



Internet job postings in the London Economic Region* - quarter two of 2015

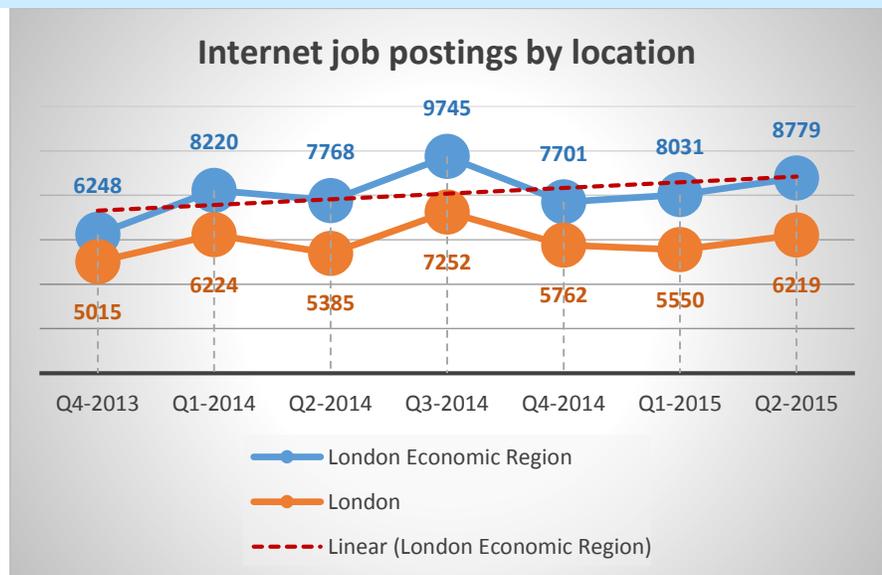
Highlights:

- By location
- By job type
- By job duration
- By occupation
- By skills' level
- By experience
- By source

* London Economic Region includes Elgin, Middlesex and Oxford counties of Ontario.

Location

During the second quarter (Q2) of 2015 the number of job postings increased in the London Economic Region. As illustrated in Figure 1, one could observe 9.31 percent increase in the number of postings during Q2-2015 relative to Q1-2015 and 13.01 percent increase in the number of postings during Q2-2015 relative to Q2-2014. Overall, since the beginning of monitoring the job vacancies posted on the Internet (October 2013),



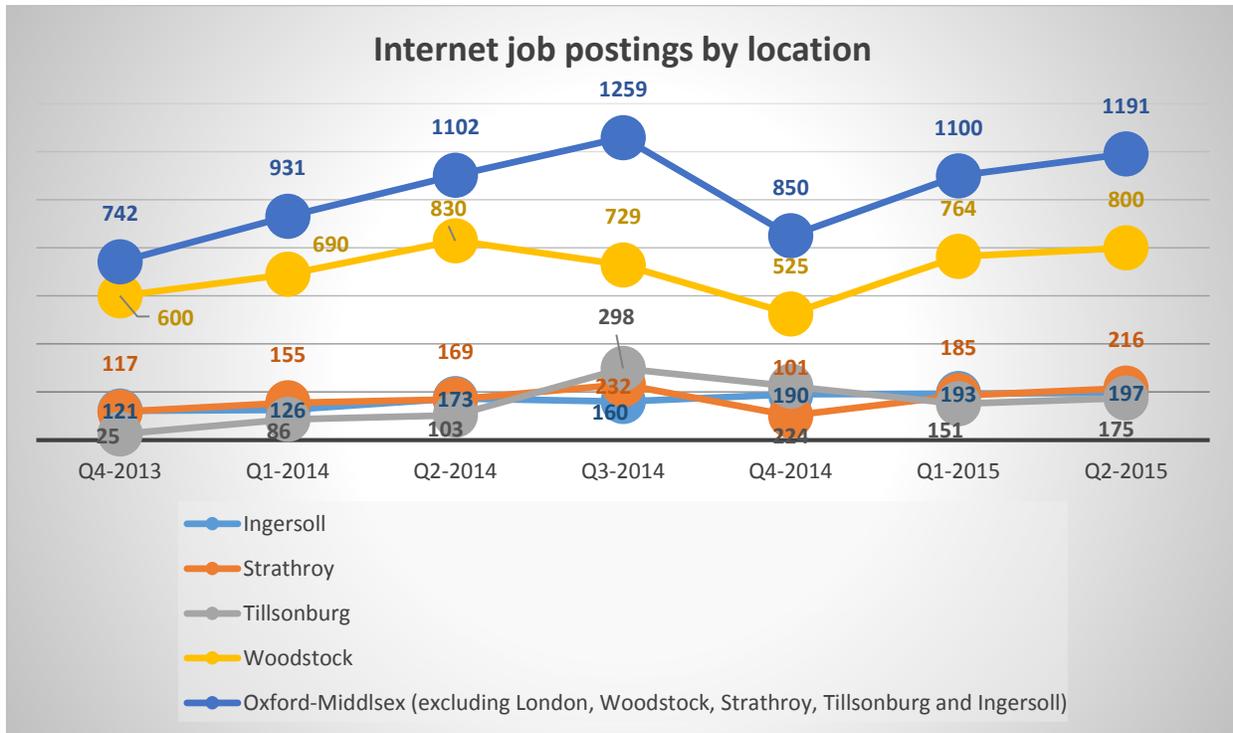
Data source: www.VicinityJobs.com & www.MillierDikinsonBlais.com

