

Canadian Employers: Uneven Access to Labour Market Information

Key Findings:

- Two-thirds of Canadian employers rely on labour market information (LMI) for human resource management but the vast majority have difficulty finding and understanding LMI. The challenge is particularly acute among smaller employers.
- Employers say information related to wages, worker availability, and benefits is the most important but also the most difficult to find.
- The main challenge faced by employers is that LMI is outdated, difficult to find, and not specific enough to their needs.

Introduction

Our summary [LMI interactive dashboard](#) of public opinion survey results presents key findings of what Canadians say are their most common LMI **needs** and **challenges**. In addition, we posed similar questions to almost 3000 Canadian employers. Specifically, we asked human resources professionals and those responsible for hiring about their use of LMI, where they obtain that information, as well as their top **LMI needs and challenges**.

Our findings indicate that close to two-thirds of employers use LMI but face many of the same hurdles that Canadian workers do in finding and understanding information to support their decision making. For example, only 39% of employers say finding LMI is easy, with fewer than half (44%) reporting that LMI is easy to understand (see [Box 1](#)). It stands to reason that

the 35% of employers who say they do not use LMI rely instead on anecdotal evidence and/or past experience to guide their workforce planning activities.

These results highlight the importance of finding new ways to generate and distribute LMI to businesses to meet their specific needs. Doing so could support employers in the decisions they make regarding workforce expansion and related investments. This issue of *LMI Insights* explores the results of this survey to better identify use of LMI among employers and to shed light on their LMI needs and challenges.

LMI wanted: Wages, benefits, and worker availability

To better understand the needs of employers, we asked respondents which LMI¹ they use to support their recruitment operations. Employers told us that wages, labour availability (i.e., the potential pool of workers available in their region and field), and job benefits are their top three LMI needs. However, when asked to name the types of LMI most difficult to find, the same three topped the list.

We also asked employers to identify the challenges their organization will face over the next five years. Respondents anticipate that retaining employees (40%), finding new workers (35%), and offering competitive wages (34%) will be their greatest challenges. This is perhaps not surprising in the context of prevailing **skills shortages** and **an aging population**, exacerbating the importance of accessing reliable and relevant data on wages and benefits to attract and retain skilled workers.

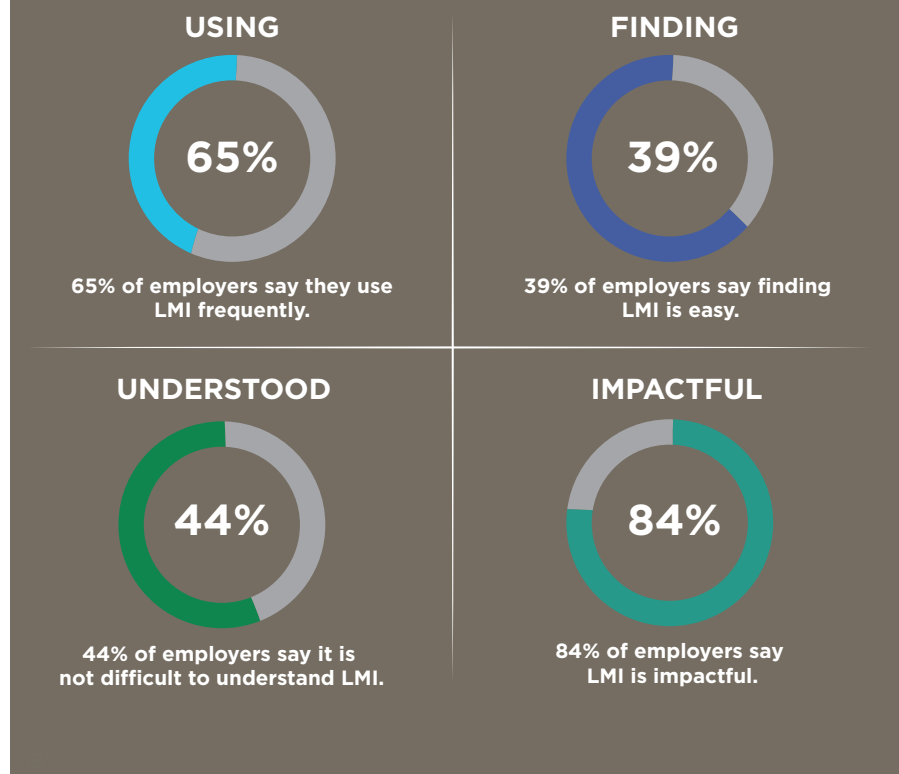
To better understand the challenges employers face when looking for LMI, we asked them which sources they use (see **Box 2**). Our results suggest that they turn

