



Data in your Food.



Rapid Results

EXECUTIVE REPORT

Rapid Results Survey Series
Survey 1: Focus on HR and Recruitment

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Food Processing Skills Canada

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Food Processing Skills Canada

FPSC is your labour, skills and workforce development non-profit organization. Our job is to provide leadership in professionalizing the food and beverage manufacturing industry so that the most important resource - people - are the best in the world. We have developed a national skills strategy which is a proven long-term approach successfully utilized by other Canadian professional sectors. This strategy builds collaborations with industry, government, academia, unions, associations, community organizations and other stakeholders.



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The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada.

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About



A new national panel of employers

in the Canadian food and beverage processing industry was established to collect real-time data on the most relevant issues, including recruitment and retention, supply chains and rising costs. Results will be shared across Canada to provide critical information to guide labour and employment solutions for the industry.

Food Processing Skills Canada is pleased to present this research, which will help both industry and governments make key business decisions quickly.

No more waiting to get the latest data.

Introduction

In response to demand for more current labour market information, Food Processing Skills Canada developed the **Rapid Results Employer Opinion Panel**. As G.I. Joe said, “knowing is half the battle” and getting up to date industry information gets you more informed to meet the challenges that you face. The panelists will be asked to complete 6 surveys, each with a different theme relevant to the industry. This is the first report in the Rapid Results Series and the theme is Human Resources and Recruitment.

Methodology & Survey Sample

This was designed to be a national panel covering all food and beverage processing sectors. It is conducted at the facility level to be able to capture differences in the size of facilities or the location of facilities. Each survey has 2 sets of questions, core questions that will be asked during every survey and theme questions asked during this specific survey.

The core questions cover:

- Size of facility
- Vacancies
- Departures
- New hires
- Starting wages
- Recruitment challenges
- Automation
- Business outlook

This survey’s theme questions cover:

- Onboarding processes
- Driving turnover
- Exit interviews
- Reasons for departure

The survey was administered from May 31 – June 21, 2023. The response rate was 59% (58 of 99 total Employer Panelists completed it).

In order to get a sense of recency, and track changes over the next year or so, we set the timeframe for many of the questions in this survey as “in the period between March 31, 2023 and now (now being June 2023)”.

While this sample is not representative of the entire industry, it does include a reasonable cross-section of it, based on size, region, and sub-sector.



Insights

FPSC Labour Forecast



FPSC has done a labour forecast separate from Rapid Results as another facet of our Labour Market Information.

It states that between now and 2030, 66,870 current workers are expected to retire. That is 22% of the current workforce.

Retirements accounted for only 12% of the turnover panelists experienced. This will increase over the next 7 years and the competition from other businesses will increase as well. This is why employee recruitment and retention is more important than ever before.

In addition to the pressure from retirements, our forecast found that there are significant opportunities for growth and another 25,700 workers will need to be added to allow employers to capitalize on these growth opportunities.

Adding to this challenge is the over 50,000 positions currently vacant. Vacancies are incredibly costly for industry – based on our research the current level of vacancies costs Canada’s food and beverage processing sector over \$3.4Billion in lost net revenue annually.

Current vacancies, new hires needed for growth, and projected retirements mean that Canada’s food and beverage processing sector needs 142,000 new people by 2030 to overcome the challenges and take advantage of the opportunities in front of it.

Key Findings



The theme for this survey was Human Resources and Recruitment. We had response rate of 59%, the majority of whom employ fewer than 150 people in their facility. 87% of respondents pay a starting wage for a frontline worker less than \$20/hour. On average employers paid \$2.63/hour more than their province's minimum wage.

The main sources of new hires were private job sites, used by 63% of respondents, and employee referrals used by 60% of respondents. Given the labour shortage finding workers is harder than ever, in fact 76% of respondents said their recruitment challenges had stayed the same or worsened. Recruitment challenges don't end with finding people either, there are a lot of challenges in finding the right people.

Respondents indicated that some of the challenges they encountered were a lack of applicants with proper training, with relevant experience, with interest in the positions, and appropriate wage expectations.

The current labour shortage doesn't only affect recruitment either. Other sectors and employers are also trying to recruit your workers. Respondents indicated that the two main drivers for employee departures is competition from manufacturers outside food and beverage manufacturing and competition from outside manufacturing all together. Retirements were only listed as a driver of employee departures by 12% of respondents, and we know that number will continue to rise. To help address areas like this conducting exit interviews is extremely important to understand why people are leaving, yet only a third of our respondents always conduct one.

Key Findings



Another way to boost retention is to have a robust onboarding program to integrate new hires into your workplace. Unfortunately, the majority of respondents onboarding processes clock in at under 10 hours. There is definitely a benefit in getting a new hire up to speed and working quickly, however many HR experts believe that to really boost retention rates onboarding processes should be significantly longer than 10 hours.

Another tool to help deal with the labour shortage is automation. We looked at five areas in which businesses could automate processes to improve productivity and mitigate labour shortages. They are: Sales & Marketing, Core Production, Business Operations, Human Resources, and Training.

At least a third of respondents had automated something in each of these areas in the last 2 months, with more than half of the respondents planning to automate more in the next 6 months in core production, training, and business operations.

In the context of the labour shortage and despite worsening recruitment challenges 81% of respondents are optimistic about the future of their businesses and 75% are optimistic about the future of food and beverage processing sector. This is a resilient industry ready to meet the challenges it faces head on.

“More than 50% of respondents plan to invest in automation, digitization, or wireless interconnectivity for their core production in the next 6 months.”



