



Talent Development  
Task Force



# HIRING INTENTIONS

JANUARY 2024

# ALBERTA PERSPECTIVES SURVEY



THE  
STRATEGIC  
COUNSEL

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# INTRODUCTION AND METHODOLOGY

# Hiring Intentions



## **This is the sixth survey in the series to focus on hiring intentions.**

This report continues research initiated in March 2020 dealing with labour market issues in Alberta. Many of the original questions have been repeated in subsequent surveys and others have been added.

The overall purpose of the research is to understand the experiences and expectations of Alberta businesses (private sector, public sectors and NGO's) regarding their hiring needs over the next year. To this end, questions probed current staffing needs, incidence of staff shortages and the impact of shortages, and challenges hiring.

In addition, respondents agreeing to answer further questions were asked if they had hired in the last year and if these hires were new to Alberta.



# Hiring Intentions



## Methodology

In all, 322 businesses completed the survey which was administered on the Alberta Perspectives platform by the Alberta Chambers of Commerce to members and other affiliated businesses.

In addition, 263 of the initial respondents answered a number of follow up questions appended to the end of the survey.

Fielding for the current survey was undertaken between January 5<sup>th</sup> and February 9<sup>th</sup>, 2024.

Significant differences are reported between waves of research.

↑↓ Significantly higher/lower vs. previous wave

# KEY FINDINGS

## HIRING INTENTIONS

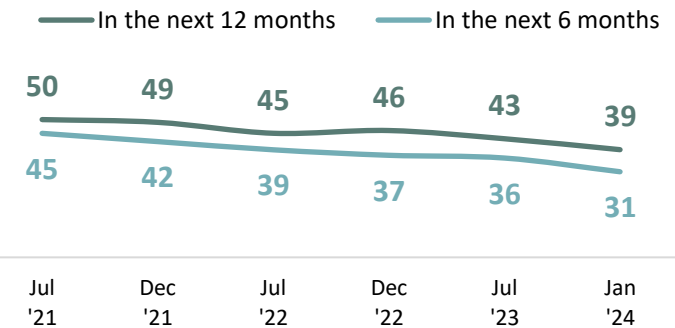
# Fewer employers expect the size of their workforce to increase in the next 6-12 months.

The proportion of employers reporting they expect the size of their workforce to stay about the same continued to increase in January 2024.

Overall, there has been a 10-point decline over the past two years in expectations their workforce will increase in either the next 6 or 12 months – now at 31% and 39%, respectively.

The implication is that employers may be anticipating a more stable employment environment with somewhat less growth than over the last year.

Perceptions of Change in Size of Workforce  
% Saying "Will Increase"



## STAFFING SHORTAGES

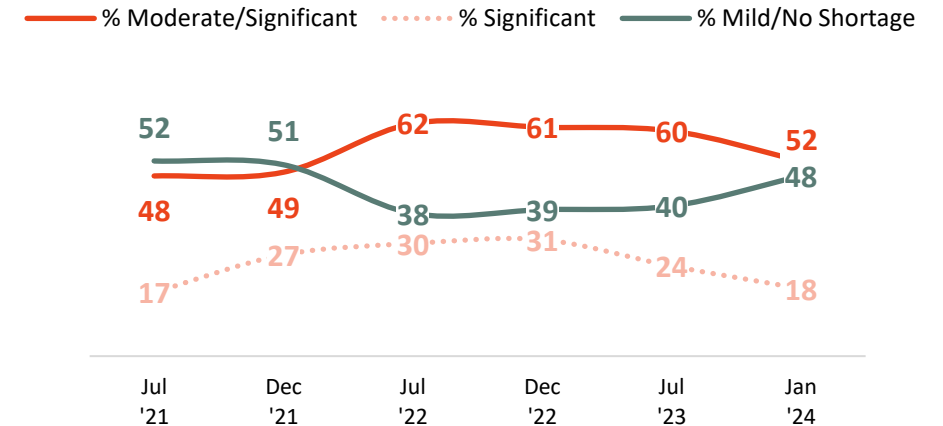
# There are also fewer employers experiencing shortages.

While remaining an issue, there was a decline to half (52%) of employers reporting they are experiencing either a moderate (34%) or significant (18%) staff shortage.

Importantly, over the last year, there has been a 13-point decrease in employers characterizing their shortage as 'significant' (from 31% to 18%).

The easing of staff shortages may be a consequence of the almost four-in-ten (37%) employers that in the last year hired someone from outside the province - either from elsewhere in Canada or a recent immigrant.

