



North Etobicoke Revitalization Project

EMPLOYER CLUSTER CAPACITY STUDY Executive Summary



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Huda Abuzeid	Community MicroSkills Development Centre
Kwame Brown	YMCA Rexdale Youth Resource Centre
Frank Camarda	Service Canada
David Cavaco	Councillor Suzan Hall's Office
Roy Cullen	Etobicoke North MP
Joanne Esteves	Councillor Suzan Hall's Office
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Special mention needs to be made of the various people who worked on this project: the actual survey interviews were carried out by Karol Murillo and Annie Simpson, assisted by Annie Strgar. Karol and Annie also provided research assistance and extensive help in making the focus groups with employers possible. As well, the Asset Mapping Research Project, operating out of the Toronto Christian Resource Centre, conducted all the data entry and data tabulation for the survey. The individuals involved were: Ramin Shokat Pourtorab, Database Developer, who designed the database and compiled summary data tables that made possible many of the charts used in this report, and who also supervised the data entry; Fenide Herard, Saida Mohamed, Luis Piedrasanta and Yohannes Tewolde entered all the data from the surveys.

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Despite all these excellent contributions, any errors or omissions arising out this report remain the responsibility of the two senior consultants for this study, Reid Henry and Tom Zizys.

Executive Summary

Introduction. The goal of this report is to identify ways in which local residents in Northwest Etobicoke can more effectively access local employment opportunities. To do this, the report explores local labour force characteristics, labour force demands, emerging employment, training and learning needs, and local economic cluster activities.

The analysis and recommendations of this report has emerged from a review of challenges faced by unemployed individuals, an overview of best practices in employment services, a review of the employment services system in Canada generally as well as in North Etobicoke specifically, a profile of local resident demographics, a profile of local employers, a survey of local employers, and focus groups with local employers.

This report was commissioned by the North Etobicoke Revitalization Project, a community-driven initiative seeking to address a number of areas of critical concern to local residents and stakeholders, namely: economic development, employment, housing, safety, arts, culture, recreation and the environment. In particular, this report was shaped by the direction provided through NERP's Economic Development & Employment Work Group and by NERP staff.

Overall, employers in North Etobicoke use various methods to find new employees and are generally interested in services that can assist them in that regard. They are, however, not particularly familiar with non-profit community-based employment services. They are also interested in such services as work placement programs, job advancement programs and have need of services related to English as a Second Language, literacy and numeracy skills. Finally, around half of the employers surveyed expressed an interest in a local or industry sector business association.

Changing Canadian labour market. The Canadian labour market has been changing over the last decades, with a growing discrepancy in the quality of jobs that are available. The impression of a healthy economy is borne out by rising wages among higher income groups, however what has recently begun to attract more attention are the circumstances faced by individuals at the lower-end of the income scale. Certain categories of the population are far more likely to be engaged in part-time, temporary or self-employment work, typically with low pay and few benefits, in particular: youth, recent immigrants who are visible minorities, recent immigrants generally, individuals with less than a high school education, women (in particular single mothers), and individuals with a high school diploma.

The prevalence of non-standard employment (that is, not full-time, not permanent) among these groups means a constant cycling between employment and periods of unemployment. Non-standard work is no longer an obvious stepping-stone to better jobs: less than a quarter of individuals who start in non-standard employment progress to standard employment after two years.

The circumstance of youth and of newcomers. Youth unemployment typically stands at roughly double that of adults, while real wages for youth have dropped in comparison to a generation ago. Newcomers to Canada experience higher levels of unemployment, poverty and significant job mismatch – in particular, visible minority immigrants with university degrees are

far more likely to have a job requiring no more than a high school education than any other population group.

Best practices in employment services. Given the changing labour market and given experience in other jurisdictions, the prominent best practices in employment services advocate the following:

- Keeping a job is more important than getting a job;
- Advancing to the next job is the measure of success;
- Case management of all issues, barriers and challenges – that is, in addition to providing employment services, helping individuals with all other issues that serve as barriers to employment;
- Ensuring a continuum of employment services – that is, supporting individuals to advance through stages toward employment, including providing work experience in advance of actual placement in a regular job;
- Providing post-employment support, such as job retention and job advancement;
- Building links to employers and engaging them in the design and delivery of employment services;
- Initiating strategic approaches, such as customized employment or training services for specific employers, or cluster strategies – serving similar types of employers as a group;
- Engaging in capacity building of community-based delivery agencies, to support them to adopt these new approaches.

Current employment services system in Canada. Overall, the employment services system has significant shortcomings:

- It is fragmented, particularly in Ontario, delivered by all three levels of government, through various departments, relying on numerous programs;
- That fragmentation makes it difficult to ensure the coordination needed to support a continuum of services and proper case management of all issues;
- Many of the activities supported target more job-ready clients, and the level of funding is often too low to assist individuals with greater needs;
- Post-employment support, through job retention and job advancement services, is especially under-funded;
- An emphasis on the individual client does not take account the investment of time needed to build relationships with employers and to develop more strategic approaches to connect larger numbers of individuals to different employment sectors.

