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Skills for the Future
Provincial and territorial education and labour market ministers

Ontario's Labour Market Challenges: An Employer Perspective

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Agenda

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1. Ontario's Five Labour Market Challenges
2. Demand-driven programs
 - i Express Entry (EE)
 - ii Job Grant
3. Challenges
4. Solutions: An Employer Perspective
5. Conclusion

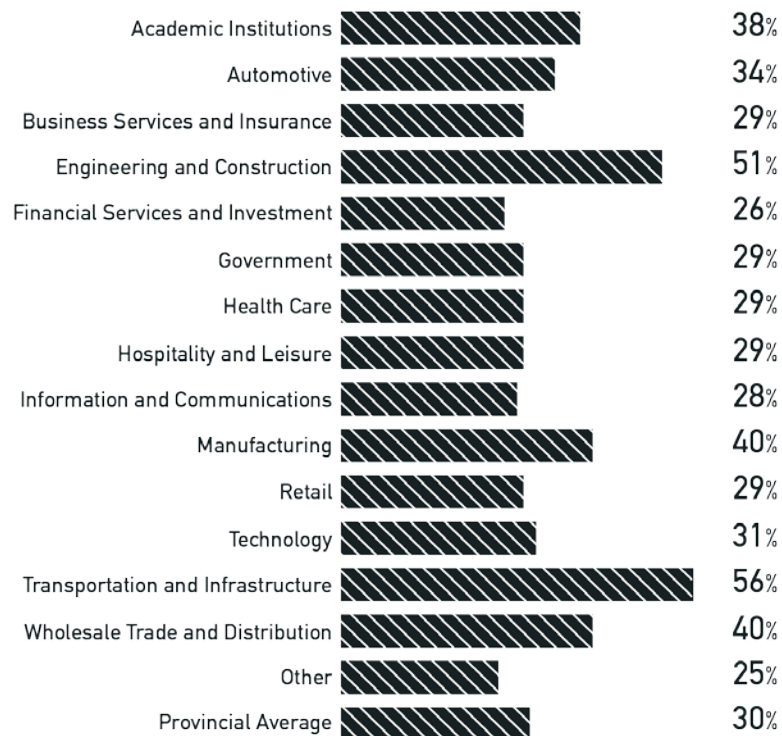
Five Labour Market Challenges

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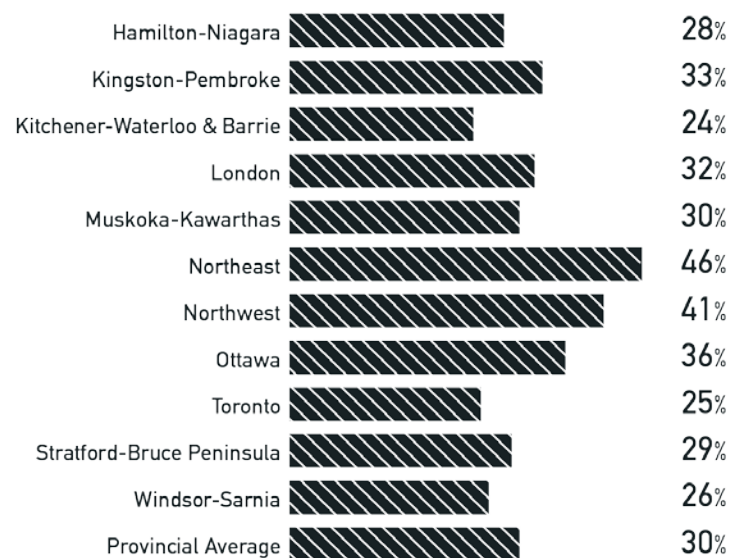
1. Economy is transitioning
2. Perception of skills shortages
3. Aging workforce
4. Number of skilled immigrants coming to Ontario has declined
5. Employers (on average) invest less in training than their counterparts in other countries