Extent of Business Experiencing Staffing Shortage





## HARDER TO HIRE STAFF THEY NEED

# Despite declines in staff shortages, many feel it is now harder to hire the workers they need.

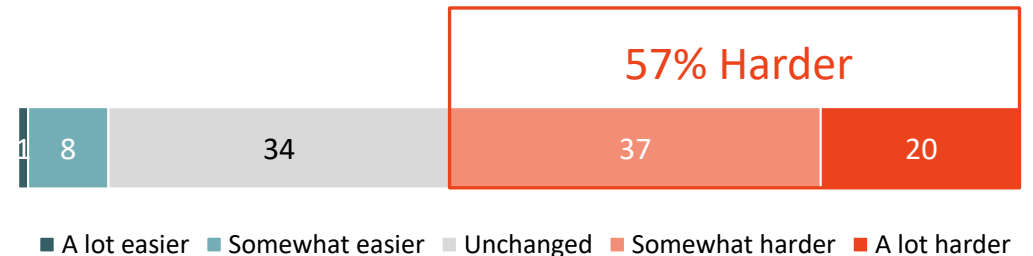
Over half of Alberta organizations (57%) report that in the last year it is becoming harder to hire the workers they need.

While this seems to be at odds with findings of an easing of shortages, for some the hiring situation could be worsening.

Among those saying their workforce needs will increase over the next six months, almost one-third (30%) say they are facing a significant staffing shortage compared with just 9% among those who expect their workforce needs to remain unchanged.

And, it is those who are facing a significant or moderate staffing shortage who are easily the most likely to say it is becoming harder to hire workers (85% and 71%, respectively). Among those saying they face significant shortages, half (56%) say it is becoming 'a lot' harder.

In the last year, is it becoming easier or harder to hire the workers you need?



*Please see Firmographics slide 21 for a demographic breakdown for 'Harder'*

## IMPACT ON BUSINESS

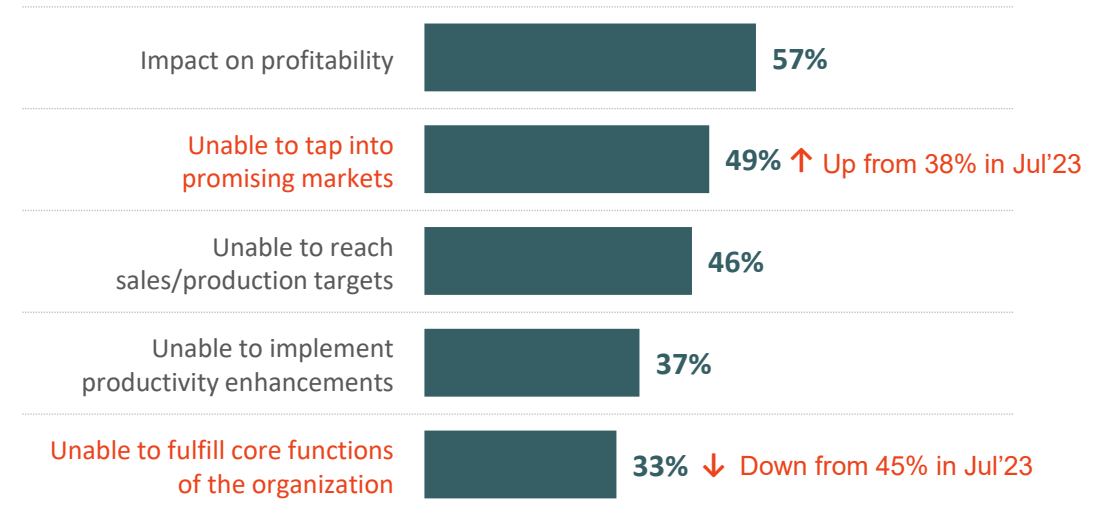
# Staff shortages are continuing to have an impact on business.

Consistent with a decline in staff shortages, there has also been a decline (by 12% over the last 18 months) in employers reporting shortages are having a significant or moderate impact on production and sales. But, there also appears to be a range of potentially longer-term impacts.

Although staff shortages continue to have the biggest impact on profitability (57%), there has been a substantial increase in the proportion reporting these shortages are impacting their ability to tap into promising markets (49%). This could well have an impact on the potential growth of Alberta businesses.

The easing of staff shortages is having an impact in terms of relieving some internal pressures. Most notably, fewer are saying they are unable to fulfill core functions of the organization (33% vs. 45% in Jul'23).

### Impact of Staff Shortages on Different Aspects of the Business



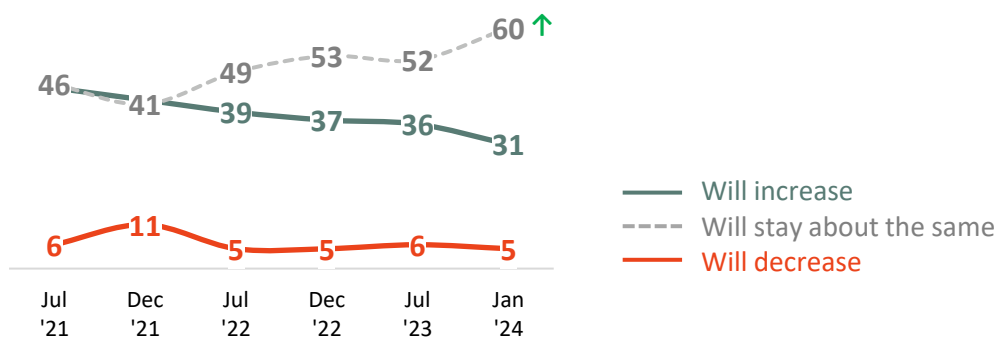
# DETAILED FINDINGS

# The proportion of employers reporting they expect the size of their workforce to stay about the same continued to increase in January 2024.