The employment services system in North Etobicoke. Overall, North Etobicoke possesses the basic infrastructure of employment services, notably in relation to assessments and career planning, job search and job placement services. What is lacking is greater coordination and linkages among these services, as well as initiatives that can support more intensive engagement with employers. In addition, there is need for projects that could provide more extensive outreach and support to draw certain populations into the employment services system web, notably at-risk youth and newcomer women.

Population demographics in North Etobicoke. The resident demographics refer exclusively to Ward One, which covers the major portion of the residential area of North Etobicoke, defined by the following boundaries: Highway 401 to the south, the City limits to the west, Steeles Avenue to the north and the Humber River to the east. The population within that area is comparatively younger than that found in the City of Toronto as a whole, with significantly larger proportions of children (under 9 years old) and young adults (aged 20-29 years old), and larger proportions of youth (aged 10-19 years old), and those aged 30-34 years old, as well as somewhat proportionately fewer individuals in the 35-39 and 55-64 age groups, and significantly fewer proportions of 40-44 year olds and those aged 65 and older.

In terms of income and employment, Ward One has higher proportions of low income households, families and individuals compared to the City average, and government transfer payments make up a higher proportion of residents' income than is the case for the City as a whole. Workforce participation rates are below average, and unemployment rates are above average, across age groups and for both males and females. Employment in the manufacturing sector dominates the resident labour force, with nearly 30% of Ward One employed in this industry – double the city average. Five occupational groups represent 40% of the resident labour market (compared to 24% across the city): Clerical, Machine Operators in Manufacturing, Sales and Service, Assemblers in Manufacturing and Labourers in Processing, Manufacturing and Utilities.

The area is a major settlement location for newcomers and reflects a high degree of diversity, with a higher than average immigrant population. Residents from India, Jamaica, Guyana and Italy constitute over 30% of the total population. Blacks and South Asians represent over half of the visible minority population.

In terms of education, 35% of residents in Ward One have not achieved a high school diploma (city average of 28.4%), with above average proportions of people who have trades certificates and some college training, but with more than half of the city average for residents who have achieved an undergraduate degree or higher.

Industry analysis for North Etobicoke. The local economic base of employers in the area represents a competitive and diverse base of industries that includes significant concentrations in pharmaceuticals, distribution services, food and beverage manufacturing, construction and amusement/gambling. As described above, the residential labour force has substantial concentrations of people employed in manufacturing (nearly 30%, double the city average) – this may suggest that the local employment opportunities are well-suited to the skill sets of local residents. However, North Etobicoke employers attract workers from the broader GTA labour market – only 33% of the jobs generated in the study area are covered by residents in Etobicoke and York.

As such, NERP has identified 9 target sectors on which to focus workforce development strategies. Sectors have been chosen based on their employment potential for matching the skill sets of North Etobicoke residents, their overall economic vitality, and key employer relationships already established by service providers. These include:

- Trade Contracting* - employs over 2600 people, has positive growth and is more highly concentrated in the study area than across the city.

- Food Manufacturing* - employs over 4000 people, enjoys 3.2% annual growth since 1998 and is highly concentrated.
- Metal Manufacturing* – employs nearly 4400 people, is highly concentrated but with some annual decline over since 1998.
- Chemical Manufacturing* – largest local sector employing nearly 8900 people, enjoying both high concentration and extensive growth.
- Repair and Maintenance* – declining somewhat over the last few years however remains a substantial employer (2873) and has higher than average concentration.
- Transportation and Warehousing* – 4th largest employment sector with nearly 7200 people employed and above-average concentration (6% decline since 1998).
- Hospital*, Health Services* and Nursing and Residential Care Facilities* represent the substantial employment in the health sector – combined employment is nearly 3400 with positive growth.
- Retail Trade* – 3rd largest employment sector with over 7500 people employed.
- Amusement, Gambling and Recreation* – employs nearly 3900 people and has higher than average concentration (*the sector is expected to increase its employment substantially with new developments at Woodbine Entertainment).

**(See Appendices E-O for labour force characteristics of these industries across the Toronto CMA)*

Employer survey, focus groups and employers’ casual comments. A survey of 105 employers in the surrounding employment areas (Northwest Etobicoke, Rexdale and Highway 400 Corridor) was undertaken, identifying their labour market and training needs, exploring their recruitment and job advancement practices, and canvassing their interest in work placement programs and in collaborative approaches to economic development. The survey sample was representative of the mix of industry sectors in the area and largely reflected the distribution of firm size (for firms with ten or more employees).

