

# Survey of Employers on Workers' Skills, 2021

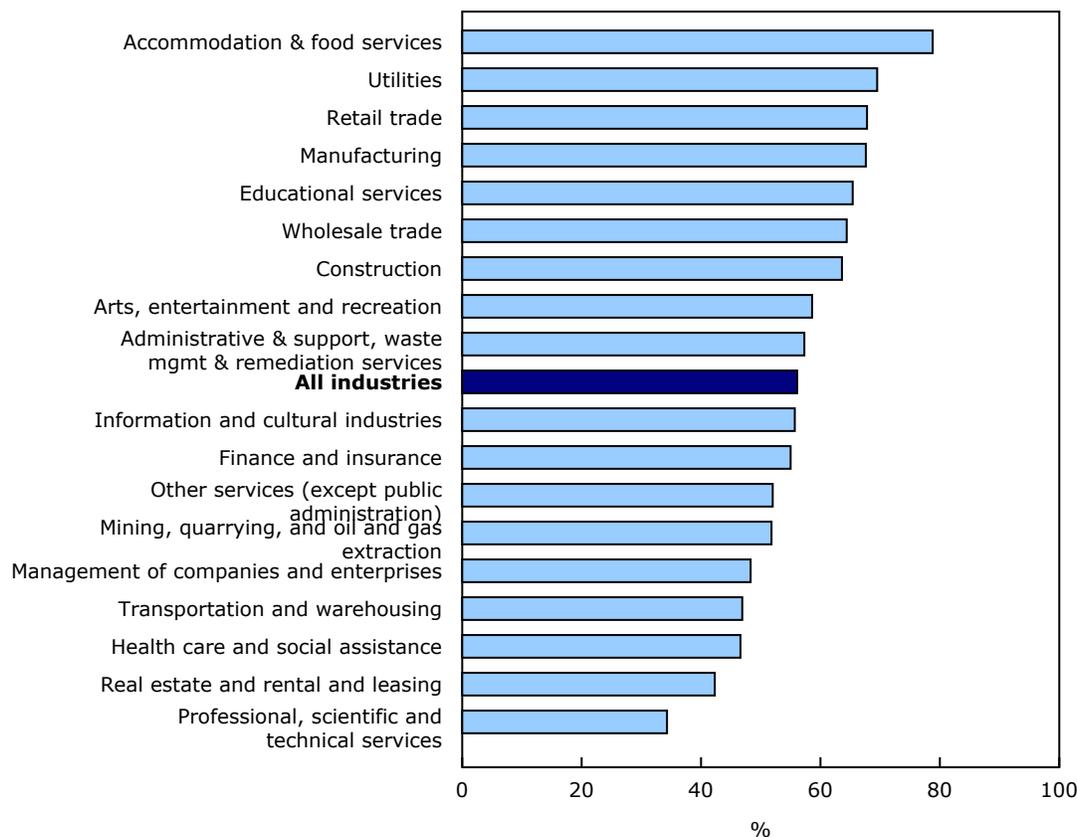
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## The majority of employers report skills gaps in their workforce

More than half (56.1%) of Canadian businesses in 2021 reported that their overall workforce was not fully proficient to perform their job at the required level, driven mainly by large businesses with 100 or more employees (93.0%) and businesses with 20 to 99 employees (90.0%). Nearly three-quarters (73.7%) of businesses with 5 to 19 employees reported skills gaps in their workforce. Conversely, one-third (33.1%) of micro businesses with one to four employees reported that their workforce was not fully proficient to do the job at the required level.

Nearly four-fifths (78.8%) of businesses in the accommodation and food services sector reported skills gaps in their workforce, the highest rate across all sectors. The second-highest rate observed was among businesses in the utilities sector (69.0%), closely followed by retail trade (67.8%), manufacturing (67.3%), educational services (64.8%), wholesale trade (64.4%) and construction (63.6%). In contrast, the lowest rate was posted by businesses in the professional, scientific and technical services sector (34.3%), followed by the real estate and rental and leasing sector (42.3%).