- Overall, there has been a 15-point decline over the past two and a half years in expectations their workforce will increase in the next 6 months and an 11-point decline that it will increase in the next 12 months - now at 31% and 39%, respectively.

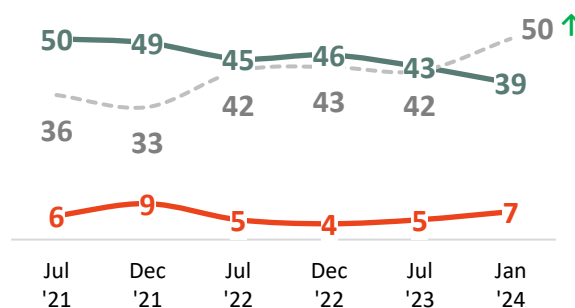
## Perceptions of Change in Size of Workforce in Next 6 and 12 months

In the next 6 months ...



("Don't know" responses range from 3% to 7%)

In the next 12 months ...



("Don't know" responses range from 7% to 9%)

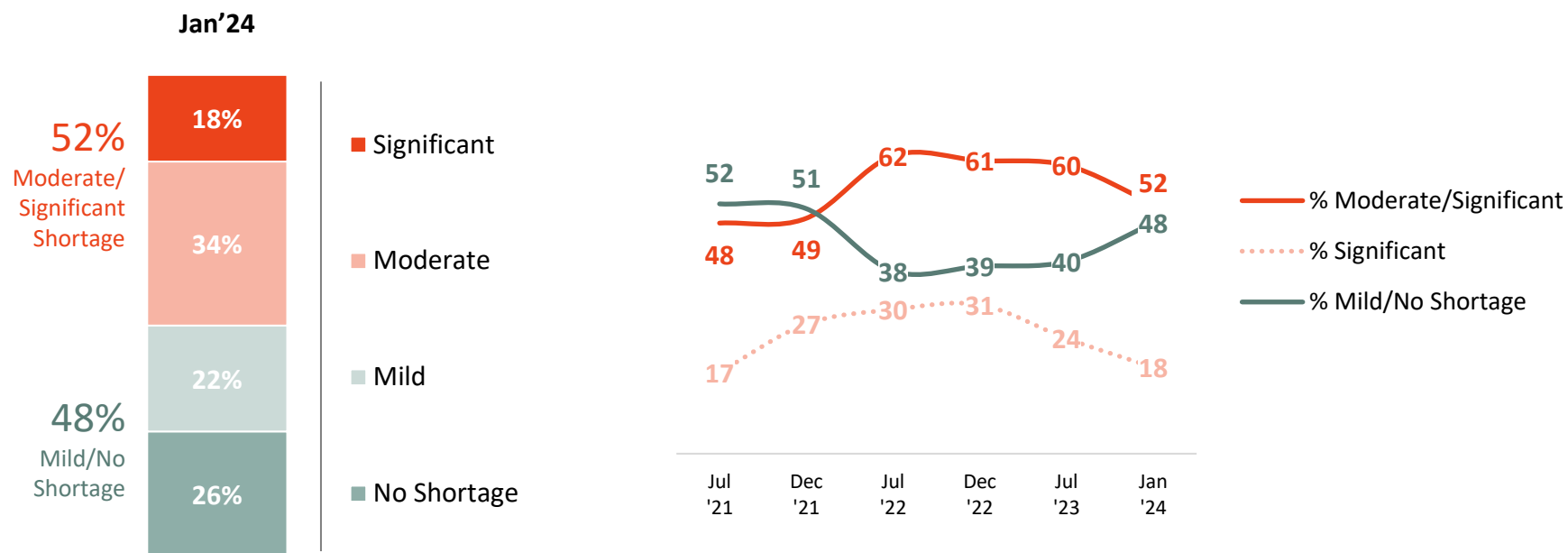
- Perception their workforce will increase in the next six months is significantly higher among organizations that are dealing with a 'significant' (58%) or 'moderate' (47%) staffing shortage. This compares to about one-in-ten with a 'mild' (14%) or no (13%) staff shortage.
- Similarly, those expecting their workforce size will increase are far more likely to say they are facing a significant staffing shortage compared with those anticipating no changes in staff size (30% to 9%).
- Companies based out of Calgary are most confident that the size of the workforce will increase over the next 12 months.