“My business is too small for me to go out and search for detailed labour market information.”

primarily to governmental sources, such as Statistics Canada (27%), provincial and territorial agencies (25%), and other federal agencies (18%). Online and print media are also popular among employers, with more than 19% of respondents using them to find LMI. In

Box 1: Room to improve labour market information for employer purposes

To better understand how Canadians use LMI and what they find lacking in the current system, the Labour Market Information Council (LMIC) surveyed nine distinct user groups, including employers. The figure below presents a summary of employer use and perceptions of LMI.



Note: Responses that LMI is used “not very often,” “somewhat often,” or “very often” are classified as using LMI, and the response “not at all often” is classified as not using it. Similarly, for the difficulty of finding and understanding LMI, the responses “not at all difficult” and “not very difficult” are classified as not having difficulty, whereas the responses “somewhat difficult” and “very difficult” are classified as having difficulty. For the question on the impact of LMI, the responses “not a big impact,” “some impact,” and “a big impact” are classified as impactful, and the response “no impact at all” is classified as not impactful.

¹ The 11 types of labour market information are as follows: 1) occupational projections, 2) labour availability, 3) employment and unemployment rates, 4) graduation rates, 5) skill set of graduates, 6) emerging skill sets, 7) wages, 8) benefits, 9) gender and minority representation, 10) labour law and regulation, and 11) immigration outlook and regulation.

order to keep themselves informed about economic and labour market conditions, employers said they would like to receive news and updates through a website dedicated to LMI, with close to 45% of respondents picking this option as their first choice.

Varying LMI use: Capacity to leverage insights depends on firm size

The survey revealed that the use of LMI varies widely among firms. About 50% of small firms (those with 100 employees or fewer) reported using LMI for human resources management, compared to 81% among firms with more than 100 employees.

The survey also revealed that the rate of LMI usage is much higher among human resource managers who had received specialized training on how to

“Being lumped in with the [big] city does not give us an accurate depiction of reality when it comes to wages, benefits, available workers, etc.”

identify, access, and understand LMI. About 85% of those who had received such training use LMI, compared to 62% of those who did not. The impact of training human resource managers appears to be greatest at small firms, where LMI use

rates increase by about 30 percentage points when training was received (see **Figure 1**).² Furthermore, over 85% of respondents who received training stated that it had a significant impact on their practice. Many professionals also mentioned in their comments that they wished there was more LMI training available.

A call for specific, timely, easy to find LMI

Lastly, we asked employers to identify the main challenges they face when using LMI. The three most common responses were that the data are

Box 2: Methodology

We partnered with Forum Research to design samples and questionnaires and to collect data. The sample was designed to be geographically representative for all provinces and territories for a total of 2897 firms. Also, provisions were made for a reasonable distribution by first two digits of the 2017 North American Industry Classification System (NAICS) version 2.0 codes. The survey was administered by Forum Research using a mixed methodology of Computer-Assisted Telephone Interviewing (CATI) and an online approach.

Respondents were asked to think of LMI as “knowledge, facts, data, and other relevant institutional information data related to supply and demand of labour and that you can use to design strategies for planning the recruitment, promotion, and development of employees or make investment decisions. It could be information on labour market outlooks, availability of workers, future graduates, skills, salaries and benefits, etc. It could be information provided by governmental agency, a consulting firm, or research centre or developed internally.”