Figure 1

there is an observable growing trend in the number of internet job postings in the region (see the red dotted line). These results suggest two possible explanations: 1) the accuracy of the data provider improved over time, thus capturing better the job demand in the region and 2) the number of vacant positions increased over time. We advance that both mechanisms contributed to the overall dynamic of the vacancies growth in the London Economic Region.

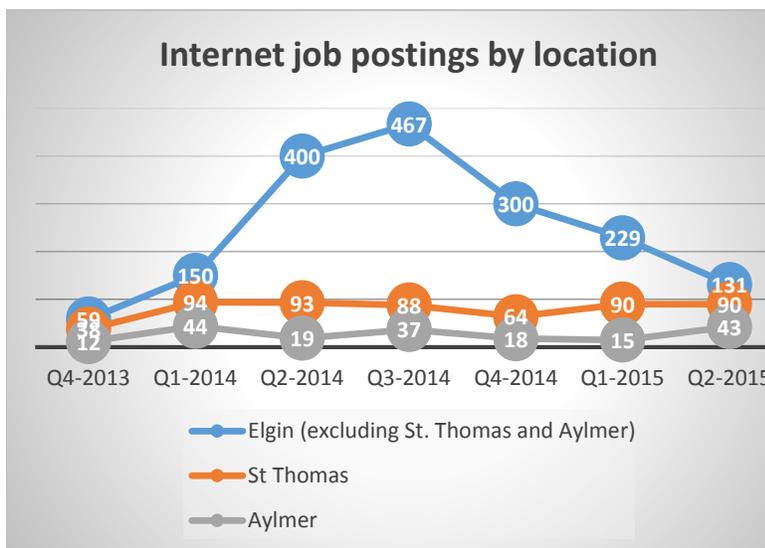
A similar trend could be observed for London since its associated postings represent 70-80 percent of the internet job postings for the region: 12.05 percent increase in the number of internet job postings in Q2 relative to Q1 of 2015 and 15.49 percent increase in the number of postings during Q2 of 2015 relative to Q2 of 2014. This latest evolution contrasts somewhat the reduction of the unemployment

rates in the region. One would expect that a higher unemployment rate would be in sync with a higher vacancy rate and vice versa. These contrasting results would suggest that more factors are influencing the labour market results in the London Economic Region (LER).



