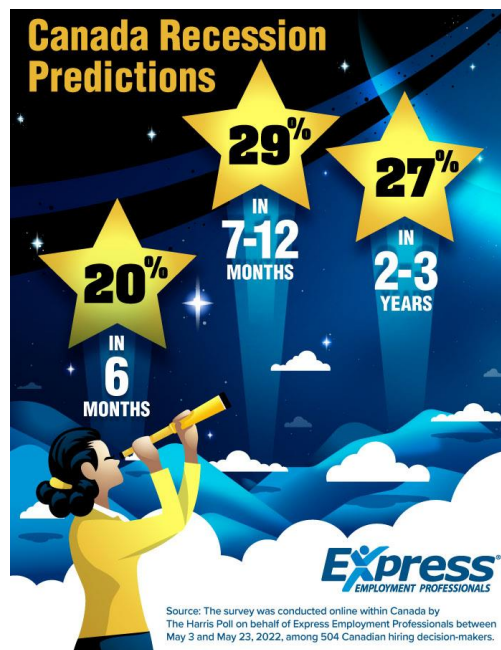


Canadian Businesses Remain Optimistic Despite Looming Recession

Unlike Previous Recessions, Hiring Expected to Continue

TORONTO, July 13, 2022 — Canadian companies are optimistic about their future in the face of a looming recession, according to a new recent survey from The Harris Poll commissioned by Express Employment Professionals.

Half of Canadian companies (48%) think a recession will happen within the next year, but most (62%) say they are confident they can survive.



Companies don't appear poised to pump the brakes on hiring like in previous recessions, as 25% say they will continue to hire as planned, and another 25% will continue to hire but less than originally anticipated. A fifth (19%) say they would hire more part-time as opposed to full-time employees.

A recession would still have a significant impact on Canadian companies, though. More than half (53%) say a recession would have a major/moderate impact on their company, and a fifth (20%) of companies say they would freeze all hiring efforts.

Niven Lee, an Express franchise owner in Delta, British Columbia, thinks if there is a recession, it will be more like an economic slowdown than a traditional recession.

“Consumer savings and business cash positions remain high so demand will still continue, albeit lower,” said Lee. “In addition, there are many large capital projects that were delayed due to the pandemic that have secured funding and will proceed as planned even if there is a slowdown.”

James Norris, an Express franchise owner in London, Ontario, says unlike previous recessions, hiring is not likely to be impacted drastically.

“The labour market is vastly different now than it was during previous recessions as there have never been so many open positions in Canada, and many companies are still finding it incredibly hard to fill these positions,” said Norris. “It truly is a candidate’s market, which is why companies are seeing more and more people leave their positions for a more attractive role elsewhere. So, while in previous recessions, companies have always been very quick to let go or downsize, I believe there will be a lot of hesitancy in doing so due to the difficulty in hiring over the past number of months.”

Norris adds that, unfortunately, it is workers in those industries that were hardest hit during the pandemic—such as travel, entertainment and hospitality—that would be most negatively impacted by a recession, as Canadians would cut back on non-essential spending first.

Lee says some companies have already started slowing down their hiring plans while they wait to see where the economy is heading in the coming months. Nevertheless, he agrees with Norris that companies will continue to hire.

“There is still a long-term systemic skills shortage, so while a recession may slowdown the process, companies will continue to hire as they still need to replace their greying workforce and hire workers more suited to an increasingly technological workforce,” said Lee.

Both advise employers to prepare *now* for a looming recession.

“Companies need to ensure they are taking care of their own employees so they can retain the most talented and valuable individuals,” said Norris. “Companies also need to look at investing in training those most valued employees so they can get more out of them, which will be incredibly important should a recession happen.”

He adds that taking care of customers is also extremely important.

“Many companies were short staffed during the pandemic. People generally accepted less service as the norm, and some companies have not yet shifted back to showing great care for their customers,” said Norris. “Companies who shift back into a true customer service model of treating all of their customers with the upmost respect, honesty and provide a great product or service now, will be the ones customers remember when times are tough.”

Lee says companies need to look at how they plan to use automation.

“There is a tsunami of change occurring with respect to AI and automation, and companies need to automate more processes now so that they can reduce one of their biggest headaches which is labour,” said Lee. “This is not to say there should be layoffs, rather, companies should look into using automation for jobs requiring routine tasks and duties, while re-training and reallocating the staff they have to those tasks that create greater value to the client.”

Increasing chatter around the possibility of a recession can be beneficial for workers and businesses as it allows them time to prepare, according to Express Employment International CEO Bill Stoller.

“Predictions surrounding the length and impact of a recession vary widely, reinforcing the unusual hiring circumstances absent from previous economic slowdowns,” he said. “No matter the conditions, it’s wise to plan now for a likely recession ahead.”

Survey Methodology

The survey was conducted online within Canada by The Harris Poll on behalf of Express Employment Professionals between May 3-23, 2022 among 504 Canadian hiring decision-makers (defined as adults ages 18+ in Canada who are employed full-time or self-employed, work at companies with more than one employee and have full/significant involvement in hiring decisions at their company). Data were weighted where necessary by company size to bring them into line with their actual proportions in the population.

If you would like to arrange for an interview to discuss this topic, please contact Ana Curic at (613) 858-2622 or email Ana@MapleLeafStrategies.com.

About Bill Stoller

William H. "Bill" Stoller is chairman and chief executive officer of Express Employment International. Founded in Oklahoma City, Oklahoma, the international staffing franchisor supports the Express Employment Professionals franchise and related brands. The Express franchise brand is an industry-leading, international staffing company with franchise locations in the U.S., Canada, South Africa, Australia and New Zealand.

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