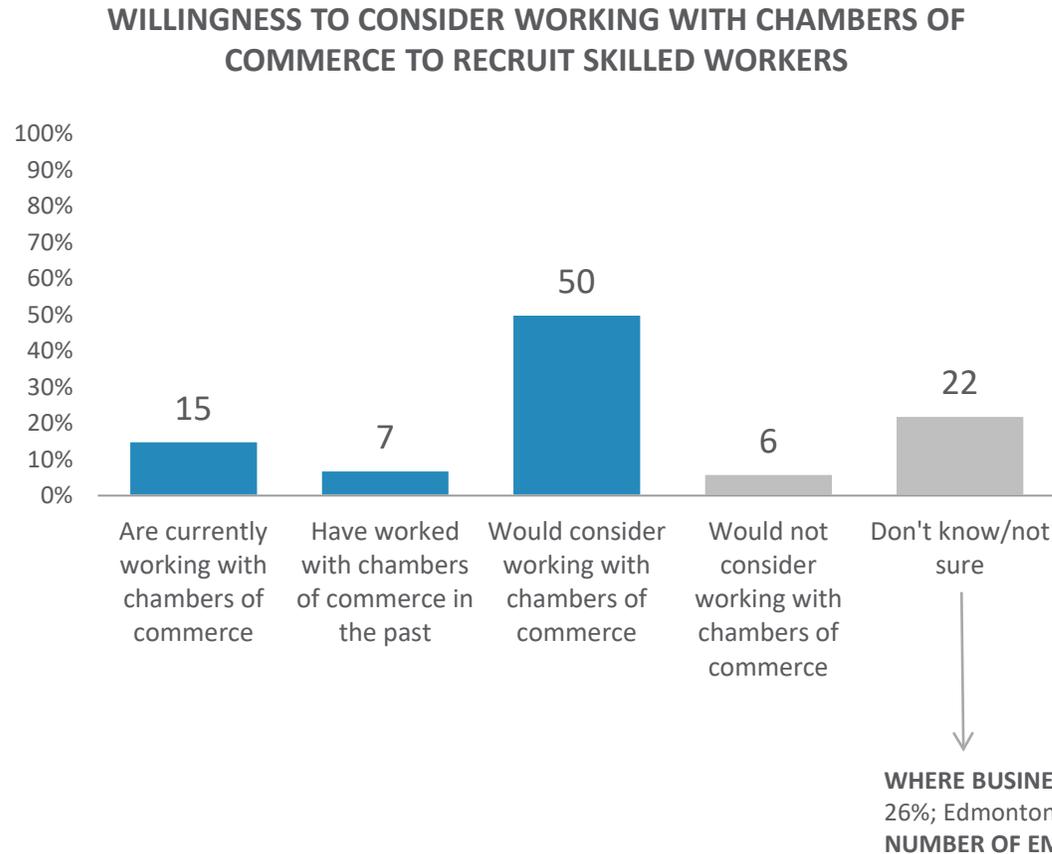
Q20. What are the barriers to providing work integrated learning opportunities as a strategy to recruit and/or acquire skilled workers?

Base: Would not consider work integrated learning or don't know (n=116)

WILLINGNESS TO CONSIDER WORKING WITH CHAMBERS OF COMMERCE

One-in-five businesses currently working with, or have worked with, chambers of commerce to connect with and recruit skilled workers. Fully half (50%) would consider doing this.

- Very few (6%) would not consider this, while 22% report they are not sure.



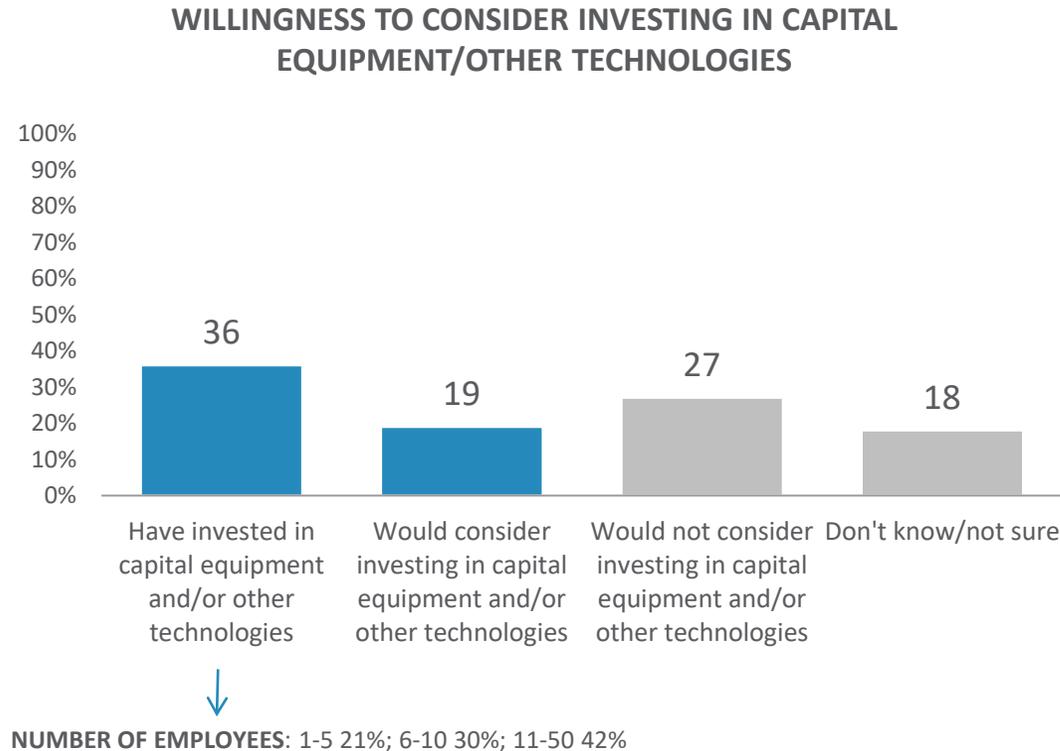
Q21 Would your business be willing to consider working with chambers of commerce to connect with and recruit skilled workers?

