

**Collaborating for Competitiveness:
Tech Sector Recruitment Strategy
(Implementation Action 4A)**

Date:	August 27, 2013
To:	Economic Development and Culture
From:	Mike Williams, General Manager, Economic Development & Culture
Wards:	All
Reference Number:	

SUMMARY

This report responds to Economic Development Committee's request to the General Manager, Economic Development & Culture to develop a strategy to assist small Toronto-based firms in the Tech sector with their recruitment efforts.

In recent years the City has developed three key strategies -- *Collaborating for Competitiveness*, *Strong Neighbourhoods 2020*, and *Working as One: A Workforce Development Strategy for Toronto* – that collectively work to sustain and advance economic growth, ensure all communities share in the opportunities that are created, and better connect jobseekers and employers. All three strategies work in a complementary and integrated manner to advance the City's objectives and provide improved services to businesses and residents directly and in partnership with others.

In keeping with these strategic direction, this report proposes developing a Technology Sector Employment Plan, that will include a number of specific recruitment strategies, By moving forward in this way, the City will better address the recruitment needs of the technology sector and help job seekers secure gainful, quality employment.

This approach will strengthen the industry within the city and help to forge relationships between employers, colleges, universities and other education providers, recent graduates, recruitment firms, youth, newcomers, and residents of Neighbourhood Improvement Areas.

RECOMMENDATIONS

The General Manager, Economic Development and Culture recommends that:

- 1) Economic Development & Culture staff work in partnership with Social Development, Finance & Administration, Employment and Social Services, and representatives from the technology sector to develop a Technology Sector Employment Plan that will identify a range of opportunities to connect job seekers, educators, trainers, employers and recruitment firms, including tech sector job and career fairs, and a workshop forum for recruitment firms specializing in the Tech sector.

Financial Impact

There are no financial impacts resulting from the adoption of this report.

DECISION HISTORY

This report responds to the direction of City Council (July 16 – 19, 2013) and the Economic Development Committee (June 25, 2013) to develop a recruitment strategy to assist small Toronto-based Tech sector firms with their recruitment, space and expansion efforts.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.ED23.2>

A separate report will be submitted regarding physical space for new companies and their needs.

ISSUE BACKGROUND

The Tech sector in Toronto is a burgeoning cluster of small, medium and large companies that contribute greatly to the City's overall economy. The 12,000 Tech sector firms located in the Toronto CMA employ over 178,000 people, about 60% of total Tech sector employment in Ontario. Toronto's technology sector is also an essential enabler and economic driver of virtually all other sectors of Toronto's economy, including financial services, life science, renewable energy, film & television, digital media and advanced manufacturing. For example, it is estimated that about one-third of Financial Services sector employees (~42,000) are in technology related jobs.

It is crucial that Toronto continue to remain at the leading edge of this sector and retain its position as an attractive location for tech businesses to locate and expand their operations.

The Tech sector itself is very diverse with many niche companies specializing in software development, video gaming, mobile technology, digital platforms, cyber-security, graphic user interface (GUI) development, informatics/business systems, and others.

The expanding Tech sector and the expanding use of technology among all other industries has significantly increased the demand for employees with technology skills and thus made recruiting talent extremely competitive. Small and medium sized enterprises (SMEs) in particular have difficulty recruiting top talent. Major firms with large Human Resource departments that have resources and connections spread around the globe are in a much better position to identify, engage and recruit talent. However, even many of these international corporations are having difficulty finding sufficient tech sector staff.

Technology firms are defined in the chart below.

**ICT Establishment by Business Size
(Toronto CMA)**

Business Size	2010	2011	2012	
Micro-enterprises	8,698	9,236	9,708	75%
Small (5-99 employees)	2,823	2,811	2,824	22%
Medium (100-499 employees)	204	207	223	2%
Large (500+ employees)	39	39	38	1%
Total	11,764	12,293	12,793	100%

Source: Canadian Business Patterns, (Dec 2010, Dec 2011, Dec 2012).

The demand for tech development jobs is fierce. Toronto companies are competing not only with each other and with firms in other sectors, such as Financial Services, but also with other jurisdictions south of the border and around the world to attract and retain the best and brightest.

The digital economy will continue to offer employment opportunities. On a monthly basis, there are about 3,000 new job postings for Computer and Information Systems Professionals in the Toronto CMA. (Source: Wanted Analytics). From a national perspective, Ontario is Canada's ICT leader and produced 45% of the total Canadian ICT output in 2013 Q1. Toronto accounts for 60% of Ontario's share of this contribution.

Employment in tech occupations, among those aged 25 or younger across Canada saw a large quarterly increase of 5,000 in 2013 Q1. That level is an astonishing 45% higher than a year ago in 2012 Q1. And yet, only 6% of all ICT jobs are held by these youth currently, compared to 13% of the jobs held by youth below 25 in the overall economy. The jobless rate among those aged 25 or younger in Canada is 14.0%. In ICT occupations, joblessness among this age group is an infinitely lower 4.3%

(Source: ICTC *Strengthening Canada's Digital Advantage* – Summer 2013
http://www.ictc-ctic.ca/wp-content/uploads/2012/03/ICTC_SCDA_Summer2013.pdf)

COMMENTS

In recent years, the City has developed and put in place a more coherent strategic framework to sustain and advance economic growth, ensure all communities share in the opportunities that are created, and better connect jobseekers and employers. Notably, three key strategies, *Collaborating for Competitiveness*, *Strong Neighbourhoods 2020*, and *Working as One: A Workforce Development Strategy for Toronto* have been established which while they have a unique focus and independent goals, collectively form the basis of a comprehensive and integrated City approach.

Working as One, which was unanimously adopted by Council in March 2012, sets out a pragmatic approach to ensuring that services for employers and jobseekers are better aligned, more accessible, and more efficient. The strategy complements the City's ongoing work with key sectors to develop employment plans and recruitment strategies specific to their needs and to increase the skills and employability of residents. A subsequent report in April 2013 provides an update on the progress achieved to date and important next steps.¹

SDFA administers the Youth Employment Partnerships (YEP), an initiative established to create and support a network of non-profit youth employment agencies that offer job placement services to employers across Toronto at no cost. The YEP network of agencies has access to a large pool of young people who are ready and eager to gain work experience. The YEP network has the capacity to offer a variety of services to employers to meet their hiring needs on a city-wide scale such as organize job fairs, provide wage subsidies (where available) and build partnerships with specific trade and industry sectors. The YEP network serves as a good model for this work.

SDFA, TESS, and EDC are also currently collaborating on the development of a on a job quality assessment tool that includes a living wage standard and considers skills and training opportunities, working conditions, and other determinants of job quality.

The City's priorities in undertaking this work are first and foremost to ensure gainful, quality employment opportunities exist for all Toronto residents. Secondly to ensure that fairness and equity for all segments of Toronto's population have equal opportunity to benefit from employment in all sectors and industries of Toronto's economy. The third priority is to provide opportunities for job-seekers to gain meaningful skills, education and workforce training to help them secure employment.

A previous report from TESS identified three approaches to effectively building connections between Toronto employers and job seekers: Conventional Job Fairs, Career Information Fairs, and Customized Recruitment
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.ED1.9>

¹ "Implementing Toronto's Workforce Development Strategy: Progress to Date and Necessary Next Steps", available at <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.ED20.2>

The focus of the Tech sector recruitment strategy for small business is to harness all three of these approaches and build on the collective strength of the industry.

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SIGNATURE

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