

CONSTRUCTION SURVEY

July 2022

WORKFORCE NEEDS AND CHALLENGES
FIND OUT WHAT EMPLOYERS
HAVE TO SAY



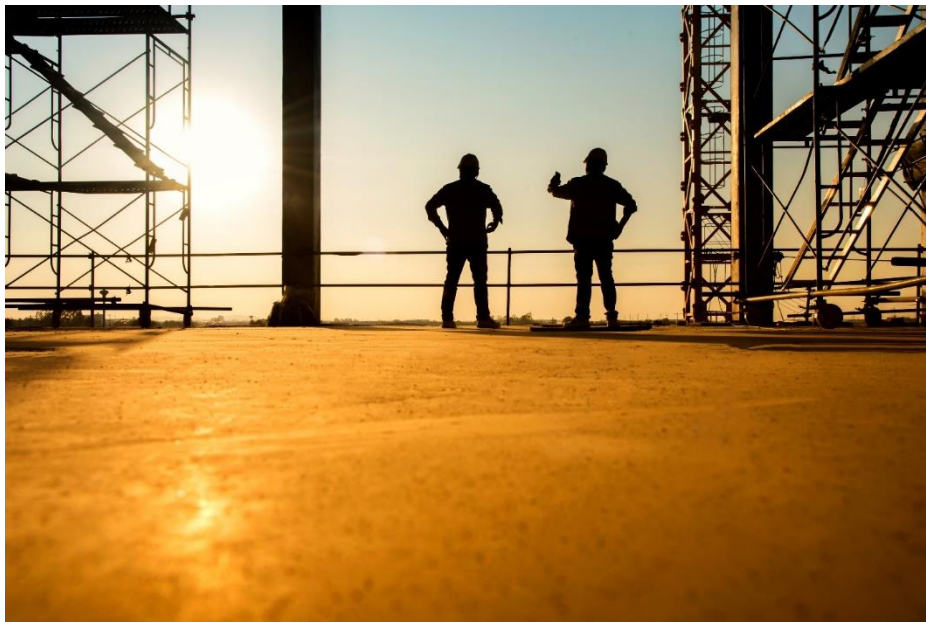
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UNDERSTANDING WORKFORCE NEEDS AND CHALLENGES IN THE CONSTRUCTION INDUSTRY

Survey of Construction Employers
July 2022



prepared by
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PROJECT PARTNERS



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INTRODUCTION

The construction industry has been subject to labour shortages across a number of occupations. Some of the more current shortages can be attributed to the COVID-19 pandemic however the pandemic is only one part of a much larger story. The construction industry is also not alone when it comes to workforce challenges. Various other industries were and still are reporting labour shortages, and the pandemic has only amplified some of what was already happening.

Residential start-ups in parts of northeastern Ontario are generally lower than their counterparts in southern Ontario and a number of major infrastructure projects in the ICI (Industrial, Commercial, Institutional) sector continue to be driven by government funding. In other words, major infrastructure projects are often reliant on this money before putting any shovels in the ground. Although construction was deemed as an essential service during the height of mandated COVID-19 restrictions, supply chain issues along with the increased cost of building materials such as lumber has also impacted on timelines for both big and small projects.

At the risk of “crying wolf” it has been well over ten years that the construction industry has also been repeatedly warned that labour shortages are on the horizon given the lack of new entrants, the age (and potential retirement) of the trades’ workforce which is outpacing new entrants, and the low number of employers who hire apprentices. There has also been a shift in those looking for work and the construction industry which requires greater physical labour is not as attractive as it once was. A recent report by Buildforce (Construction & Maintenance Look Forward – highlights 2022-2027) also indicates that low unemployment rates are another contributing factor and that there has been a “sluggish” return to work in this industry.

Other challenges also exist. There was a time when ready-made labour was in abundance, but that is no longer the case. Labour challenges in the construction industry are a two-way street. From past surveys, many employers still indicate that they want fully trained journeypersons and some are afraid to train an apprentice for fear of having them ‘poached’ by a competitor. On the other side of the coin, those interested in the construction trades and wanting to enter an apprenticeship still struggle with finding an employer who will hire them. Anecdotally, we have also heard that employers are still reluctant to consider other sources of labour such as international talent, though some are beginning to explore this as one option given the depth of shortages that exist and lack of skilled labour.