Data source: www.VicinityJobs.com & www.MillierDikinsonBlais.com

Figure 2



Data source: www.VicinityJobs.com & www.MillierDikinsonBlais.com

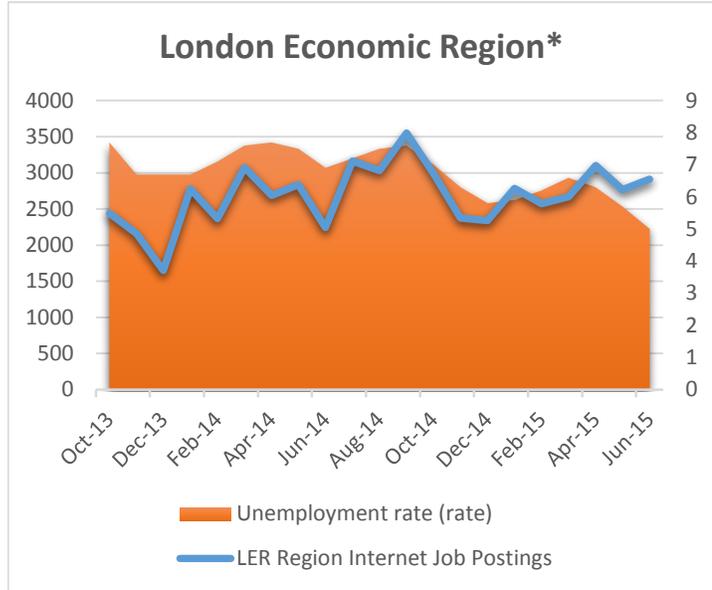
Figure 3

Similarities could be observed for most of the locations in the Oxford County, see Figure 2. Excepting Tillsonburg, which in the past was heavily tied to manufacturing jobs, all the other Oxford locations experienced increases in the number of job postings during Q2-2015 relative to Q1-2015, as well as across a year, Q2 2014 relative to Q2 2015. Unfortunately in Elgin (excluding the specified locations) the number of internet advertised job vacancies dropped significantly in a quarter-to-quarter comparison (Q1 vs. Q2 of 2015), or over a year time span (Q2 2014 vs. Q2 2015), see Figure 3.

The results present some variety in the evolution of the internet posting of the job vacancies across locations in the LER. London remains the polarizing location for a large majority of job vacancies in the LER listed on the Internet.

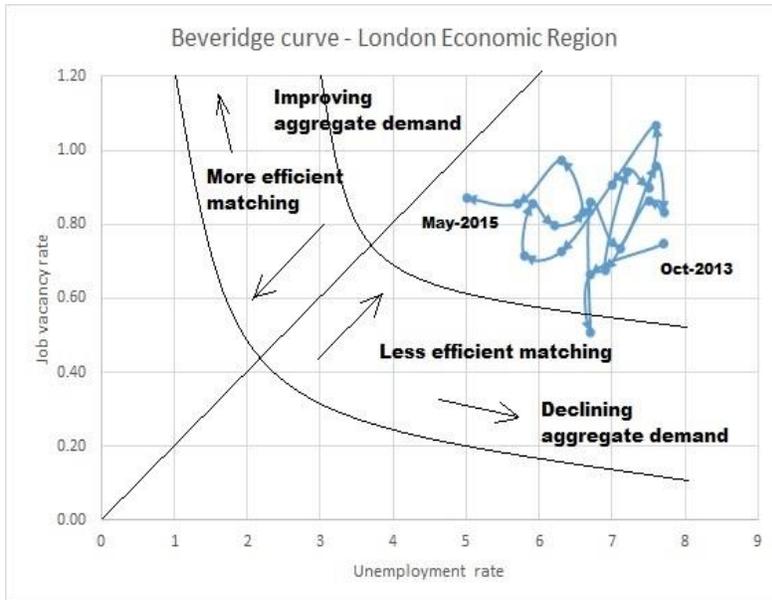
Generalizing, the number of internet job postings in the region would represent imperfectly, but fair, a surrogate measure for the job demand in the region. Making this leap, the logical question becomes: can one connect the information offered by the internet job postings (job demand) and the unemployment in the region?

Figure 4 helps somewhat to make a visual connection between the two labour market indicators. As suggested earlier, lately (Q2-2015) they started to move in unexpected directions. Obviously this is a rough attempt to connect the two indicators and see if any predictions could be expanded from them. The conclusion one could withdraw from Figure 4 is that soon we should see a market correction (an increase of the unemployment rate) in the LER.