Q1. Aside from any seasonal fluctuations, do you anticipate any change in the size of your workforce relative to the following time periods [in the next 6 months] [in the next 12 months]  
 Base: Total sample Jul'21 n=487, Dec'21 n=410, Jul'22 n=560, Dec'22 n=535, Jul'23 n=321, Jan'24 n=322

**As of January 2024, there was a decline to half of employers reporting they are experiencing a moderate (34%) or significant (18%) staff shortage. Importantly, over the last year, there has been a 13-point decline in employers saying their shortage is ‘significant’ (from 31% to 18%).**

- However, there is still a significant hiring issue for some employers. Among those saying they expect to increase their workforce in the next six months, 77% say they are experiencing a significant (30%) or moderate (47%) staffing shortage; which is well above the overall average of 52%.

### Extent of Business Experiencing Staffing Shortage



- Among businesses that report it is 'a lot harder' in the last year to hire the workers they need, half (51%) say they are experiencing a 'significant' staff shortage.
- By industry, the manufacturing sector is more likely to characterize their staffing shortage as moderate or significant.
- Businesses of under 5 staff are the least likely to describe staffing shortages as significant (10%).

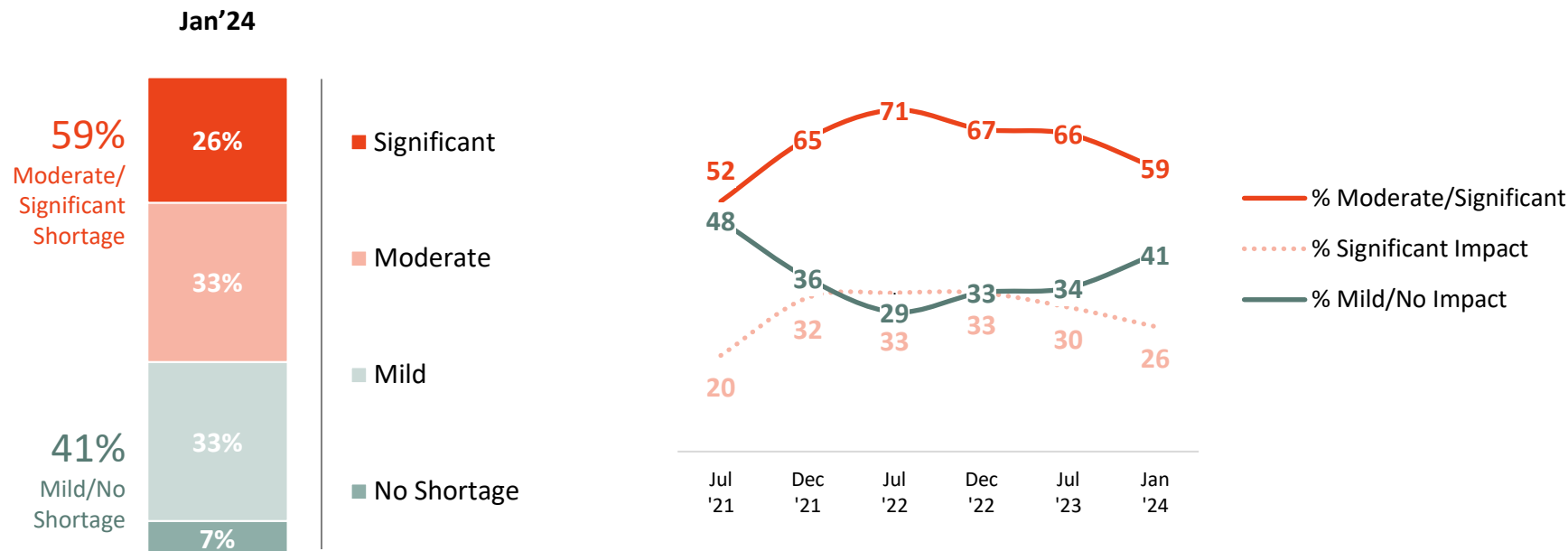
Q2. To what extent is your business currently experiencing a staffing shortage, that is you have insufficient qualified candidates to meet your business needs?

Base: Sample Jul'21 n=487, Dec'21 n=410, Jul'22 n=525, Dec'22 n=520, Jul'23 n=297, Jan'24 n=292 (From July'22 those saying a decline in staff at Q1 were not asked the staffing related questions)

# Employers reporting their staffing shortage is having a moderate or significant impact in terms of loss of production or sales opportunities is down this wave – with a 7-point decline compared to a year ago characterizing it as ‘significant’.

- That said, one-quarter (26%) of employers experiencing a staff shortage in January 2024 say it is having a significant impact in terms of loss of production or sales opportunities.

## Impact of Staffing Shortage on Production and Sales Opportunities



- Those businesses currently experiencing a significant staff shortage continue to be the most likely to report they are dealing with the biggest impact on production/sales; 71% of this group say the shortage is having a significant impact compared with only 18% when the shortage is considered moderate.