Insights



Recruitment & Hiring Challenges

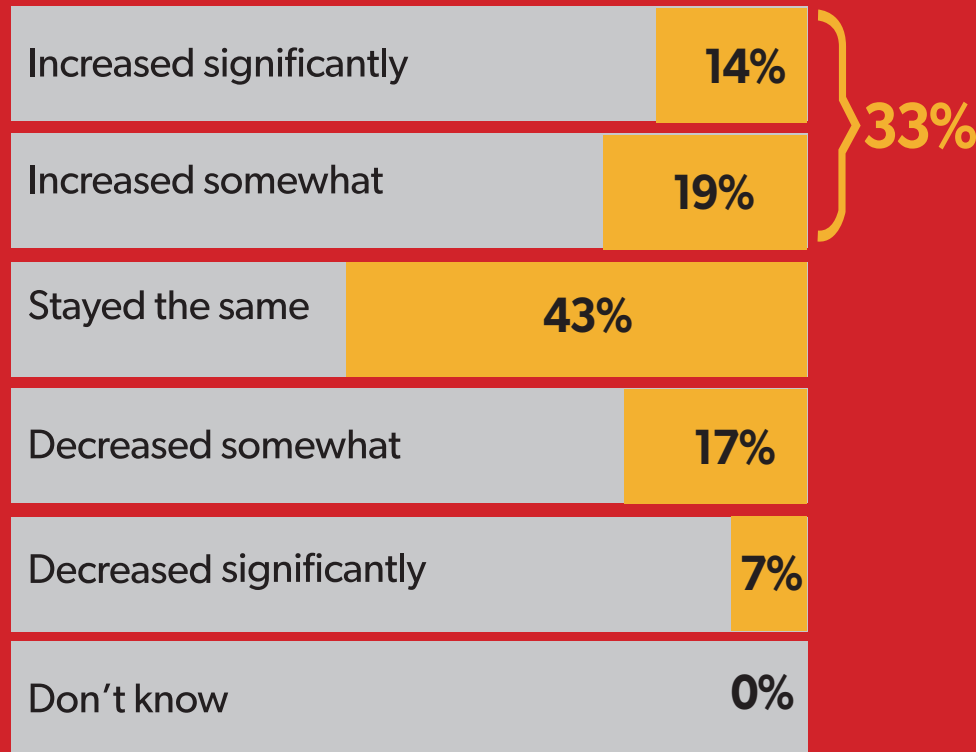
We learned that in this period, recruitment challenges have increased or stayed the same for the vast majority of employers (76%). The biggest challenges for recruitment of both production and non-production workers are the lack of applicants with relevant experience & lack of applicants with proper training/certificates.

The research looked at onboarding, employee exit practices and some features of turnover. What we learned is that in the food and beverage processing sector, employees seem to be onboarded quickly, usually in less than 10 hours. This finding has raised several other questions, such as how length of onboarding affects turnover, which we will do a deep dive on in another round of research in the year ahead.

Recruitment Challenges

A majority of facilities have indicated that their recruitment challenges have stayed the same or worsened in the last 2 months (March 31 – May 31, 2023). This is not surprising given the labour shortage. One surprising statistic is that **17%** of companies reported no vacancies!

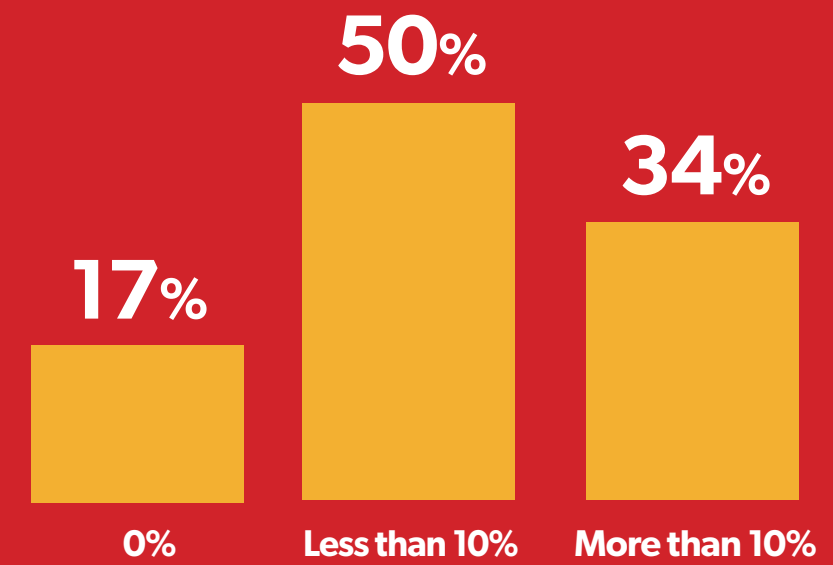
Q. Would you say that recruitment challenges have increased or decreased?



76%
say challenges have increased or stayed the same

24%
say recruitment challenges have decreased

Vacancy Rate



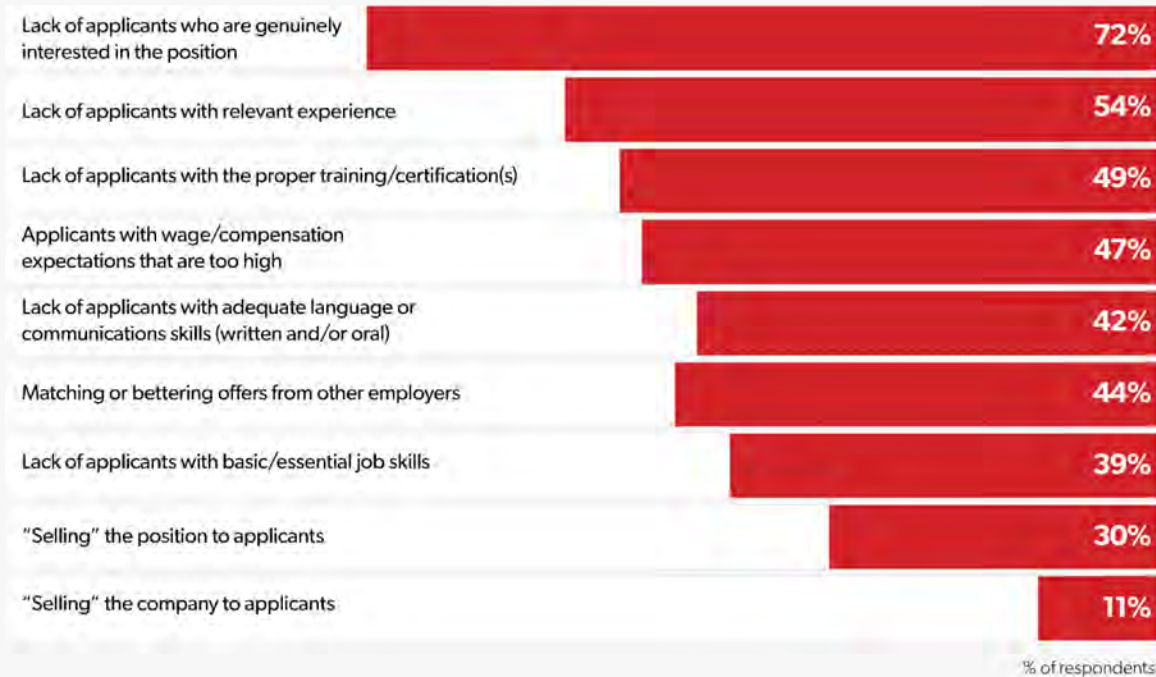
Hiring Challenges



The biggest challenges for recruitment of both production and non-production workers are the lack of applicants with relevant experience & lack of applicants with proper training/certificates.

