

Invest in Labour Market Information to Close the Skills Gap Adopted by the Canadian Chamber of Commerce, September 2014

The skills gap and mismatches in Canada are challenging employers, educators and governments to respond. As they navigate skills shortages, changes in skills requirements and the future of the labour force, each are coming up against shortfalls in the utility and accessibility of labour market information (LMI). Although it is clear from an employer perspective that significant skills shortages exist, hard evidence is needed to critically analyze these shortages, determine areas of concern, and develop related strategies. Unfortunately, Canadian employers and policymakers currently lack sufficiently granular and reliable LMI in several areas.

The inadequacy is a critical gap for policy makers who depend on this information to help inform their decision-making on programs such as the Temporary Foreign Worker Program or Employment Insurance. Accurate and available labour market data is also a vital tool for employers, job seekers and educational institutions alike to help them identify what qualifications are needed where, as well as what skills can be obtained in which locations. Employers are interested in LMI for a number of different reasons: to understand the availability of workers in their community, to find the people that match the skills they need and for their human resources planning.

From the Advisory Panel on Labour Market Information as led by economist Don Drummond in 2009 to the 2012 report on labour and skills shortages by the House of Commons Human Resources Committee, many have recommended the introduction of better and more user-friendly LMI. The federal government has also indicated its understanding of the pressing nature of the issue, as Jason Kenney, Minister of Employment and Social Development (ESDC) and Minister of Multiculturalism, has referred to the need for stronger LMI as a “matter of national urgency.”¹

Specific concerns were highlighted in the Auditor General’s Spring 2014 report, which pointed to the lack of specificity of LMI currently being collected through federal employment-related surveys. In particular, the report indicated that the monthly Survey of Employment, Payrolls, and Hours, determines job vacancies at the federal, provincial and territorial level, and fails to identify in what cities or communities those jobs are located. The lack of localized context and sector-specific information makes it extremely difficult for employers such as SMEs to get an accurate picture of the trends across their respective sectors. The report also outlined the need for more specific job classification categories so as to identify vacancies for individual occupations.

The need to better coordinate federal efforts on LMI was also highlighted by the 2014 federal budget, where job data did not match Statistics Canada figures. This inter-departmental disagreement on the collection of LMI highlights the need for the federal government to assign a single department to take the lead in gathering more detailed information. This approach has already been proposed by Drummond’s 2009 Advisory Panel on Labour Market Information; he repeated this again in a June 2014 paper on the persistent need for stronger LMI.²

Other federal resources related to LMI are equally in need of greater detail and timeliness. Currently, the National Occupation Classification (NOC) is only fully reviewed every 10 years, with limited updates every five years. As a result, it is often outdated and unable to provide consistently reliable data. It also lacks a skills dictionary, which would provide a common language for skills in Canada. By outlining the skills and certifications that reflect the core competencies required for each category or job, a skills dictionary would standardize requirements and ultimately lead to more robust comparisons across the country.

In an attempt to address the LMI issue, the federal government announced on June 20, 2014, changes to two Statistics Canada surveys, expanding the sample sizes of both the quarterly Job Vacancy Survey and the national Wage Survey to report at the level of economic regions, rather than provincial and territorial levels. However, economic regions

¹ “Jason Kenney, Minister for Employment and Social Development, speaks at the Association of Canadian Community Colleges Summit”. October 21, 2013. <http://news.gc.ca/web/article-en.do?nid=783549>

² Drummond, Don. “Wanted: Good Canadian Labour Market Information.” Institute for Research and Public Policy. June 11, 2014. <http://irpp.org/research-studies/insight-no6/>

are as large geographically as the province of Prince Edward Island and Vancouver Island, and will not provide data at a local level.

Recommendations

That the federal government:

1. Invest in tools that are currently available to the government, namely:
 - the Job Vacancy Survey which could be improved to reflect vacancies by occupation at the local level, and/or supplemented by means of job bank data
 - the Workplace and Employee Survey, which could be reintroduced and upgraded ³
 - the Youth in Transition Survey, which could also be renewed
2. Expand national understanding of the supply side of the labour market and educational attainment relative to employment demand by leveraging the data that already exists within post-secondary institutions. This would be achieved by:
 - Reviewing and sustaining the National Graduate Survey and the Five-Year Follow-up of Graduates on a longer-term basis.
 - Working with provincial and territorial governments to request additional student survey and employment data from publicly funded post-secondary institutions
 - Investing in timely, careful analysis of this education data, with a particular focus on learning outcomes, pathways, and quantity of students/graduates in high demand occupations.
3. Improve the relevance of the National Occupation Classification (NOC) by reviewing it comprehensively every five years rather than every 10 years, and by incorporating a skills dictionary.
4. Improve the dissemination and marketing of all available data, including those available from provincial, territorial and local sources, and integrate existing data from employers, educators and jobs banks. Ensure that the data be made accessible/available/public to Canadians, especially Canadian employers, but also to learners, parents and guidance counsellors in secondary schools. Local Chambers of Commerce can have a potential role in explaining the benefits of these resources and helping businesses navigate through them.
5. Establish formalized partnerships between provinces, business, industry, academic institutions and the public sector to share labour market data, avoid duplication and to collaboratively strategize on labour market challenges. The Forum of Labour Market Ministers should have a role in facilitating this coordination.
6. Require either ESDC and/or Statistics Canada to begin collecting and publishing more localized and regionally-based labour market information. Specifically, ensure labour market indicators are collected at the census metropolitan area (CMA) level.

SUBMITTED BY THE HUMAN RESOURCES POLICY COMMITTEE, THE TIMMINS CHAMBER OF COMMERCE, THE GREATER SUDBURY CHAMBER OF COMMERCE, AND THE CALGARY CHAMBER OF COMMERCE. CO-SPONSORED BY THE NORTH BAY AND DISTRICT CHAMBER OF COMMERCE AND THE SAULT STE. MARIE CHAMBER OF COMMERCE.

³ Note that a Workplace Survey was conducted in early 2012 by Statistics Canada. The results of that survey have not been analysed and released as a report, as of this writing. The last report of the Workplace and Employee Survey was in 2006.