**Chart 1**  
Percentage of businesses who reported skills gap in their workforce, by sector



Source(s): Survey of Employers on Workers' Skills, 2022 (5317).

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There are minor regional disparities in the proportion of businesses that reported skills gaps in their workforce. The highest rate of businesses that reported skills gaps was observed in the three territories as a whole (63.5%), followed by Quebec (61.6%) and the Prairie provinces combined (i.e., Manitoba and Saskatchewan) (61.5%). The lowest rate was observed among businesses in Ontario (51.5%).

Three-fifths (60.3%) of businesses reported facing at least one negative consequence to their activities because of the skills gap in their workforce. Of these businesses, nearly three-quarters (73.9%) saw an increased workload for other staff.

### **Technical, practical or job-specific skills show the highest gap**

Of the businesses that reported skills gaps in their workforce in 2021, more than half (57.5%) reported that the skills that need the most improvement were technical, practical or job-specific skills, followed by problem-solving skills (46.2%). Conversely, fewer than 1 in 10 businesses reported that their workforce needed to improve on reading comprehension (3.6%) and basic math and calculating skills (6.8%).

### **Information and communications technology is the top factor that affects the skill requirements of employees**

Of the factors that affected the skill requirements of employees in the three to five years before the survey year, information and communications technology was the top factor, as reported by nearly two-thirds (66.1%) of businesses. This was followed by working methods and organizational practices, cited by close to two-thirds (63.2%) of businesses, and working tools (e.g., machinery, robotics and equipment), indicated by over half (55.5%) of businesses.

### **More than two-fifths of businesses experience difficulties recruiting employees, mainly due to a lack of interest in the job**

In 2021, more than two-fifths (44.5%) of businesses experienced difficulties finding candidates who possessed the skills needed to do the job at the required level. Well over two-thirds (73.3%) of businesses with 20 to 99 employees, two-thirds (66.0%) of businesses with 100 or more employees and three-fifths (60.3%) of businesses with 5 to 9 employees experienced difficulties finding candidates with the required skills. In contrast, one-quarter (25.3%) of businesses with one to four employees experienced recruitment difficulties.

Businesses in the accommodation and food services (63.2%), manufacturing (57.0%) and construction (54.8%) sectors posted relatively high rates of recruitment difficulties. Conversely, just over one in five businesses in the management of companies and enterprises (21.5%) and real estate and rental and leasing (24.5%) experienced recruitment difficulties.

Businesses in Quebec (55.6%) and in the three territories as a whole (50.7%) were more likely to report difficulties recruiting candidates compared with those located elsewhere in Canada. By contrast, a small proportion of businesses in Alberta reported facing difficulties hiring (37.7%).

The majority (55.4%) of businesses reported that the main reason they experienced difficulties recruiting candidates was not enough people interested in doing the type of work required. In comparison, a smaller proportion of businesses (13.7%) reported lower wages and compensation than in other organizations as the main reason for their difficulties recruiting.

### **Nearly three-quarters of businesses provide training to their employees**

More than 7 in 10 businesses (71.0%) provided training to their employees in 2021. Specifically, almost all businesses with 100 or more employees (97.6%) and more than 9 in 10 businesses with 20 to 99 employees (93.6%) provided training to their employees. Conversely, over half (56.4%) of micro businesses with one to four employees did so. The corresponding figure for businesses with 5 to 19 employees was 81.9%. A similar pattern was observed by industry and province.

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**Note to readers**

*If a business reported that less than 100% of its employees were fully proficient to do their job to the required level, based on the skills needed to do their job, it was considered to have a skills gap in its workforce.*

**Definitions, data sources and methods: survey number [5317](#).**

The Survey of Employers on Workers' Skills (SEWS) was conducted from March to May 2022. It collected information on employers' skills needs, skills gaps, and human resources practices, including training, talent recruitment and retention programs. The sample size for the SEWS was 17,880 Canadian establishments covering all sectors of activity. The overall response rate was 52.4%.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).