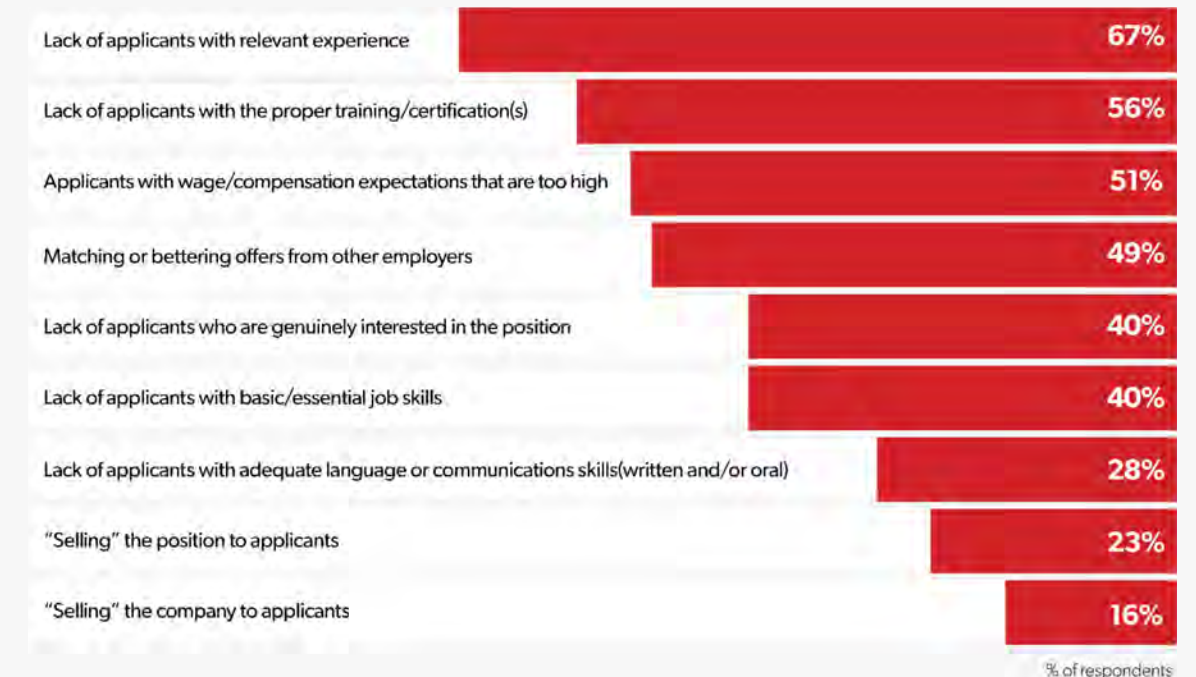
Q. How much is each of the following when it comes to hiring people to work in production?

Challenges for hiring people for **production** work



Q. How much is each of the following when it comes to hiring people to work in positions **other than production**?

Challenges for hiring people for **non-production** work





New Hires

86% of respondents hired new staff in the survey period. There was a large preference for traditional domestic hiring sources such as private job boards and referrals from existing employees. This lines up with FPSC’s previous perceptions research that found friends & family and employers were the most trusted sources for learning about new opportunities. It also showed that job search sites and company websites were two of the top places people looked for new jobs.

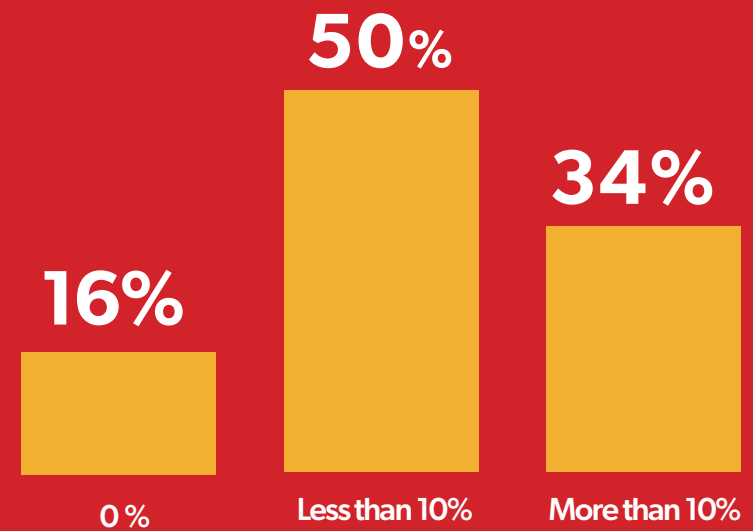
Q. What sources have your new hires come from?

Applications received through private job sites	63%
Employee referrals	60%
Temporary Foreign Worker Program (TFW)	25%
Applications received through Government job sites	23%
Work integrated learning program	15%
Provincial Nominee Program (PNP)	4%
Government employment programs for underrepresented groups	4%
Other	19%

49%
of the general public trust job opportunities from family and friends.

55%
of the general public use job search websites for career opportunities.

New Hire Rate



This is percentage of the workforce that are new hires between March 31 and Survey Completion

* Respondents could select from multiple answers



Insights

Onboarding



The research looked at onboarding, employee exit practices, and some features of turnover. What we learned is that in the food and beverage processing sector, employees seem to be onboarded quickly, usually in fewer than 10 hours. This finding has raised several other questions, such as how length of onboarding affects turnover, which we will do a deep dive on in another round of Rapid Results research.

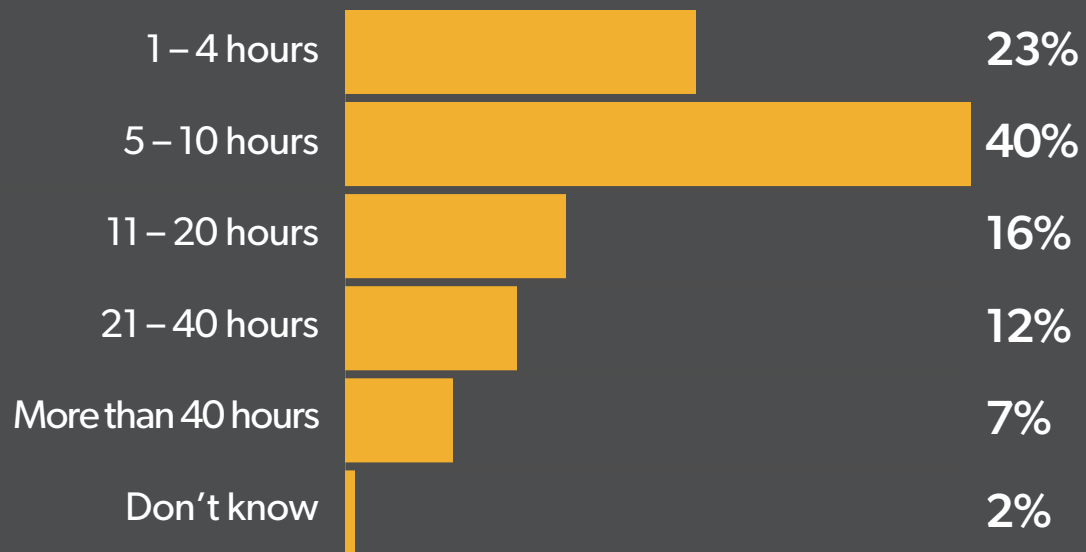
With onboarding there are two sides of the equation, the employer side and the employee side. From the employer perspective you want to make sure that new hires can function safely, feel engaged and fully understand their role. From the employee perspective they want to emerge from the onboarding process feeling like they belong, know how to succeed in their new role and understand the vision of your organization.