Base: Hire staff (n=317)

WILLINGNESS TO CONSIDER INVESTING IN CAPITAL EQUIPMENT/TECHNOLOGIES

Just over half of businesses that have had difficulty hiring people with the skills they need have either invested in capital equipment/other technologies (36%) or would consider this (19%) to overcome skills shortages.

- Investing in capital equipment or other technologies tends to increase with the size of the business.



Q22. Has your business considered investing in capital equipment and/or other technologies to overcome skills shortages (i.e. investment in technology vs. workers)?

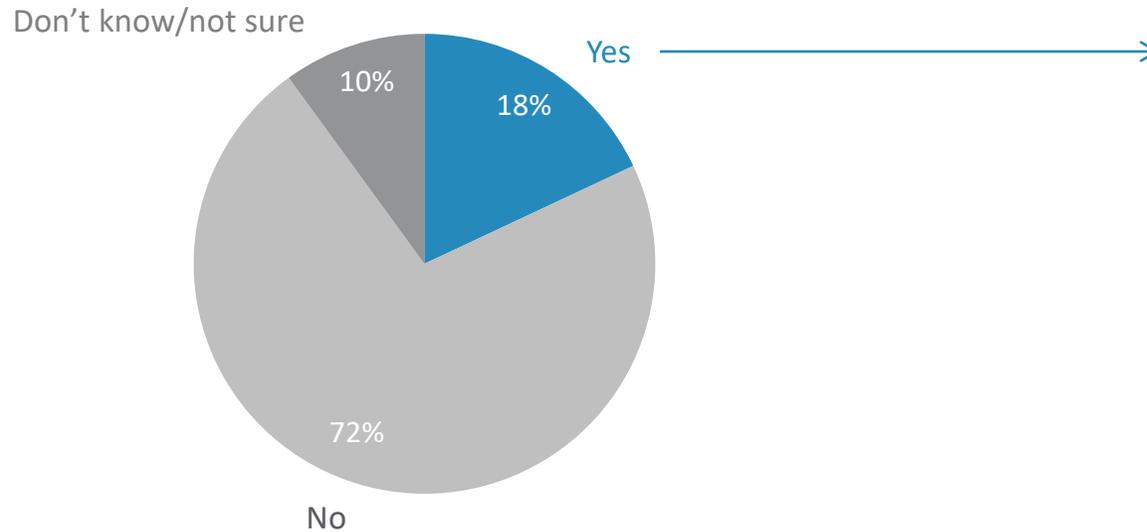
Base: Very/somewhat difficult to hire people with entry or mid-level skills (n=233)

AVAILABILITY OF EQUIPMENT/TECHNOLOGY TO REPLACE SKILLED WORKERS

But, one of the challenges in dealing with skills shortages is that most (72%) businesses report that there is no equipment or technology available to replace the skilled workers they require.

- Among the 18% that say it is available, the upfront investment cost is the main barrier to investing in this technology, followed by economic uncertainty (42%).

IS EQUIPMENT/TECHNOLOGY AVAILABLE TO REPLACE SKILLED WORKERS?



BARRIERS

Among those who say equipment/technology is available

High upfront investment costs	65%
Economic uncertainty	42%
Access to capital	30%
Maintaining quality of service	28%
Training investments to implement new technology	26%
Return on investment is too long	23%
Company culture	21%
Loyalty to current employees	19%
Risk of disrupting our current business model	12%
Don't have capacity to implement new technology	12%
Regulatory barriers to acquiring and/or implementing the technology	5%
Other, specify	2%
Don't know/not sure	4%

Q23. Is equipment/technology available to replace the skilled workers your business requires?