Three focus groups with employers were conducted, to probe the reasons behind some of the responses to the surveys. The focus groups were organized along several industry groupings: Manufacturing; Professional, Scientific & Technical Services, Pharmaceutical Manufacturing; and Customer Service (Accommodation & Food Services, Rental & Leasing Services and Retail Trade, and Sports/Gaming/Entertainment).

Interviewers also made note of other comments or asides that employers made during the course of administering the survey, not for the sake of attribution to a particular employer, but rather to get a further sense of their attitudes to the topics raised by the survey.

Basic findings:

- The proportion of part-time jobs and of entry-level jobs increases with the size of firm;
- Future vacancies for entry-level jobs projected higher demand for: basic customer service; basic factory worker; general labourer; vehicle operator; office worker; cleaning; and food services;

- Future vacancies for non-entry-level jobs projected higher demand for: managers; accounting; higher-level sales staff; higher level factory workers (die setter; machine millwright; technician); office worker; and nursing;
- Certain sectors had higher incidences of shift work, notably: Accommodation and Food Services; Health and Social Services; Manufacturing; and Rental and Leasing Services and Retail Trade;
- For entry-level work, employers are looking for basic English comprehension, communications and interpersonal skills significantly ahead of such competencies as computer skills or technical skills related to the occupation;
- For non-entry level employees, English comprehension, communication and interpersonal skills continue to rank highly, however other qualifications now emerge, including computer skills and technical skills specific to the job; as well, management skills are much more of a consideration;
- Employers maintained that Canadian experience was not a major consideration in evaluating prospective employees;
- When it comes to finding new employees, the old adage, “It’s not what you know, but who you know” still holds – word of mouth, employee recommendations and internal postings were very common techniques for finding new hires, although some employers were rethinking this approach; although employers received many applications through walk-ins, they were not satisfied with the results; employers were making greater use of temp or placement agencies, in large part to reduce costs (using temp agencies to accommodate spikes in demand, with agencies assuming employer contribution costs); many employers were not familiar with employment services offered by non-profit community agencies – in the survey and during the focus groups there were no negative reactions in response to community agencies, more so a complete lack of familiarity with their services, however their side comments during the survey interviews sometimes reflected a skepticism about the skills of individuals who “needed” to use non-profit employment services;
- Almost two-thirds (65.7%) of employers maintain that there are always or usually opportunities within their firms for entry-level employees to advance to more senior or more skilled positions; however employers also noted there were various reasons why employees might not take advantage of such opportunities, and those reasons seemed to vary considerably by industry sector;
- More than a third (37.1%) of employers indicated their interest in services or programs that could assist their firms in developing career ladders and training programs for entry-level employees to advance to more senior positions; among manufacturing firms, the interest is particularly high (51.7%);
- Two thirds (67.6%) of employers indicated that they required further training of their employees; almost all employers accept the responsibility for providing training for matters related directly to the workplace, especially with respect to such areas as product knowledge and technical skills, and to a lesser degree in relation to customer relations/sales skills, management training, computer skills and marketing skills; employers seem quite at a loss regarding how to address the need for English as a Second Language training and, to a lesser degree, literacy and/or numeracy training;

- Many employers (61%) participate in programs that offer individuals experience with the workplace, with student co-op programs being by far the more popular vehicle; among those that do not, half expressed interest in such programs;
- Local firms were interested in the idea of an area-based business association or industry association. Slightly over half indicated that they would very likely or would possibly participate in such an initiative.

Recommendations:

Recommendation 1

Based on the findings of the employer survey and focus groups, NERP should convene a series of working sessions to identify specific initiatives that non-profit agencies could undertake to meet the workforce needs of employers.

Recommendation 2

NERP should facilitate the ability of non-profit employment service providers to prepare promotional materials that could be used by all non-profit agencies to inform employers of their services, to develop an outreach strategy to employers, and to develop mechanisms to make these services more easily accessible and convenient to employers.

Recommendation 3

NERP should facilitate discussions among non-profit service providers to discuss ways to promote more coordination among their services, including joint projects and ways to increase referrals among these services.

Recommendation 4

NERP should develop a communications strategy to disseminate the findings of this report and its follow-through, to generate awareness of and momentum for the ensuing initiatives.

Recommendation 5

The design sessions with employers should form the basis of the next round of funding proposals on the part of NERP and/or its member agencies.

Recommendation 6

NERP should explore on behalf of its member agencies potential projects related to career bridging for foreign-trained professionals, with a view to facilitating a specific funding proposal in this area.

Recommendation 7

NERP should promote youth development programs, to ensure that all youth populations can access the array of youth employment services that exist in North Etobicoke.

Recommendation 8

NERP should consider exploring opportunities for further outreach and pre-employment programs that would target women facing barriers to employment.