Q3. How much of an impact, if any, is your staffing shortage causing in loss of production or sales opportunities?  
 Base: Answered “Significant, Moderate or Mild Shortage” at Q2 Jul’21 n=336, Dec’21 n=287, Jul’22 n=390, Dec’22 n=414, Jul’23 n=251, Jan’24 n=216 (From July’22 those saying a decline in staff at Q1 were not asked the staffing related questions)

In addition to any loss of sales or production, staff shortages continue to have the biggest impact on profitability (57%). Notably, there was an increase in the proportion reporting these shortages are impacting their ability to tap into promising markets (49%), while fewer are saying they are unable to fulfil core functions of the organization (33%).

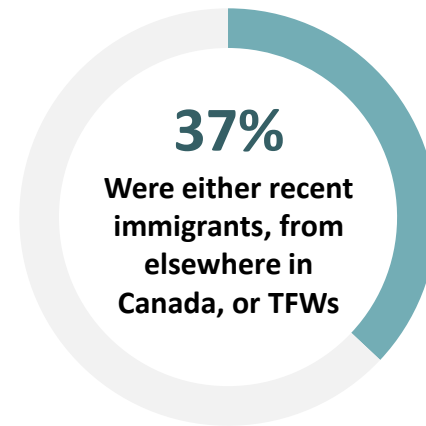
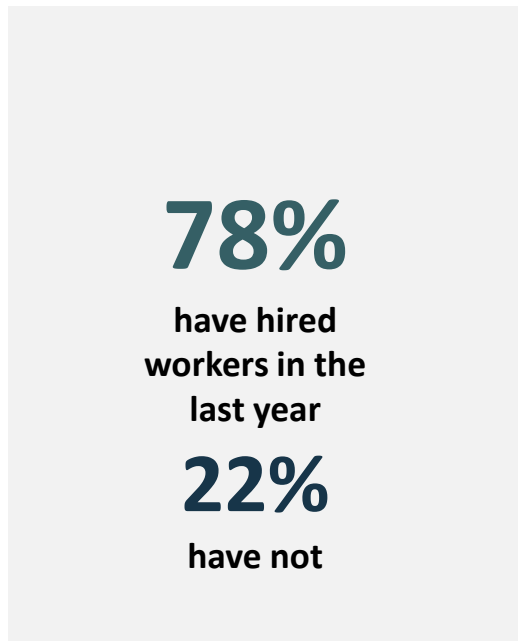
### Impact of Staff Shortages on Different Aspects of the Business

	Jan'24	Jul'23
Impact on profitability	57%	62%
Unable to tap into promising markets	49% ↑	38%
Unable to reach sales/production targets	46%	41%
Unable to implement productivity enhancements	37%	37%
Unable to fulfill core functions of the organization	33% ↓	45%
Unable to pursue strategic partnerships	29%	28%
Unable to undertake renovations or expansions	25%	32%
Reduced number of hours of operations	19%	24%
Impact on organizations viability	17%	23%
Other	6%	8%
None of these	2%	3%
Don't know	4%	1%

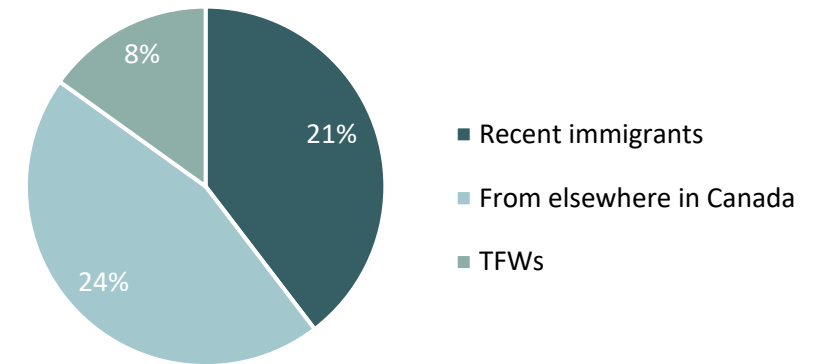
- Those employers reporting a significant impact of staffing shortages on sales/production continue to be more likely to identify the range of impacts.
- Notably, eight-in-ten (79%) of this segment cite impact on profitability followed by being unable to tap into promising markets (68%). This compares to 56% and 49%, respectively, among those experiencing a moderate impact.
- The implication here is that staff shortages are continuing to have an impact on a businesses growth and that is may be intensifying for some.

Q4. In addition to any loss of sales or production are these shortages causing any of the following?  
 Base: Answered "Significant, Moderate or Mild impact" at Q3 Jul'23 n=229, Jan'24 n=200

Of the 78% of organizations that report hiring workers in the last year, about four-in-ten (37%) who reported hiring say they were either recent immigrants, from elsewhere in Canada, or temporary foreign workers (TFWs) – with similar proportions being recent immigrants or from elsewhere in Canada.