For educational institutions and employment service providers to facilitate training, they also rely on knowing the specifics of what occupations are projected to be in demand. However, many employers are not very clear about which specific occupations they are concerned about and where they currently have or project to have, hiring challenges. As a result, it is hard to plan programs, courses and training that are relevant without knowing what is needed. Although a large part of the construction industry relies on the construction trades, the industry also hires across various other occupations that are reportedly becoming harder to fill and in demand.

ABOUT THE SURVEY

The Northeastern Ontario Construction Association (NOCA) agreed to partner with Workforce Planning for Sudbury & Manitoulin (WPSM) to conduct a survey of construction employers. Given the broad catchment area that NOCA represents, other workforce planning boards were invited to collaborate. This includes The Labour Market Group (Nipissing/Parry Sound area) and the Far Northeast Training Board (Timmins and area).

These partners agreed to survey unionized and non-unionized ICI sector employers, as well as residential construction employers across most of northeastern Ontario. This however did not extend to the Algoma District - Sault Ste. Marie area as they have an independent construction association that covers that geographic area and AWIC (Algoma Workforce Investment Corporation), the workforce planning board for that area, conducted a similar survey in 2021.

The purpose of the survey conducted by NOCA, WPSM and other partners was to dig deeper into employer needs and expectations. This included gaining a better understanding of current hiring practices, projected vacancies, high demand occupations, recruitment challenges, training, and candidate skills.

The survey was conducted using the survey monkey platform and was implemented in mid April 2022 and open until early May 2022. All project partners and various stakeholders including the Sudbury & District Homebuilders' Association and others were asked to help disseminate the survey to local employers they represent or work with.

LIMITATIONS

It seems that with almost all employer surveys, it is getting harder and harder to get a high response rate. Despite repeated reminders, only 38 companies responded to the survey, but almost all that did respond, answered each question.

Due to the small sample size, it means that the results cannot be generalized across the entire local industry. Also, it is not possible to do any cross tabulations for this report. For example, it would have been interesting to see if the size of the employer (by number of employees) experienced more/less hiring challenges. As such, the results need to be interpreted with caution.

In hindsight, while there is no ideal time to conduct a survey of this nature, it is possible that conducting the survey right at the end of the construction season or well before the start of the next season, may have yielded a higher number of responses. Alternately, we heard that the time just prior to and after the peak construction season is not ideal either. Again, it is hard to know if the low response rate was due to timing or simply survey fatigue.

Despite a low return rate, the results do provide some good insights into jobs in demand and some of the challenges being experienced. Additionally, responses from across all employer groups were also relatively consistent. A good example of this is the fact that almost all employer respondents, regardless of size or sector they represent, expect to hire over the next 12 months, and are echoing the same concerns re: number and quality of applicants. Let's dig into the findings.

FINDINGS:

Key demographics

- respondents represent a good cross section of employer sizes
- 40% reported between 1-20 employees; 25% reported between 21-100 employees; 20% reported between 101-500 employees; and 14% reported over 500 employees
- there was an equal mix of unionized (34%) and non-unionized employers (38%) in the ICI sector
- responses from the residential sector primarily represent non-unionized employers (34%) only
- the majority of respondents cited Greater Sudbury as the main location of their company followed by the District of Sudbury and the Manitoulin District; and a much smaller number cited Nipissing/North Bay; Parry Sound; and Timmins
- 76% of employers said that over 50% of their employees are between 25 – 49 years of age
- 22% of employers said that over 50% of their employees are between 50 – 64 years of age
- very few employers reported having women, indigenous people, newcomers/immigrants or persons with disabilities as part of their workforce

Hiring practices, current/future challenges and departures

HIRING IN THE LAST 12 MONTHS

Respondents were asked: how many people did your company hire in the last 12 months? This would mean the 12 months preceding the survey. Employers who responded reported the following: 40% hired between 1-5 people; 31% hired between 6-20 people; 9% hired 21-50 people and 19% hired more that 50 new employees in the last 12 months.