There are many different approaches to onboarding that are utilized in the workplace today. Find the one that works for you.

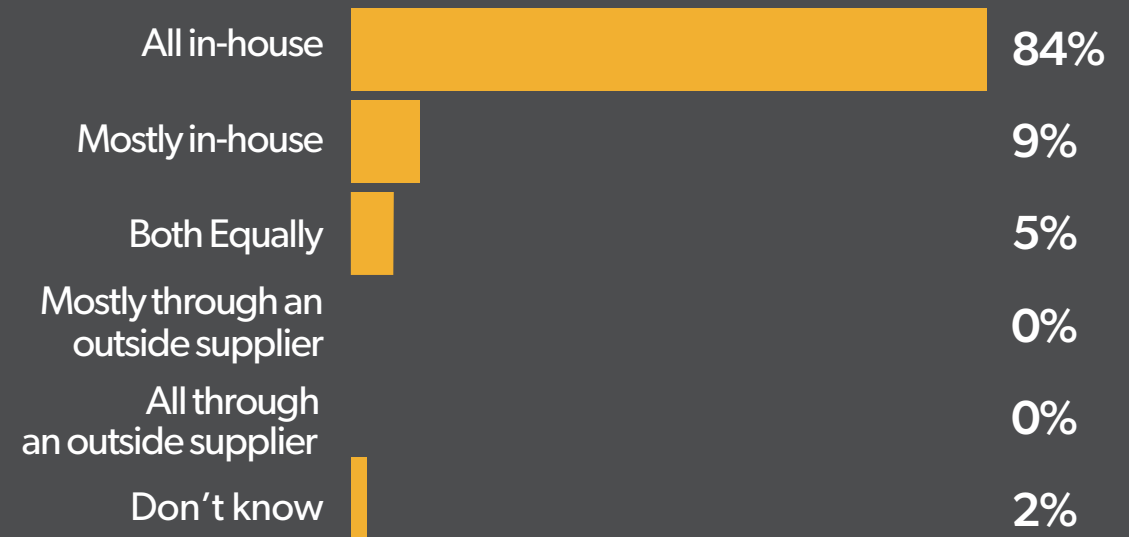
Onboarding

Most respondents indicated that they provided fewer than **10** hours of onboarding for new hires, with only **8%** of respondents taking more than **40** hours of onboarding. An overwhelming majority of respondents indicated that all of their onboarding is done in house.

Q. Approximately, how long is the onboarding period for your new production workers?



Q. How much of your onboarding process for new production workers is conducted in-house vs through an outside provider?



Organizations with a strong onboarding process improve new hire retention by **82%**, productivity by over **70%**, and saw a **60%** year-over-year improvement in revenue.

– Oak Engage, a UK-based Workforce Communications firm



What are Others Saying About **ONBOARDING?**

According to Bamboo HR, a US based HR Support company, **91%** of new hires who received an effective introduction to company culture training feel connected to their workplace—compared to just **29%** who say their onboarding experience was lacking.

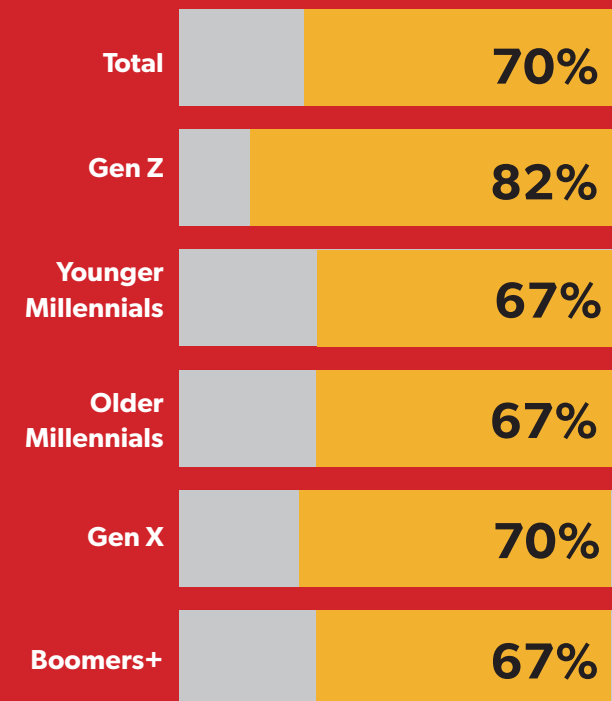
ADP Canada found that 69% of workers are more likely to remain with their employer for three years if they were engaged by a robust onboarding experience. As well as **54%** of employers with active onboarding programs are seeing higher employee engagement.

A robust onboarding process equips employers to better deal with unqualified applicants and retain them, which **74%** for production work and **68%** for non-production work was identified as a challenge. Best practices for onboarding state that onboarding doesn't end when a new hire can work at the facility, it is an ongoing process that can range from 3 months – 1 year, until the new hire is integrated into the workplace and workplace culture.

“78% of employees want to know about their company’s objectives and plans.”

– FPSC’s Working Together Report 2020

Across generations most people want the opportunity to try different jobs within the organization.



– FPSC’s Working Together Report 2020



Insights

Starting Wages

Wages were varied across the country, with nearly half (47%) of panelists indicating that a starting wage for a frontline worker would be between \$16 and \$17.99.

16% of employers were in the bracket below \$14.00 to \$15.99, while more than a third (37%) of employers paid more than \$18.00 to start.