Percent of Recent Hires



- Those not hiring are almost entirely small businesses (under 10 staff) and especially those with 5 or fewer staff where 49% report not hiring in the last year.
- Among employers reporting a significant impact of staffing shortages on sales/production, about half (53%) hired either recent immigrants, from elsewhere in Canada or TFWs.
- Again, by industry, the manufacturing sector is the most likely to report hiring these groups in the last year.
- Calgary employers are particularly likely (56%) to report hiring one of these three groups and less so those outside the two major cities (31%).

Q6. Have you hired workers in the last year?

Base: Total sample (Jan'24 n=263)

Q7. Were any of the workers you hired new to Alberta, either recent immigrants or from elsewhere in Canada or Temporary Foreign Workers?

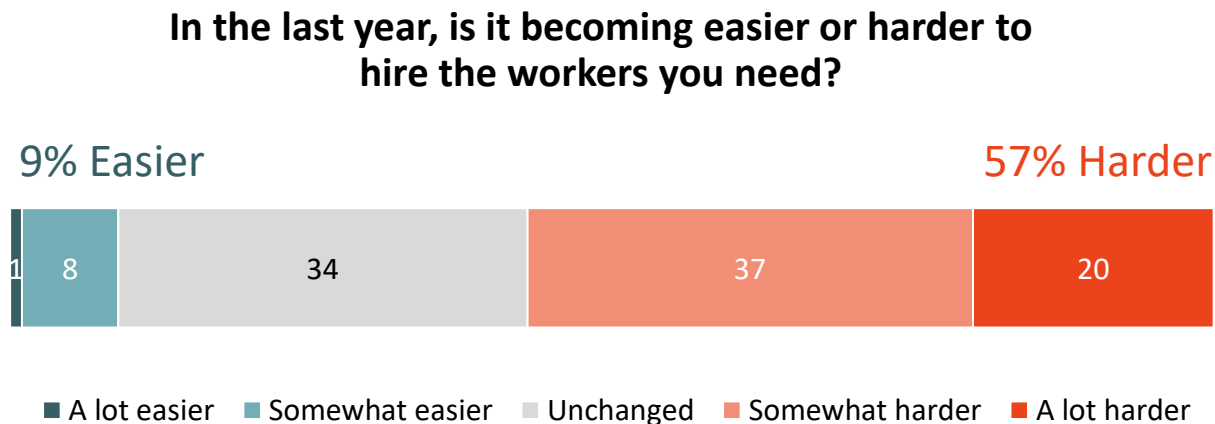
Base: Answered "Yes" at Q6 (Jan'24 n=205)

Q8. What proportion of your hires in the last year were...

Base: Answered "Yes" to any option at Q7 (Jan'24 n=205)



**In January 2024, over half of Alberta organizations (57%) report that in the last year it is becoming harder to hire the workers they need – with one-in-five (20%) saying ‘a lot harder’. Few indicate it is easier (9%). This finding does raise the question of the extent to which this is a reality or a perception based a continuing tight Labour market.**

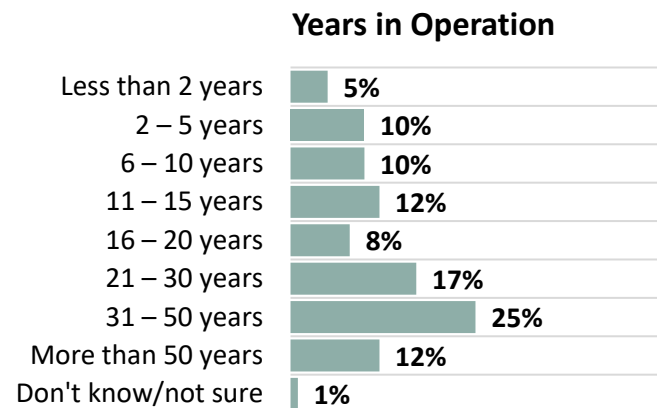
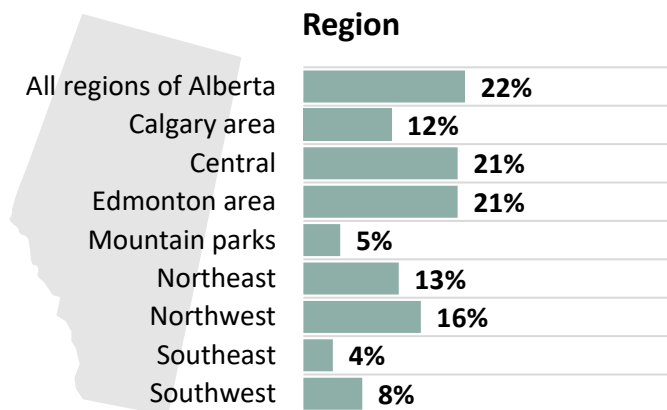


- This increases to eight-in-ten saying it is harder among both employers reporting a significant or moderate impact of staffing shortages on sales/production.
- Similarly, those facing a significant or moderate staffing shortage are well above average (76%) in saying it is becoming harder to hire workers, while among those saying they face a significant shortage over half (56%) say it is ‘a lot’ harder.
- By industry, the manufacturing sector is the most likely to report it is becoming harder.