OCCUPATIONS EMPLOYERS HIRED IN

Employers were asked to identify what occupations they hired in. Almost all employers cited more than one occupation. As a result, the number of occupations identified is far higher than the number of employers who responded. The following is a list that was provided by employers and the number of employers who identified that occupation.

Table 1: OCCUPATIONS EMPLOYERS HIRED IN OVER THE LAST 12 MONTHS		
OCCUPATION	OTHER DETAILS	# of employers
labourer	general, carpenter helper	15
project manager, coordinator, supervisor	includes estimator, environmental supervisor, controller, warehouse coordinator	10
carpenter		8
heavy equipment operator		6
commercial/truck driver		4
heavy equipment mechanic		3
other skilled trades (named 1-2x)	plumber, HVAC, welder, truck & coach tech, millwright, electrician, drywall installer	18
office personnel/admin staff	accounting, admin, clerk, purchaser, marketing	10
apprentices	heavy duty equipment mechanic, electrician, insulator, plumber, steamfitter, welder	6
other	tire tech, painter, janitorial staff, designer, roofer, fleet manager, asphalt experience, overhead door tech, insulator, industrial pressure washer, geologist, glazier	11

EMPLOYER PLANS TO HIRE OVER NEXT 12 MONTHS

As noted earlier, all employers surveyed plan to hire over the next 12 months. Here is a breakdown of how many expect to hire: 42% expect to hire 1-5 employees; 36% expect to hire 6-20 employees; 10% expect to hire 21-50 employees and 13% expect to hire 51+ employees.

Additionally, 100% reported having difficulty filling positions. This is very significant and although the sample size is small, there is a clear indication that the construction industry is busy and is hiring in order to keep up with projects and consumer demand.

HARDEST TO FILL POSITIONS

Not surprisingly, many of the same positions that employers hired over the last 12 months are also identified as the hardest positions to fill with skilled trades mentioned by 25 employers. In addition, 5 employers specifically said that ALL positions were hard to fill. One employer wrote the following: "ALL of them, from the depths of my soul...they are all hard to find." Another employer said that local work and out-of-town camp work are both hard to fill.

Several employers noted that higher skill sets and experience are also lacking. For example, one employer said "Superintendents with experience and qualifications don't exist anymore" and a second employer said they are extremely difficult to find. One other employer noted that they receive very few applicants and again, those that do apply do not have experience or the necessary qualifications.

Anecdotally, we have heard the same thing. Not only are there not enough experienced tradespersons to draw on, but recent graduates who have some school-based training think they are qualified for the job, but have never been on a construction site or have any construction experience. In the final section of this report, we will discuss the need for employers to take a more proactive role in providing experiential learning opportunities for students to help them to build their skills sets and on-the-ground knowledge of the construction industry.

REASONS FOR HARD TO FILL POSITIONS

Various reasons were cited as to why it is hard to fill vacancies as seen in Table 2 below.

Table 2 - COMMON REASONS FOR HARD TO FILL POSITIONS	
reason	% of employers citing this reason
low number of applicants	75%
applicants lack skill required	63%
applicants lack work experience required	59%
applicants lack qualifications required	56%
unrealistic wage expectations	50%
competition	42%
applicants lack soft skills (communication, work ethic)	25%
skills needed are in other regions	13%

Employers also offered other reasons why it is hard to fill positions as follows: transportation to and from job site; lack of childcare; no young people applying for training; young applicants with no trade or field experience; lack of housing; and pool of applicants is low in rural communities.



Again, these reasons are consistent with what has been anecdotally shared in the field. It is clear that not only are there specific applicant qualities that are missing, but other factors such as affordable housing, transportation and child care also play into an applicant’s ability to work. We have heard this from a number of programs that are trying to assist more vulnerable populations with opportunities to work in good paying jobs in industries such as construction. In many cases, these applicants have the will and desire to work, but other life circumstance and factors make it impossible or challenging to do so.