Data source: www.VicinityJobs.com & www.MillierDikinsonBlais.com

Figure 4

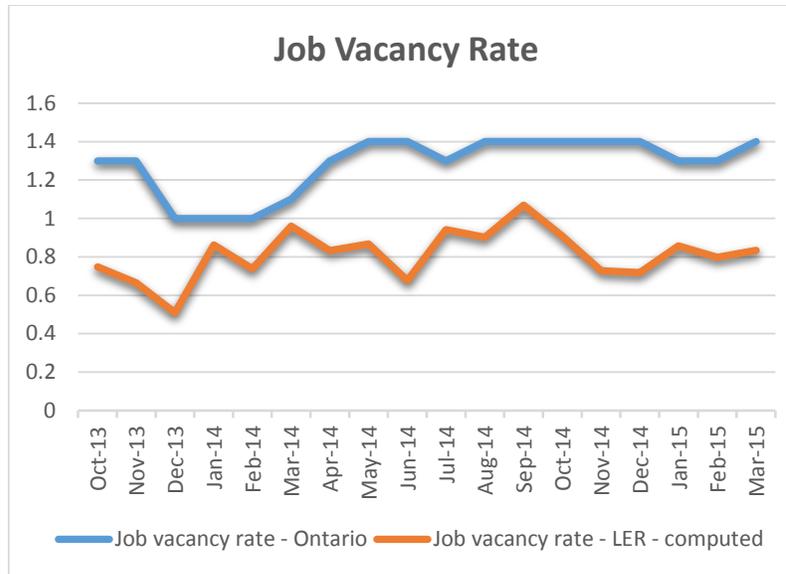


Data sources: CANSIM, Table 282-0122 & Table 284-0001

Figure 5

In an extreme attempt to understand the labour market dynamic, one could draw the Beveridge curve for the LER to determine if there is an improvement in the labour market conditions (reduction in skills mismatch and improving aggregate demand). Figure 5 was obtained using a computed job vacancy rate based on the surrogate measure for job vacancies (the internet job postings). The job vacancy rate was obtained dividing the number of internet job postings to the sum between internet job postings and employment in the LER and finally multiplying everything by one hundred. We compared our computations to the Ontario job vacancy rate (Figure 6) to see if this approach is reasonable.

The results show that the internet job postings capture a fraction of the job vacancies, but it serves fairly the visualizing purpose of the Beveridge curve. As illustrated in Figure 5, one could see a progression towards an improvement of the labour market conditions in the LER between October 2013 and May 2015. The movement in the LER labour market can be characterized as one towards more efficient skills' matching and improvement of the aggregate demand. This conclusion is supported by the recent success in reducing the unemployment rate in the LER region.

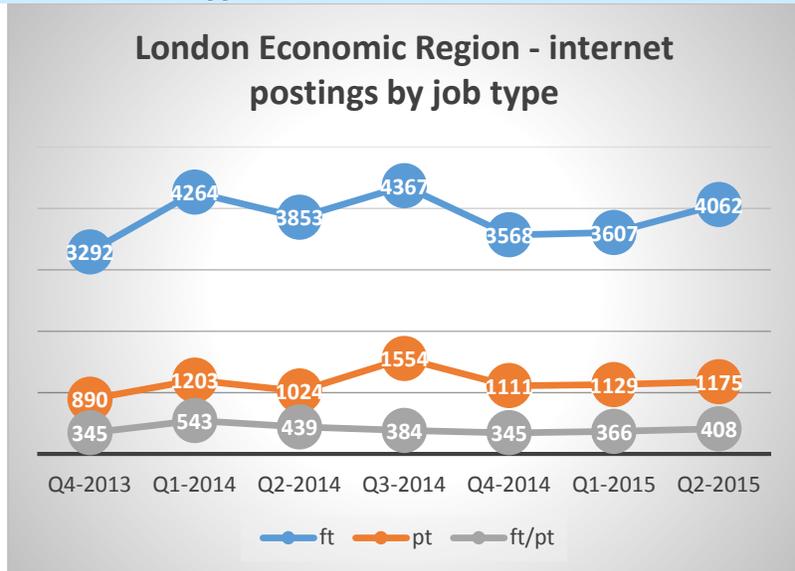


Data source: CANSIM, Table 284-0001

Figure 6

Job type

Although a large proportion (36% in Q2-2015) of the internet job postings in the region fall under the category “unknown,” if one looks at the rest, he or she will discover that full-time (ft) posted positions dominate the total postings (46% in Q2-2015) followed at a far distance by part-time (pt) posted positions (13% in Q2-2015) and the mixed ft/pt (5 % in Q2-2015) - see Figure 7. In a quarter-to-quarter comparison, the “ft” positions increased by 12.51 percent in Q2 relative to Q1 of 2015 while “pt” positions increased only by 4.07%. The mixed “pt/ft” positions increased by 11.48% in Q2-Q1 of 2015 comparison.