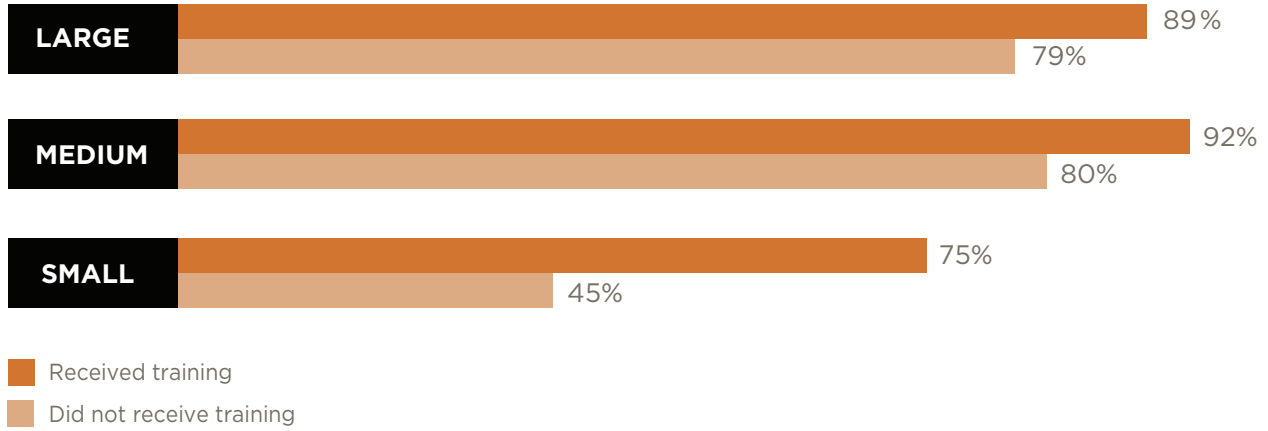
outdated, difficult to find, and not specific to the firm’s needs. In their comments, many respondents said they needed more sector-specific LMI, but that this is not readily available.

These challenges were particularly acute among smaller firms. Several small employers noted that they don’t “feel like broad labour trends [are] applicable” to them and repeatedly call for “more specific LMI.” In particular, employers wanted greater **localness** in the available LMI data. About 19% of respondents stated that finding LMI about their city or town was particularly difficult. This call

² Of course, the smaller the firm, the less likely there is a human resource manager to use, let alone train in LMI use.

Figure 1. LMI use is higher for larger firms and for those who received specialized training.

Percentage of respondents who stated they use LMI “not very often,” “somewhat often,” or “very often” by firm size (large = 500 employees or more; medium = 100 to 500 employees; small = fewer than 100 employees) and training of human resource specialists.



for more local data was especially prominent in the territories and other sparsely populated regions. Similarly, several respondents located on the outskirts of large urban centres noted that data pooled at the metropolitan level primarily reflects the labour market conditions of the economic core of the region, which is often not relevant to employers located outside of it. In fact, only 25–27% of respondents indicated that provincial/territorial and local LMI was “very relevant” or “somewhat relevant,” compared to more than 66% for pan-Canadian LMI (Figure 2).

An important aspect of increasing LMI use is providing it in the form, structure, and detail sought by employers. This survey makes clear that a key part of this work requires the development of LMI that is **more localized and granular** — an objective that LMIC is currently partnering on with Statistics Canada.