HARD TO FILL POSITIONS IN THE FUTURE

Construction employers were asked to forecast what positions they feel will be hard to fill in the next 3-5 years. Again, very similar to current hiring challenges, most employers repeated all of the same positions with an even greater emphasis on the skilled trades (Carpentry to HVAC and heavy equipment operators) as well as general labourer and management positions. One employer said it well when referring to positions that will be hard to fill in future “all of them from bottom line to experienced.” And another employer said “all of the positions noted that we have trouble with today will be just as hard to fill if not even more so in the next 5 years.”

IMPORTANCE OF SKILLS/ATTRIBUTES OF NEW HIRES

Employers were provided with a list of 11 skills/attributes and asked to indicate their level of importance as illustrated in Table 3.

Table 3 - IMPORTANCE OF SKILLS/ATTRIBUTES OF NEW HIRES	
Skill/attribute	% of employer indicating yes
work ethic, dedication, dependability	94%
willingness to learn	81%
ability to follow instructions	78%
self motivation and independence	74%
teamwork and interpersonal skills	71%
time management/organizational skills	59%
problem solving and creativity	58%
technical	52%
customer service	45%
math skills	32%
oral and written communication	23%



Interestingly, the rank and order of some of these skills and attributes is different from surveys WPSM has conducted with employers in other industries. There is one exception however.

Almost all employers from these surveys have consistently identified work ethic, dedication and dependability as the number one skill/attribute that is most important with new hires. This skill or attribute is more in keeping with the foundational characteristics of the individual. These are characteristics that are developed over time during childhood, with parents, in school, in summer jobs, with job placements and in other settings, so not something easily taught once someone enters the workforce.

In addition to work ethic, other industries have placed more importance on skills/attributes such as math, communication and problem solving, which can be taught. It is interesting to see that employers in construction however have placed more importance on other skills/attributes such as willingness to learn, follow instructions, self motivation and less importance on technical skills, including math. Again, these are more personality-based characteristics or something that is called “soft” skills.

SEPARATIONS, INCLUDING RETIREMENTS

Over the last year, 88% of employers who responded had experienced employee separations as follows: 311 people quit their job; 13 employees retired; 104 were temporarily laid off; 50 were permanently laid off; and 80 were dismissed or fired.

Employers were also asked if retirements were already impacting their company. 25% said yes, they are already seeing the impact; 47% expect to see the impact over the next 1-5 years; 19% expect to see an impact beyond 5 years from now; and 9% feel they will not be impacted by retirements any time soon.



Lastly, 69% have a succession plan in their company for critical roles. Although respondents were not asked to identify what roles they feel are critical to the continuation of their company’s operations, it is good to know that succession planning is on their radar.

Recruitment Strategies

Employers were given a list of recruitment methods and asked to identify which ones they use most often as illustrated in Table 4.

Table 4 – RECRUITMENT STRATEGIES	
Recruitment strategy	% of employers using this strategy
word of mouth/personal referrals	81%
your company’s website	68%
paid online job posting sites	68%
unpaid online job posting sites (i.e. job bank)	57%
unsolicited resumes	47%
government employment centres/websites	41%
on-site recruitment (secondary or post secondary schools)	34%
job fairs	31%
executive search companies (headhunters)	31%
temporary help agencies	31%
trade or professional publications/websites	28%
on-site job signs/posters	28%
other *	19%
newspaper ads	16%

**included: social media, discussions with contractors (for “good” people they know), community newsletter, union hall*

Interestingly, numerous other employer surveys that have been conducted by WPSM and others, also show that word of mouth/personal referrals continues to be the number one method of recruitment. For job seekers, this illustrates how important it is to use personal contacts when trying to find a job and that close to one half of all construction employers surveyed still accept unsolicited resumes.

AREA OF RECRUITMENT AND ROLE OF NEWCOMERS

Most employers who responded to this survey indicated that they recruit from the area they are located in however 45% indicated that they also recruit from the rest of Ontario; 26% across Canada and 16% internationally.

When asked if newcomers play a role in recruitment/hiring decisions, 53% said they are not a significant source of new hires; 31% said they are becoming an increasingly important source of new hires; and 31% said they will be relying on newcomers as a source of new hires in the future.