Q5. Overall, in the last year is it becoming easier or harder to hire the workers you need?  
 Base: Organization employs more than 2 people at QA (Jan’24 n=292)

# RESPONDENT PROFILE - FIRMOGRAPHICS

# Respondent Profile – Firmographics



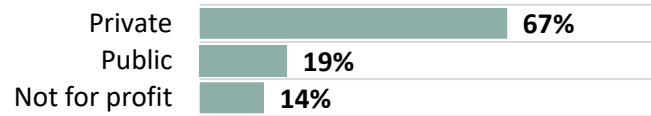
## Industry

<b>7%</b>	<b>NET - PRIMARY</b>
4%	Agriculture
<1%	Forestry
2%	Oil & Gas Extraction
<b>18%</b>	<b>NET – MANUFACTURING</b>
10%	Construction
4%	Manufacturing
4%	Transportation
<1%	Warehousing
<1%	Waste Management
<b>43%</b>	<b>NET - SERVICE</b>
2%	Accommodation
2%	Administrative and Support
1%	Commercial Real Estate
5%	Food Services
2%	Private Real Estate
2%	Recreation
2%	Rental and Leasing
11%	Retail Trade
1%	Utilities
13%	Other Services (except public administration)
1%	Wholesale Trade

<b>32%</b>	<b>NET - KNOWLEDGE</b>
1%	Arts
3%	Educational Services
2%	Entertainment
3%	Finance
4%	Health Care
2%	Information and Cultural Industries
1%	Insurance
2%	Management of Companies and Enterprises
11%	Professional, Scientific and Technical Services
2%	Public Administration
2%	Social Assistance