To better understand the wages we looked at the wages compared to the minimum wage in the panelists provinces. We found the average starting wage among our panelists was \$2.63 above the minimum wage. Alberta, Saskatchewan, and Newfoundland were all paying starting wages over \$3.00 an hour more than their province's minimum wage.

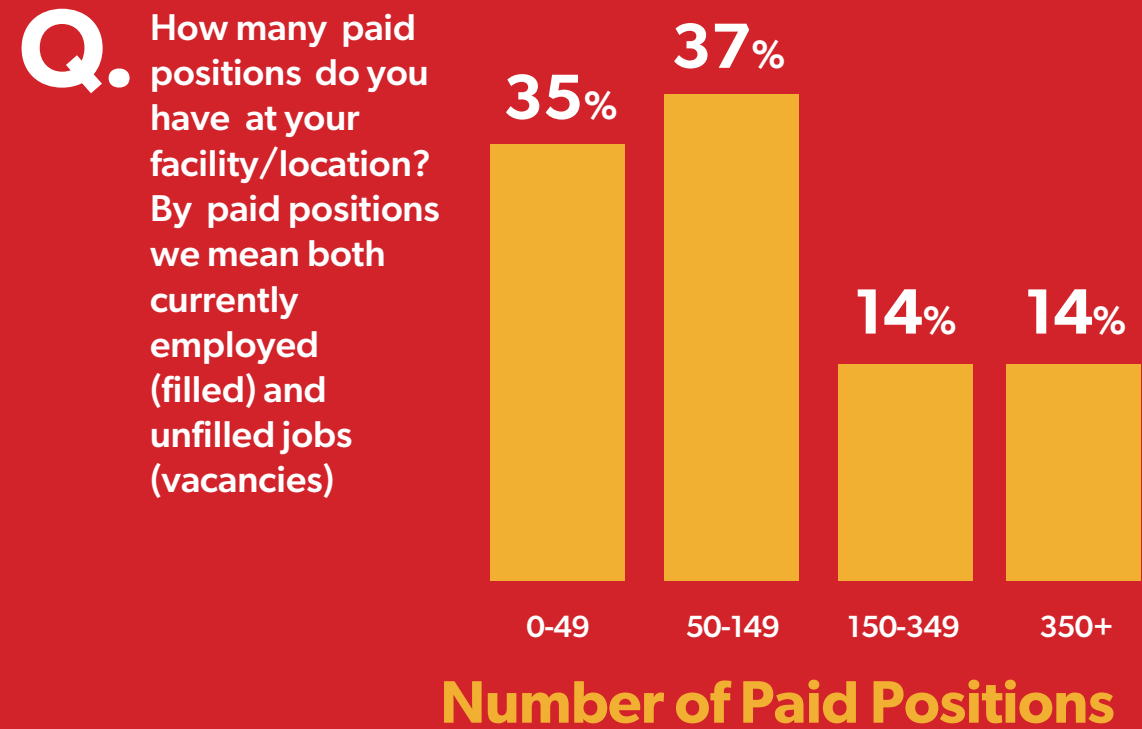
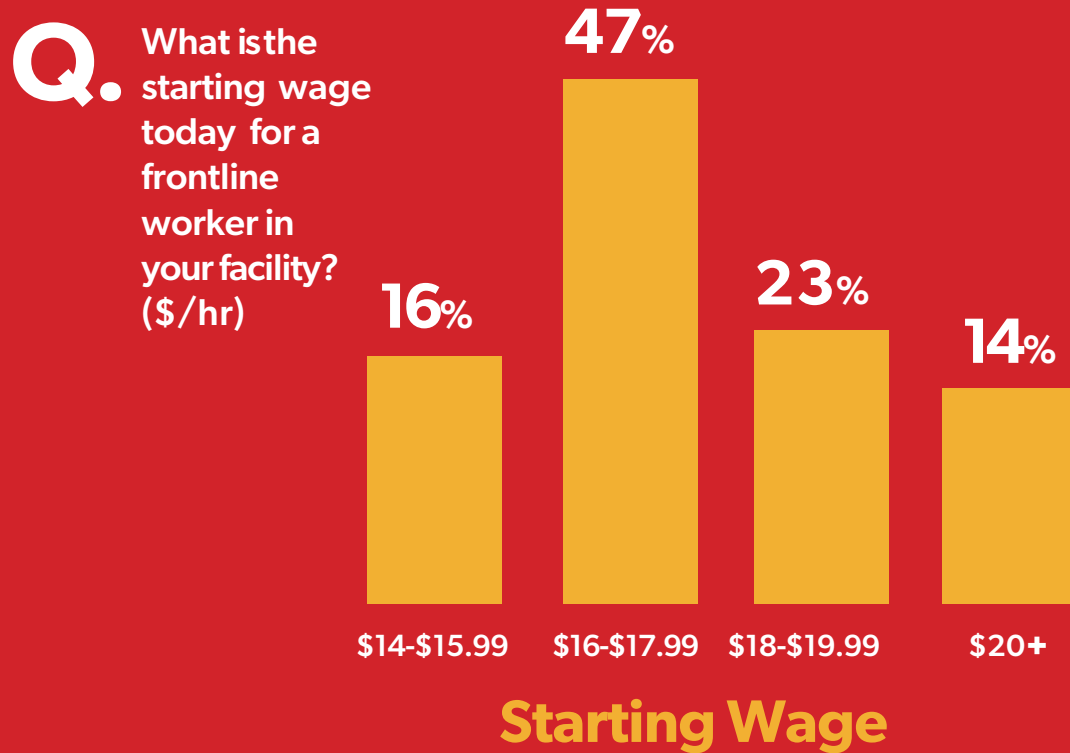
Ontario, Nova Scotia, Manitoba, Saskatchewan, and PEI are all due to have their minimum wages increased in October 2023. The Rapid Results Survey Series will continue to monitor starting wages to see what effect these changes have on industry starting wages.





Starting Wages

Starting wages are often the first thing a potential recruit wants to know and there is a large variance in wages offered with **16%** of respondents paying under \$16/hr and **14%** paying more than \$20/hr. Wages are better understood in the context of their province as minimum wages vary across the country. **70%** of respondents have fewer than **150** paid positions, which reflects the national situation.



Vacancy rate disclaimer – This is the percentage of the positions that were vacant at the time of the survey.

Average **Starting Wages** are higher than minimum wages in every province.