If we go back to the introduction and consider the fact that demographics are shifting, that the working age population is declining, and that those leaving the industry are outpacing new entrants, it is clear that newcomers may well become a sought after source of labour as shortages are expected to increase.

Education and Training

Employers were asked what kind of training they provide to their employees. 91% said they provide on the job training; 66% offer educational programs delivered by a 3rd party; 66% provide online courses; and 63% offer in-house upgrading programs.

Employers were also asked whether or not they provide opportunities for apprentices, paid interns and/or co-op students. As illustrated in Table 5, there is a mix of responses.

Table 5 – OPPORTUNITIES FOR APPRENTICES, PAID INTERNS OR STUDENTS IN THE PAST 12 MONTHS		
opportunity	yes	no
apprentices	69%	31%
paid interns	31%	69%
co-op students	48%	52%



Summary and observations

As reported by construction industry employers who responded to this survey, almost all employers said they hired over the last 12 months, are planning to hire over the next 12 months, and agree that they will continue to be challenged with labour shortages in the future.

In construction, specific skilled trades’ occupations continue to be high in demand along with general labourers, office administrative staff and more senior positions such as project managers, coordinators and supervisors. Keeping in mind that the sample size of respondents is small, the skilled trades in demand (most often cited) include carpenters, heavy equipment operators and technicians as well as commercial/truck drivers. Various other construction trades were also noted, but not as frequently. Most employers agree that all of these same positions will also be hard to recruit for in the next 3-5 years.

All of these are important observations. However, none of this is a surprise, particularly when it comes to the skilled trades most in demand. The alarm bells have been sounding for some time now - that students

need to be exposed to the trades early on in the education system; that the ongoing stigma surrounding the trades needs to be addressed; that clearer pathways and supports for apprentices need to be available; and that employers need to be involved in hiring and training apprentices.

Despite all of the efforts that do exist, including the attempt to modernize the apprenticeship system, the number of apprentices continues to remain stubbornly low. According to data that WPSM receives from the Ministry of Labour Training and Skills Development (now the Ministry of Labour, Immigration, Training and Skills Development), in Greater Sudbury and the Districts of Sudbury and Manitoulin, the average age of an apprentice is between 27-28 years of age. This means that it took almost 10 years after leaving high school to decide on an apprenticeship pathway.

Why does this take so long? Would more direct experiences with trades' employers or greater exposure to the industry while students are still in high school make a difference? Would exposing more secondary school teachers to the trades also help as most have only experienced university education in their own careers? Would bringing more trade shops back into high schools help create a pool of interested students? Would stronger relationships between the construction industry and secondary and post-secondary education create greater synergies and more student interest in this industry?

According to employers surveyed, the low number of applicants is also significantly impacting on hiring and those that do apply, lack skills, work experience and qualifications. Unfortunately, when it comes to experience, it can only come from one source – the employer. If construction employers don't invest in training students, apprentices or future employees, it is hard to see how they can expect experienced applicants. This doesn't just apply to the skilled trades but the range of other occupations that are needed to round out the construction workforce. This includes labourers, office administrative staff and project managers/coordinators and supervisors.

When hiring, work ethic, dependability, willingness to learn, and ability to follow instructions all rank high when it comes to skills/attributes that construction employers are looking for. As noted, these "soft" skills come from a variety of sources early on in development and are harder to teach later on.

Word of mouth and use of personal contacts continues to be the most popular recruitment method used. This is important for job seekers and employment services to know. Job seekers need to recognize that they should still use personal contacts (their own or through family, friends, neighbours, and others) to find work and to drop their resume off to an employer who they would like to work for. It appears that many construction employers are open to that.

How employers post their job vacancies may also be another factor that challenges applicants. While employers were only asked about which methods they use to advertize their job vacancies, they were not asked if their job vacancies appear more than once or if they are able to fill their vacancies. For example, to post a job vacancy on your own company's website means the potential job seeker needs to know that your company even exists. As a result, it might be advantageous to use more than one method to get the word out if they are unable to successfully fill a vacancy. The Job Bank which has a federally funded online job board is a great resource to post job vacancies at no cost to the employer.