Base: Hire staff (n=317)

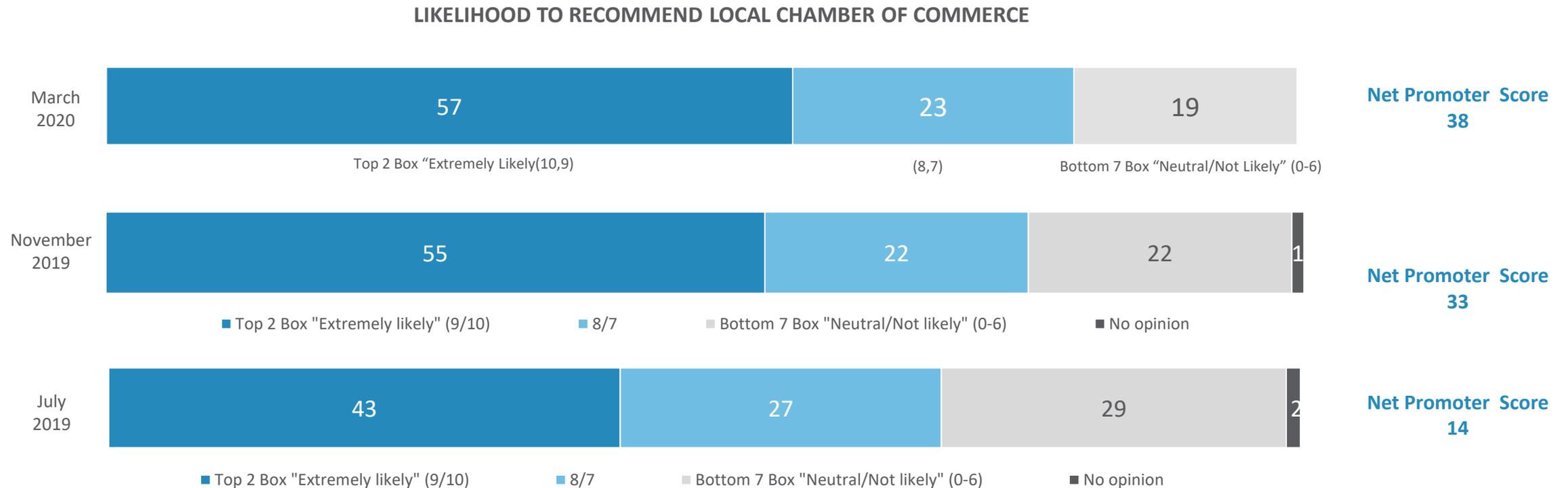
Q24. What are the barriers to investing in this technology?

Base: Equipment/technology is available (n=57)

LIKELIHOOD TO RECOMMEND LOCAL CHAMBER OF COMMERCE

Among members of a chamber of commerce, 57% say they are extremely likely to recommend their local chamber of commerce to a business friend or colleague. This is an increase of 14-points since July.

- The Net Promoter Score has also improved – from 14 in July 2019 to 38 in March 2020.



Net Promoter Score is a 10 - 0 scale and is calculated by subtracting the top 2 box (10/9) from the bottom (6 - 0)

Q33. How likely would you be to recommend your local Chamber of Commerce to a business friend or colleague? (Q34 in July)

Base: Chamber of commerce members (n=313); December 2019 n= 875; July 2019 n=714)

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ABOUT THE RESPONDENTS

Respondent Profile

GENDER

49%	Male
44%	Female
1%	Other
7%	Prefer not to answer

AGE

1%	18 – 24
9%	25 – 34
19%	35 – 44
36%	45 – 54
27%	55 – 64
8%	65 or over

REGION

12%	Calgary area
19%	Elsewhere in southern Alberta
39%	Central Alberta
38%	Edmonton area
22%	Northwest Alberta
16%	Northeast Alberta
6%	Mountain parks

JOB TITLE

20%	President/CEO/Chair
45%	Owner/partner
2%	Vice President
23%	Director/manager
2%	Supervisor
9%	Other

NUMBER OF STAFF EMPLOYED

8%	None, just me
33%	1 – 5
15%	6 – 10
23%	11 – 50
6%	51 – 99
10%	100 – 499
4%	500 or more
1%	Don't know/not sure

YEARS IN BUSINESS

17%	5 years or less
8%	6 – 10 years
13%	11 – 15 years
9%	16 – 20 years
16%	21 – 30 years
17%	31 - 50 years
19%	More than 50 years
1%	Don't know/not sure

BUSINESS IS A FAMILY ENTERPRISE

42%	Yes
56%	No
2%	Don't know/not sure

INDUSTRY BUSINESS OPERATES

18%	Business services
17%	Retail
13%	Construction
12%	Tourism/hospitality/entertainment
9%	Financial services
8%	Agriculture/food production/distribution
8%	Manufacturing
5%	Natural resources
5%	Energy/utilities
5%	Personal services
5%	Health care
4%	Education
4%	Transportation/warehousing
3%	Media/communications
3%	Technology/aerospace/software development
1%	Military/police/fire/first responders

MEMBER OF LOCAL CHAMBER OF COMMERCE

89%	Yes
10%	No
1%	Don't know/not sure