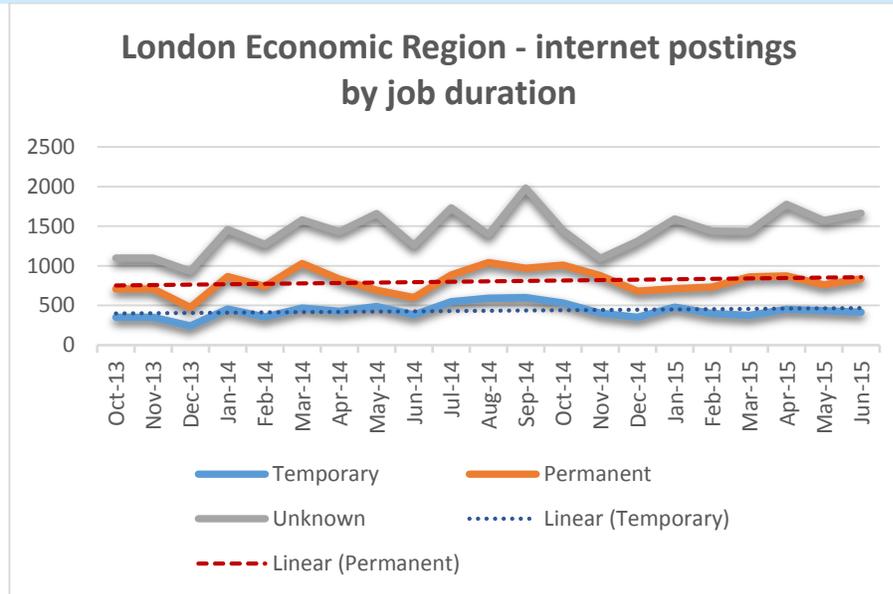


Data source: www.VicinityJobs.com & www.MillierDikinsonBlais.com

Figure 7

As Figure 7 shows, the growth is present in a year span comparison (Q2-2014 vs. Q2-2015) for all categories excepting the mixed one, “ft/pt.” The troubling category remains the “unknown,” which increased by 27.81 percent between Q2-2014 and Q2-2015 suggesting lack of internet job posting skills by employers, or still the presence of indecisiveness among employers regarding hiring. As one would observe further in our analyses, the “unknown” category will be continuously present.