\$17.50
Panelists' AVERAGE NATIONAL starting wage

\$2.63
Panelists' AVERAGE ABOVE minimum wage

Province	Panelists Average Starting Wage	Provincial Minimum Wage	Amount above Minimum Wage
British Columbia	\$17.60	\$16.75	\$0.85
Alberta	\$18.50	\$15.00	\$3.50
Saskatchewan	\$16.20	\$13.00	\$3.20
Manitoba	\$16.10	\$14.15	\$1.95
Ontario	\$17.90	\$15.50	\$2.40
Quebec	\$17.90	\$15.25	\$2.65
New Brunswick	\$17.00	\$14.75	\$2.25
Nova Scotia	\$16.70	\$14.50	\$2.20
Prince Edward Island	\$16.50	\$14.50	\$2.00
Newfoundland and Labrador	\$17.90	\$14.50	\$3.40



Insights



Turnover & Exit Interviews

When we asked about the reasons for turnover, we learned that it is driven mostly by competition from outside the manufacturing sector (51%) and competition from other manufacturing sectors (53%) illustrating labour market tightness across the entire economy and the fierce battle for talent. There is less competition from within the food and beverage processing sector (33%).

We also learned that for most facilities, when an employee leaves, there are no formal exit interviews (only 33% always conduct one). Exit interviews, if done consistently, can pinpoint opportunities for employee development, generate insight into management issues, allow employers to stay up to date with compensation and benefits expectations and strengthen the employer brand.

Turnover

Competition from employers outside food and beverage manufacturing is driving turnover. With other manufacturers being identified by **53%** of respondents and non-manufacturing employers being identified by **51%**.

Q. How much would you say each of the following is driving employee turnover in your company?

Drivers that contribute to Turnover



51%

Competition from outside the manufacturing sector



53%

Competition from manufacturers outside the food and beverage processing industry



33%

Competition from other food and beverage processors



26%

Employees leaving to get more education/training



12%

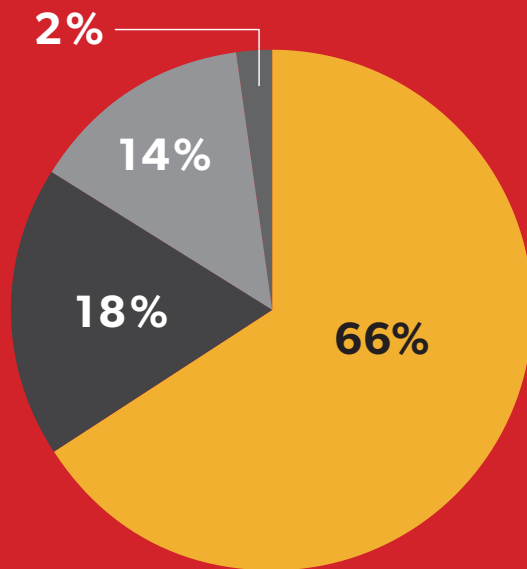
Retirement

Exit Interviews

When an employee is leaving it is valuable to determine their reasons for doing so. **67%** of respondents always determine the reason an employee is leaving their organization. One valuable tool for gaining this information and other insights is an exit interview. **33%** of respondents always conduct exit interviews. Especially as **79%** of respondents saw people leave their organization in the period covered by the survey.

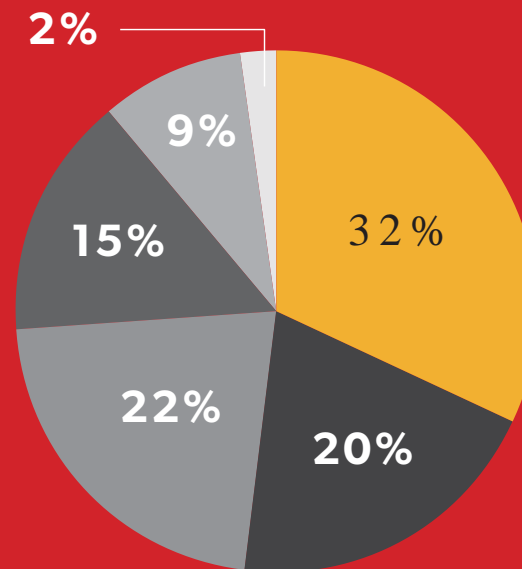
Q. When an employee resigns, does your company usually ask /determine why they are leaving (e.g., to work for a competitor, go back to school)?

Determining Reason for Resignation

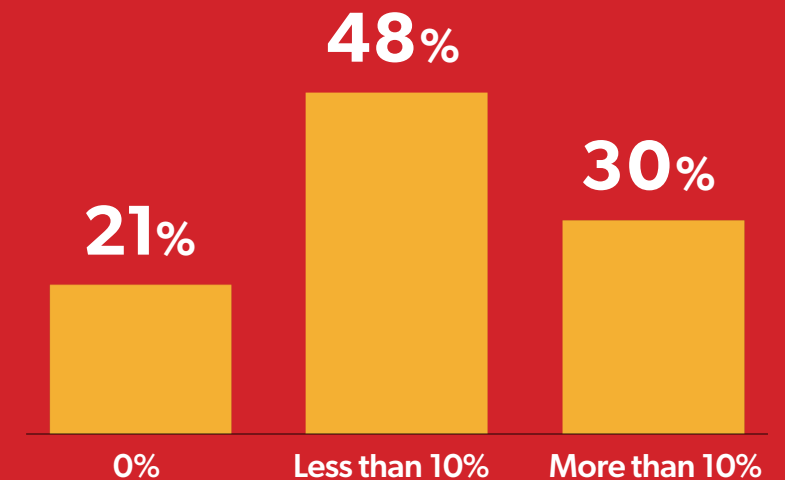


Q. How often does your company conduct exit interviews?

Conducting Exit Interviews



Departure Rate



This is percentage of the workforce that departed between March 31 and Survey Completion

Always Often Sometimes Rarely Never Don't know

Insights

Business Outlook



Most respondents are optimistic about their business (81%) and the future of the Canadian food and beverage processing sector (75%). The majority also expect revenues to increase over the next year (67%) and many are investing in innovation (and expect to continue to over the next six months).

This optimism is encouraging. Having this outlook about one's business can be beneficial in several ways. This optimism could be the foundation needed to stay motivated and focused on goals, to help businesses make better decisions, to attract customers and innovators to businesses, and to ultimately create and foster a positive work environment.

In future rounds of research, we will dig deeper and put a spotlight on optimism in the sector as well.



Panelists are optimistic about the Future

More than half of respondents felt that current supply issues are negatively affecting business and that hiring and retaining people is more challenging. Respondents also believe that the industry will overcome these challenges as **75%** are optimistic about the future of the industry and **81%** are optimistic about the future of their business.