Perceived Skills Shortages

Percentage by Economic Sector



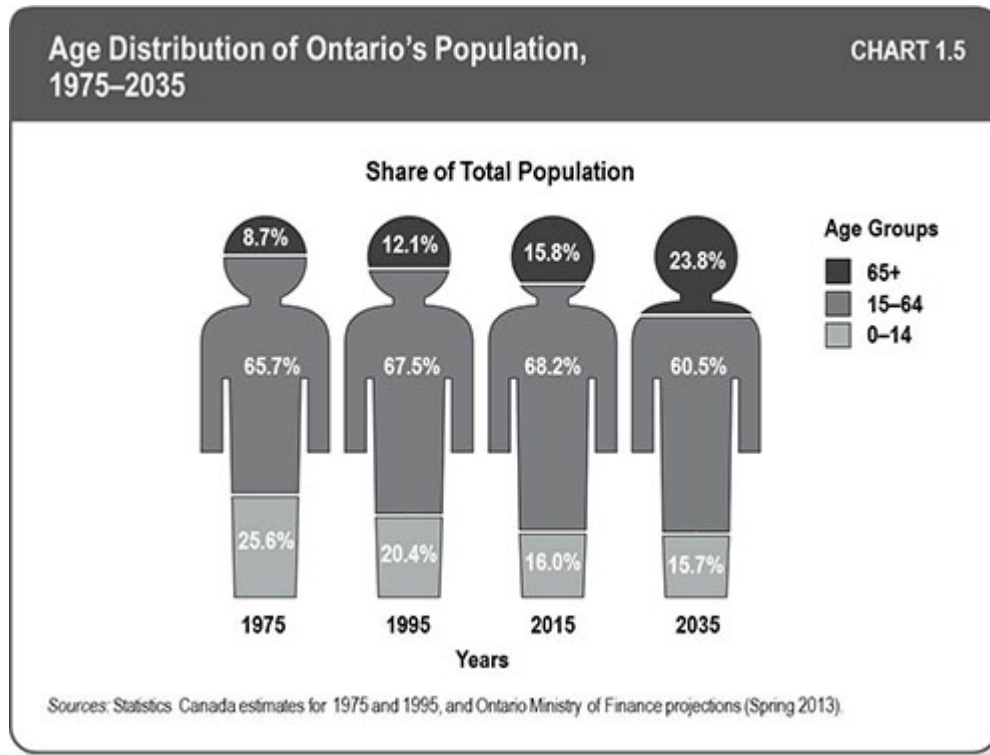
Percentage by Economic Region



N = 2,059 | Survey Date: January-February 2013

Q | Has your business/organization had difficulty filling a job opening over the last 12-18 months due to the fact that you could not find someone with the right qualifications?

Aging Workforce



Immigration Trends

- Since 2001, annual immigration to Ontario has declined by 34% (from 148,639 in 2001 to 98,826 in 2012)
- Of all Ontario landings in 2012, economic class immigrants accounted for 50%, down from a high of 64% in 2001