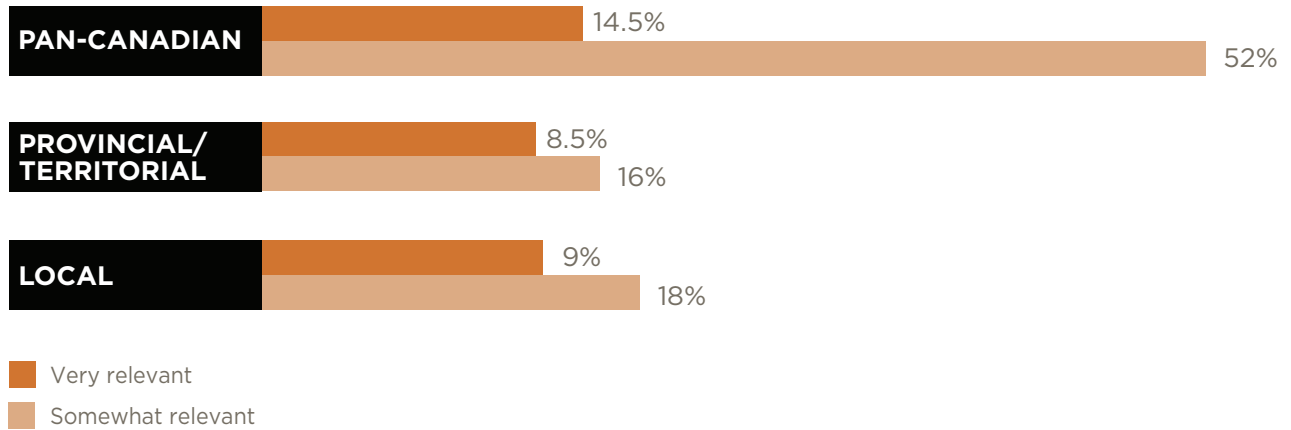
The way forward

First, our survey results indicate that the most useful LMI to support the human resources related decisions of employers is also the most difficult to find. Having someone trained in the use of LMI helps to close this gap, but not all firms have the

capacity to dedicate resources to collect and analyze LMI. Thus, it is not surprising that smaller firms struggle the most to find and use LMI. This is why LMIC is dedicated to ensuring that the labour market information we distribute is easily digestible and meets the diverse user needs of employers and Canadians in general.

Second, the top LMI need of employers — wages — is consistent with the information that Canadians themselves are seeking. However, the information is not specific enough to particular contexts, notably geographic location. To that end, LMIC and its partners are beginning to leverage existing datasets, linking them together **to enhance the overall localness and granularity of the data**. In particular, we are exploring advanced modelling approaches, including small area estimations, to enhance the quality of localized labour market indicators. We look forward to sharing the data and insights from this work on an ongoing basis with employers, researchers, and Canadians at large.

Figure 2. Employers want local LMI but the information found is not relevant to their needs.
Perceived relevance of pan-Canadian, provincial/territorial, and local LMI (% of total employers).



Note: We've asked employers how relevant labour market information at the national (Canada) was, provincial and local (city, town or county) level. We've presented here the proportion of respondents who selected "Very relevant" and "Somewhat relevant". Other answer options were "Not very relevant" and "Not at all relevant"

Check out *LMI Insights* on LMIC's public opinion research to learn more about these challenges:

- [Is it Difficult to Find Information that Helps Career-Related Decisions?](#)
- [Easily Understood LMI is Essential for Making Informed Career Decisions](#)
- [LMI has Important Impact on the Career Paths of Canadians](#)
- [LMI Most Wanted by Canadians: Wages and Skills](#)
- [Canadians Face Persistent Challenges When Looking for Job-Related Information](#)
- [Educational and Career Choices for Students and Parents: The Role of Labour Market Information](#)

Try out our survey [dashboard](#) to visualize the results in an interactive way.

Keep in touch with LMIC through [LinkedIn](#) and [Twitter](#) to hear more about the results of our public opinion survey.

Acknowledgements

This issue of *LMI Insights* was prepared by **David Goulet** of LMIC. We would like to thank our National Stakeholder Advisory Panel (NSAP) and Labour Market Information Experts Panel for their support in designing and distributing the survey. In particular, the team would like to acknowledge the support of our chair David Ticoll (Information Technology Association of Canada) and Ted Mallett (Canadian Federation of Independent Business) for their support in designing the questionnaire. We also thank Michelle Branigan and Mark Chapeskie (Electricity Human Resources Canada), Jean-Pierre Giroux and Scott McNeil-Smith (Excellence in Manufacturing Consortium), and Ryan Montpellier (Mining Industry Human Resources Council) for supporting the survey distribution. Leah Nord (Canadian Chamber of Commerce) and Ted Mallett also provided valuable feedback on this edition of *LMI Insights*.

For more information about this issue of *LMI Insights* or other LMIC activities, please check out our Publications page or contact **David Goulet** or **Tony Bonen**, Director, Research, Data and Analytics.

Check out the [survey dashboard](#) and previous editions of [LMI Insights](#) discussing the needs, challenges, and difficulties of finding labour market information. Additional results will be made available as analyses are completed.