# Respondent Profile – Firmographics

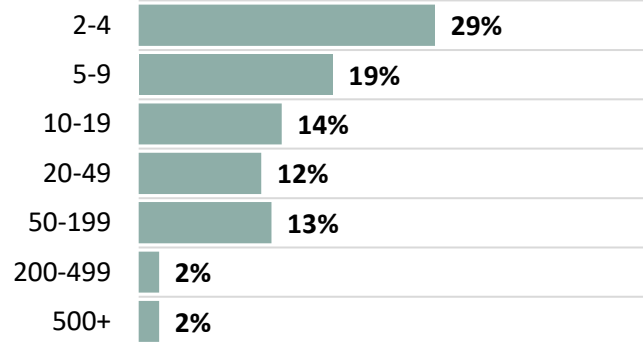
## Sector



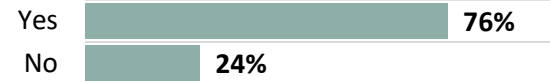
## Tourism Industry



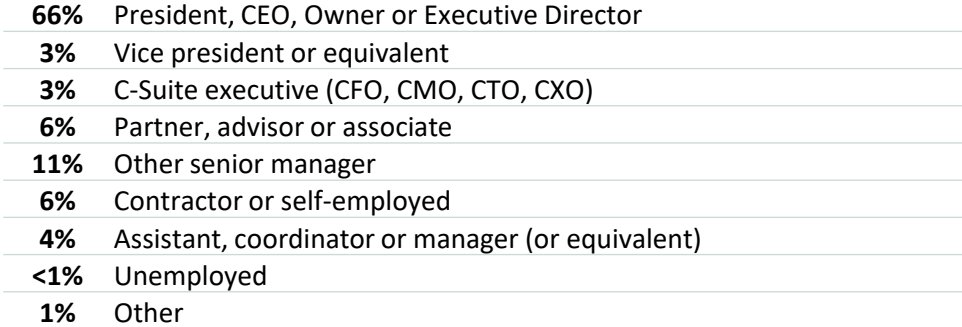
## Number of employees in Alberta



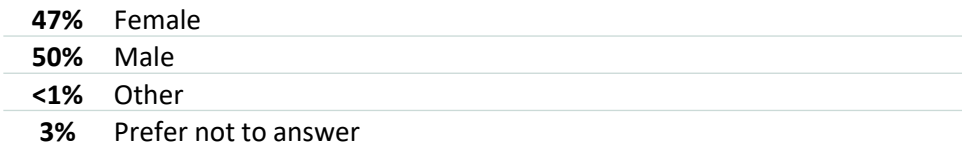
## Owner/Partner



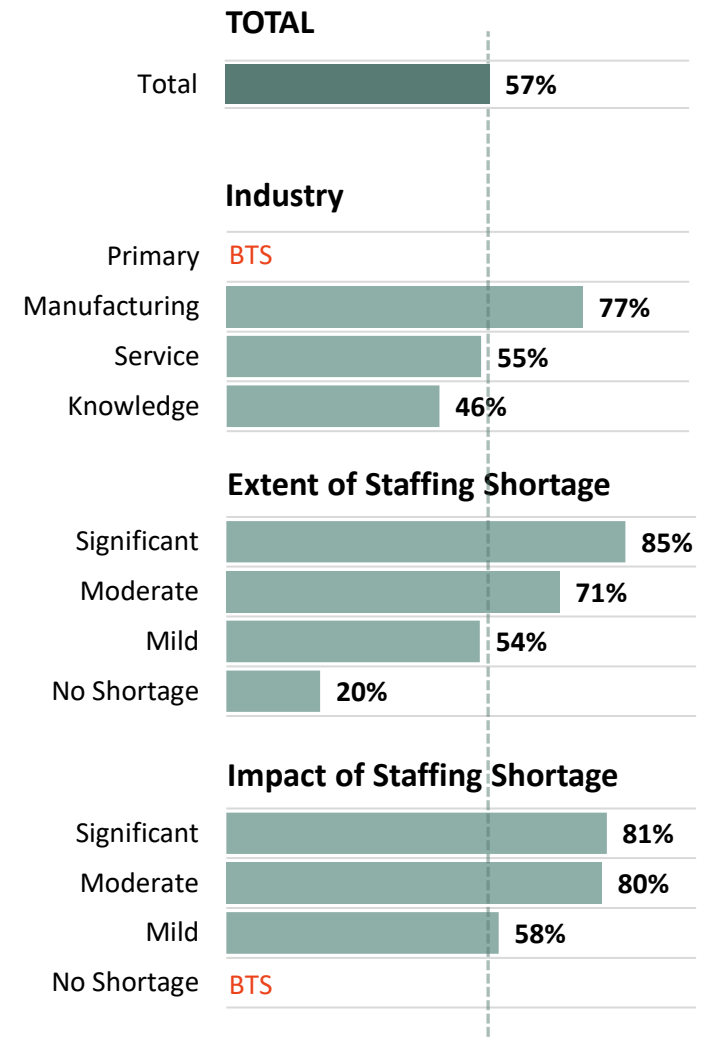
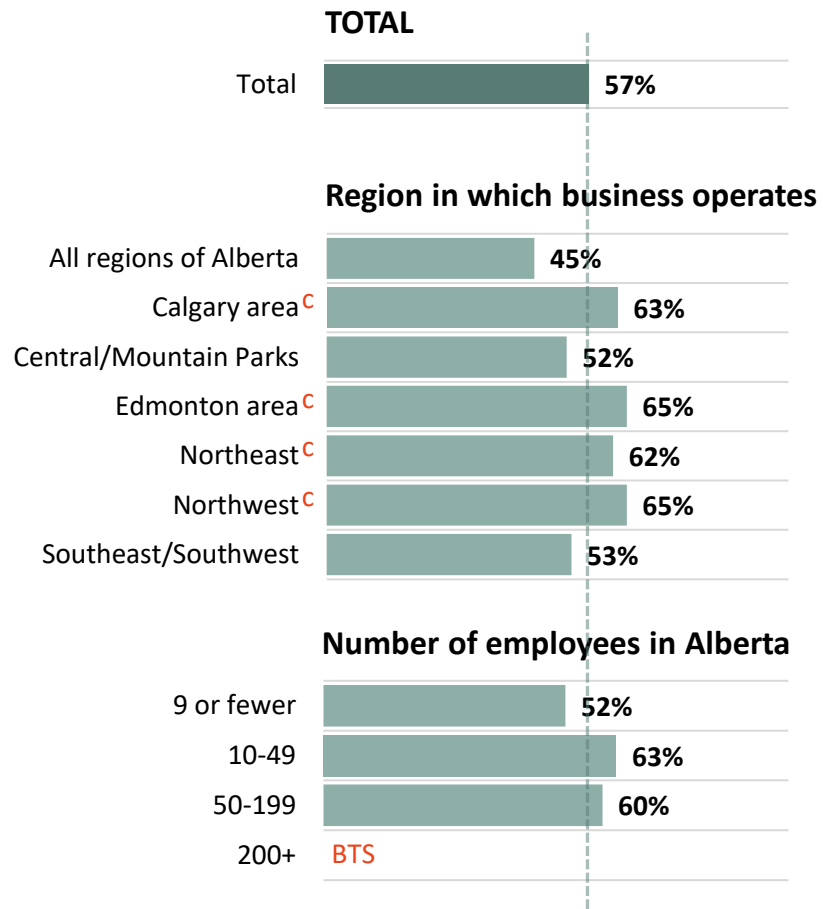
## Job Title



## Gender



# Respondent Profile – Firmographics: NET Harder to Hire the Workers they Need



Q5. Overall, in the last year is it becoming easier or harder to hire the workers you need?

Base: Organization employs more than 2 people at QA (Jan'24 n=292)

<sup>c</sup> Caution, small base size / **BTS** Base size too small to report