Q. Please indicate whether you agree or disagree with each of the following statements.

- I'm optimistic about the future of the Canadian food and beverage processing sector
- I'm optimistic about the future of our business
- Supply chain issues are having a major negative impact on our business
- It's getting more challenging to hire people
- It's getting more challenging to retain people

Panelists are overwhelmingly optimistic...

81%

optimistic about the future of their business

75%

optimistic about the future of this sector in Canada

While there are challenges ...

58%

agree that it's getting more challenging to hire and retain people

53%

agree that supply chain issues impact business negatively

Business Outlook | Innovation

Automation, Digitization, and Wireless interconnectivity are vital methods that businesses can use to become more efficient and overcome labour shortages. While it isn't possible for every employer to find these efficiencies in every area of their operation, **30%** of respondents had made investments in each of the **5** areas of innovation that we looked at. Furthermore, over half of respondents have planned investments in **3** of the **5** areas in the next **6** months.

Q. Since March 31st, 2023 has your business invested in automation, digitization or wireless interconnectivity in the following areas?

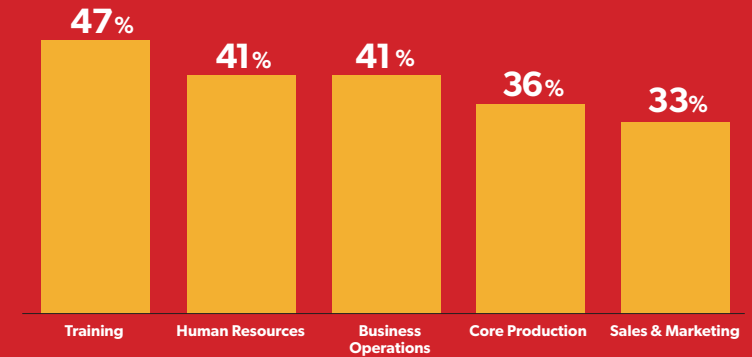
40%
of panelists invested in some area of innovation in the 2 months preceding the survey.

Over **50%**
of panelists plan to invest in some area of innovation at their facility in the next 6 months.

Q. Over the next six months, do you expect your business to invest in automation, digitization or wireless interconnectivity in the following areas?

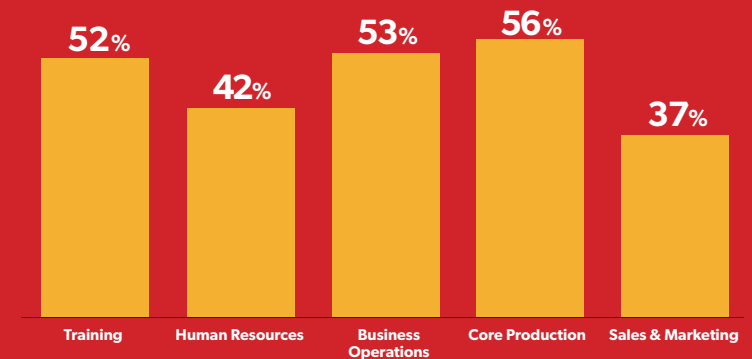
Investments in Innovations*...

*Since March 31, 2023



Planned Investments in Innovations*...