At the time of this survey, almost 75% of employers said they are already experiencing employee retirements or expect to over the next 1-5 years. Again, this is a critical concern that has been highlighted for years as the construction workforce is getting older and not attracting as many new entrants.

While it is encouraging that just under 70% of construction employers are already engaged in succession planning for key roles, very few employers report having women, Indigenous people or persons with disabilities as part of their workforce. In recognition of this, various efforts have been underway by some of the construction trades and through skills programs and educational institutions to engage more women and Indigenous people in the skilled trades. Offerings have included pre-apprenticeship programs specifically for women and/or Indigenous people, employer incentives, and other targeted efforts, however success has been limited.

While it may be more challenging for some persons with disabilities to handle some of the more physical requirements of construction work, there are many other jobs that are in demand in the industry that should be considered. This could include office administrative jobs (estimators, accountants, clerks, bookkeepers, etc.) and project management/coordination and supervisory roles. Persons with disabilities could also include construction industry workers who have experienced an injury or been ill and may require some accommodation to allow them to continue to work.

Efforts are also underway to try to engage those on social assistance who are able to and want to work. Several programs have been offered in carpentry to those on social assistance as they could benefit from this additional training and other supports (child care, transportation) enabling them to work in this industry.

As noted, many efforts have been underway by different organizations and companies. It's a good reminder that all of these diverse groups are a ready source of labour and outreach efforts to engage them continue to be an important strategy to address current and future labour shortages.

The same can be said for newcomers or internationally trained workers who may also be another source of labour. However, employers indicated that they do not yet play a big role in recruitment decisions, although more than half of employers recognize the importance of newcomers as a source of skilled talent. Even if employers want to hire journeypersons by drawing on international talent, it is also extremely hard to assess specific skill sets and certifications as standards are not only different across the country, but across the world.

When it comes to international talent, there are additional challenges with immigration, work permits, labour market assessments and other potential barriers. As such, talent attraction, recruitment and retention strategies will become even more important as construction employers will be competing with each other for talent when demand for certain skills is high.

This survey also illustrated that employers were interested in further developing the skills of their own staff as just over 90% reported on-the-job training and around two-thirds provided 3rd party educational programs, online courses and/or in-house upgrading. This is good news and a great way to upgrade the skills of your staff, create internal pathways for promotional opportunities and provide training that is consistent with the goals of a company. However, across various industries, far too often we have seen people promoted to supervisory roles that have no training or experience, and, in other words, don't know what they are doing. This is particularly important from a health and safety perspective as well as an employer liability perspective. As such, proper training is essential and it is good to see that construction employers are actively engaged in providing training to their employees.

Last, just under 70% of employers reported hiring apprentices over the last 12 months, however they were not asked how often or how many they have hired over the last 1-5 years. Nor were they asked how many they could potentially hire each year based on the number of journeypersons they employ. If it is only one, once in a while, this is not enough to grow the pool of skilled labour that is needed as it takes years to become a certified journeyperson. Additionally, less than half of employer respondents provide co-ops for students and even fewer hire and pay for interns.

Again, these types of opportunities are other ways that employers can expose students and others to their industry. It is also a great way for an employer to “test drive” a potential new employee. Students in various college trades programs can also offer new ideas to a prospective employer. As such, developing and building strong relationships with the education system (secondary and post-secondary) may be a key strategy to attracting more graduates to the industry and allow industry to inform the education system about what they are looking for.

In analyzing the results of this survey, it is clear that construction employers have a right to be concerned about future hiring challenges and where they will find skilled, qualified and experienced employees. While Ontario continues to re-jig their approach to apprenticeships, the skilled trades, student learning, hiring international talent, etc., it is clear that far more needs to be done to support the construction industry. Additionally, the construction industry also needs to look to the future to see how they can contribute to promoting their industry, what strategies they have in place to attract, recruit and retain talent, and how they can increase opportunities for experiential learning, for students and others who are looking for employment and a career in their industry.