Labour Market Policy Trends

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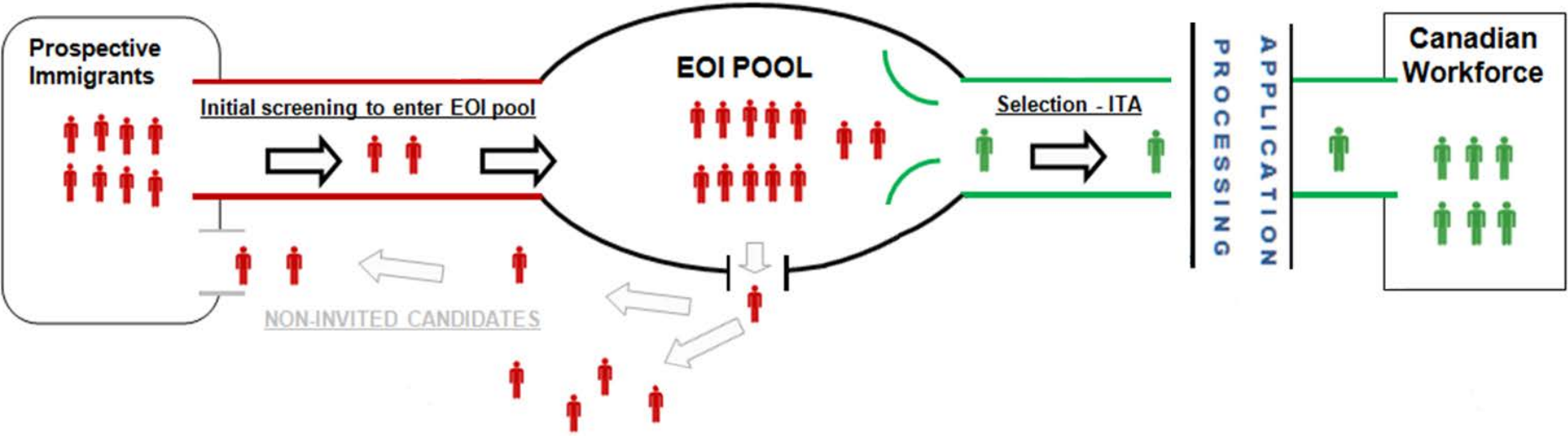
Employer Role	<ul style="list-style-type: none"> Minimal formal role Ad hoc engagement with college/university/training institutions 	<ul style="list-style-type: none"> Advisory capacity on post-secondary curriculum and sector-focused skills training Engagement remains ad hoc 	<ul style="list-style-type: none"> Directly informs or delivers training Engagement is solidified and consistent
Funding	<ul style="list-style-type: none"> Government 	<ul style="list-style-type: none"> Government Government-Employer co-contribution 	<ul style="list-style-type: none"> Employer Government-Employer co-contribution
Delivery	<ul style="list-style-type: none"> College/university/training institution Third-party provider 	<ul style="list-style-type: none"> College/university/training institution Third-party provider 	<ul style="list-style-type: none"> Employer College/university/training institution Third-party provider
Example	<ul style="list-style-type: none"> Post-secondary education system Literacy and Basic Skills training 	<ul style="list-style-type: none"> Institutional Advisory Councils Elevate Canada 	<ul style="list-style-type: none"> On-boarding Apprenticeship Canada-Ontario Job Grant

Demand-driven programs

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- Immigration: Express Entry (EE)
- Training: Job Grant

Express Entry (EE)



Training: Job Grant

- Introduced in federal budget 2013, the Job Grant is a new demand-driven skills training program.
 - ▣ Available to businesses to train unemployed and underemployed Canadians
 - ▣ Up to \$15,000 per person for training costs (up to \$10,000 from government sources)
 - ▣ Requires employers to contribute on average 1/3 of total cost (some additional flexibility for small employers)
 - ▣ Short-duration training must be provided by an eligible third-party trainer

Challenges of Demand-Driven Programs

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- SMEs and the ‘economies of scale’ problem
- The ‘public good’ problem
- Collective action problem/lack of sector collaboration
- Ontario’s “noisy” labour market
- Ontario as a passive actor

Solutions: An Employer Perspective

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- Benchmark processing times
- Treat employers and prospective users as customers
- Strike a balance between integrity and usability
- Collaborate with employer/sector associations to encourage and facilitate employer participation
- Market the problem & system
 - An 'if you build it, they will come' strategy will not work
- Evaluate and publicly report on outcomes and employer engagement

An Employer Perspective: Immigration

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13 recommendations
to drive employer
participation

An Employer Perspective: Immigration

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- Accelerate Labour Market Opinions for ‘trusted employers’ and specific occupations
- Let employers access the pool of candidates directly
- Allocate PNPs on a principled basis
- Enable employers to use the hiring tools they normally employ
- Use EE as source of LMI

An Employer Perspective: Training

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Recommendations to increase the 'employer role in training'

Report pending Summer 2014

An Employer Perspective: Training

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- Accommodate variations in employer scale and need
 - ▣ Flexibility in employer contribution
- Default third-party training (but in-house should be permitted)
- Re-evaluate provider “markets”
- Encourage sector collaboration where possible

Thank you

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