*Over the Next Six Months



* automation, digitization, wireless interconnectivity

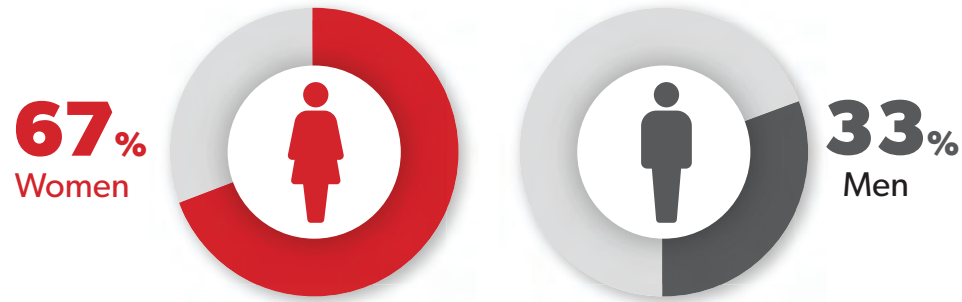


 Rapid Results

Background Profile of Employer Panelists

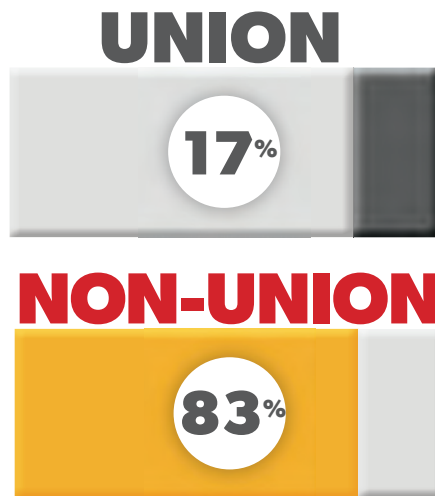


Respondents Profile



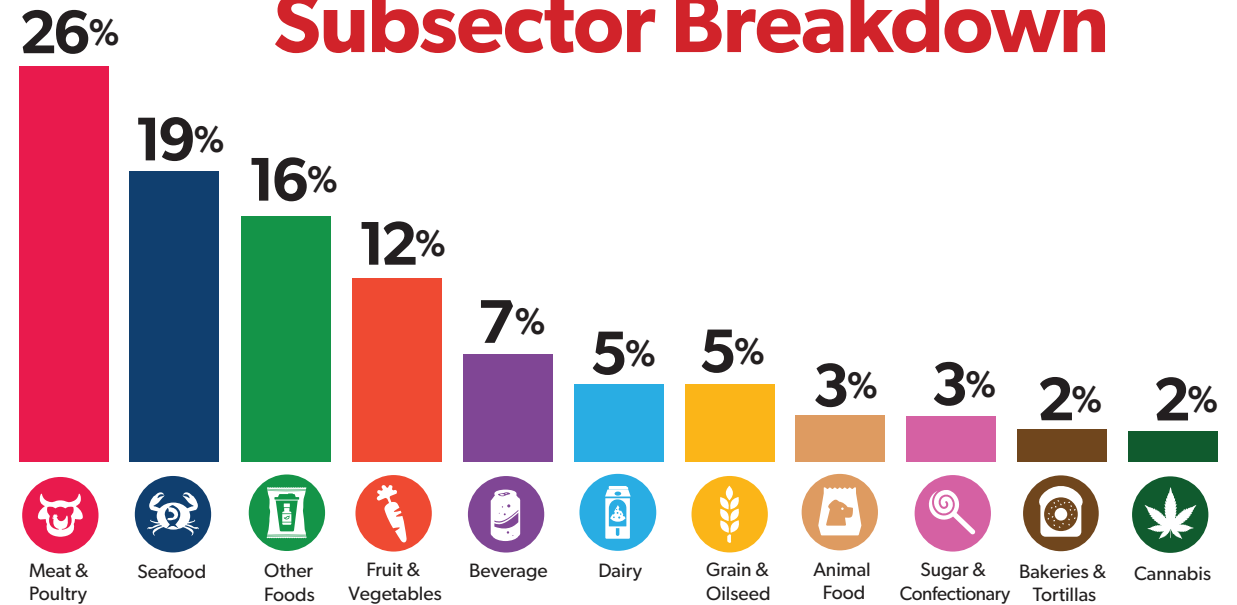
Mix in Age and Education

Panelists with Unionized Workforces

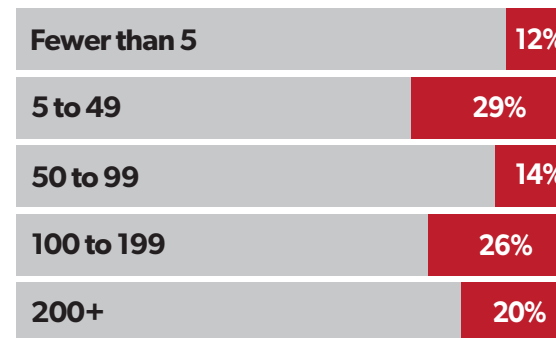


The Canadian Manufacturing Unionization rate for the same period is 23%.

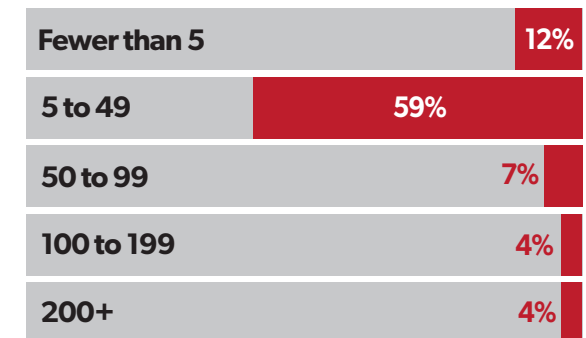
Subsector Breakdown

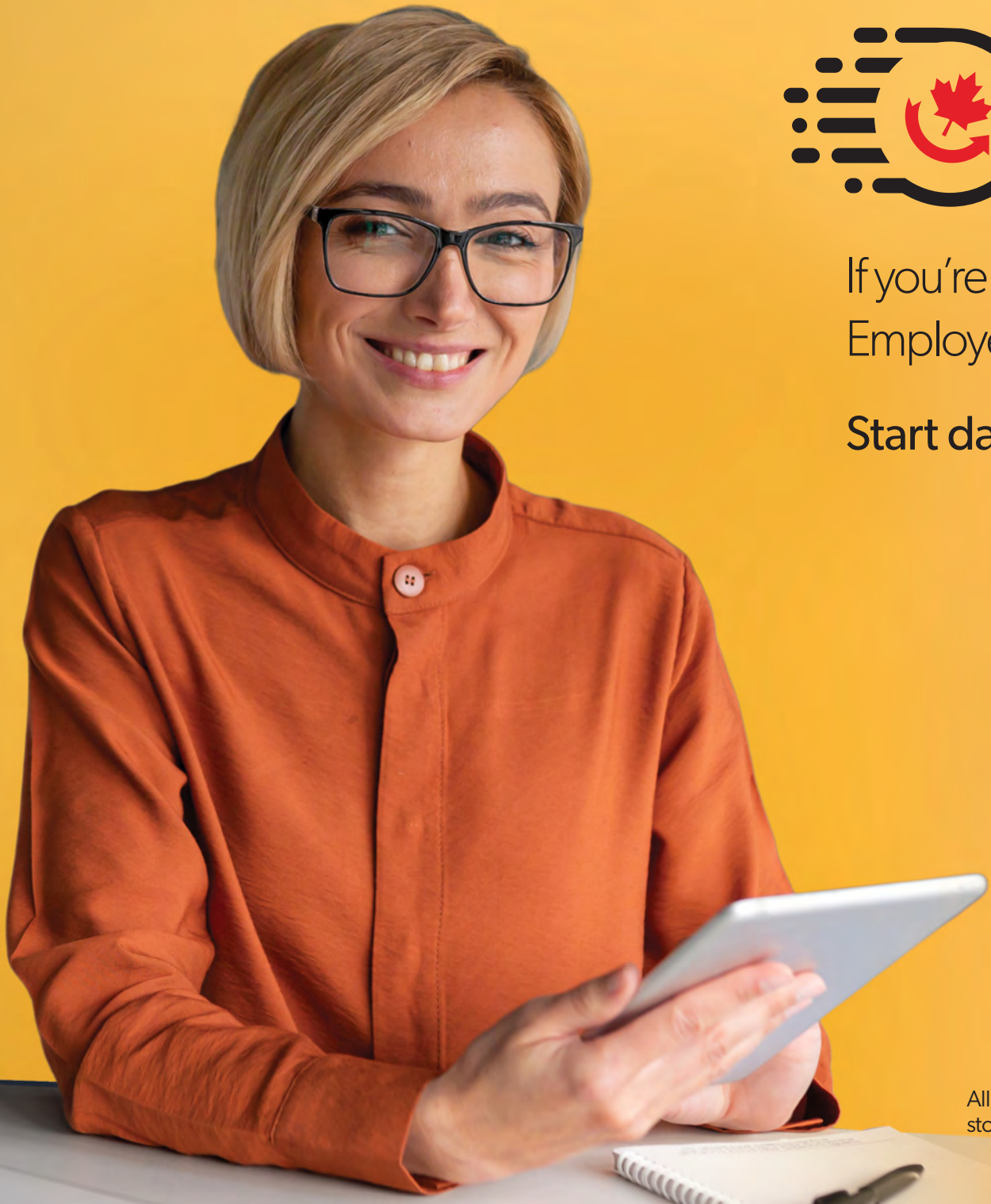


Panelist Size of Facility Breakdown



National Size of Facility Breakdown





Rapid Results

If you're not already signed up to participate in the Rapid Results Employer Panel sign up now at **rapidresults.ca**

Start dates for Rapid Results surveys:

-  **May 31, 2023**
-  **July 31, 2023**
-  **September 30, 2023**
-  **November 30, 2023**
-  **January 31, 2024**
-  **March 31, 2024**



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