Job duration



Data source: www.VicinityJobs.com & www.MillierDikinsonBlais.com

Figure 8

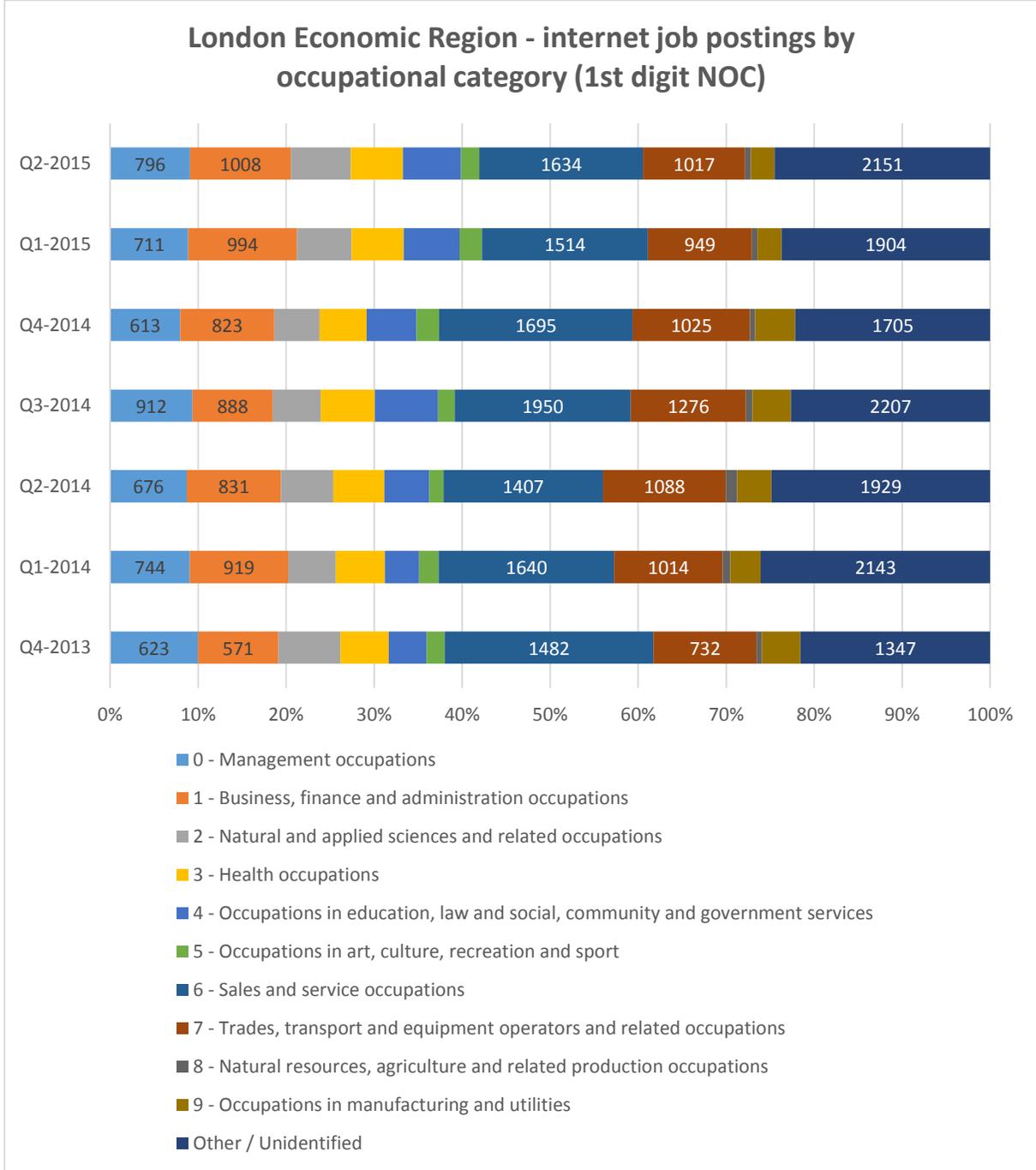
When looking at the job postings in the LER by job duration (Figure 8), one will discover that 57% of the June 2015 postings are classified “unknown” by this criteria. However, one will also see an increase in the advertised “permanent” jobs on a month-by-month basis (9.87 percent May to June of 2015); as well as over a year time span (38.7 percent increase between June 2014 and June 2015).

A somewhat different pattern would be observed for the advertised “temporary” jobs: 5.26 percent drop between May and June of 2015, and 7.81 percent increase between June 2014 and June 2015. Important to note here is the slightly growing rate of internet job postings for both categories of jobs, permanent and temporary. See the dotted lines in Figure 8.

Occupation

The three occupation categories with the largest number of postings are highlighted in Figure 9 by the presence of the associated numbers: “Sales and service occupations,” “Trades, transport and equipment operators and related occupations” and “Business, finance and administration occupations.” On the quarter-to-quarter comparison (Q1 vs. Q2 of 2015), the three occupation categories with the largest percentage gains were: “Natural and applied sciences and related occupations” with 19.92 percent growth, “Natural and applied sciences and related occupations” with 18.37 percent growth, and “Occupations in education, law and social, community and government services” with 13.28 percent growth. The occupation category with the largest drop in the number of postings between Q1 and Q2 of 2015 in the LER was “Occupations in art, culture, recreation and sport” with 10.29 percent decrease. When looking over a year time span, Q2 of 2014 vs. Q2 of 2015, the top three occupation categories with the largest gains in the number of postings were: “Occupations in art, culture, recreation and sport” with 47.58 percent increase, “Occupations in education, law and social, community and government services” with 45.36 percent increase, and “Natural and applied sciences and related occupations” with 29 percent increase. The occupation categories with the largest relative reductions in the number of associated internet postings in the LER were: “Natural resources, agriculture and related production occupations” with 40.21 percent decrease, “Occupations in manufacturing and utilities” with 22.62 percent decrease and “Trades, transport and equipment operators and related occupations” with 6.53 percent decrease. The largest

relative changes were not coming necessarily from the occupations with the largest number of postings.



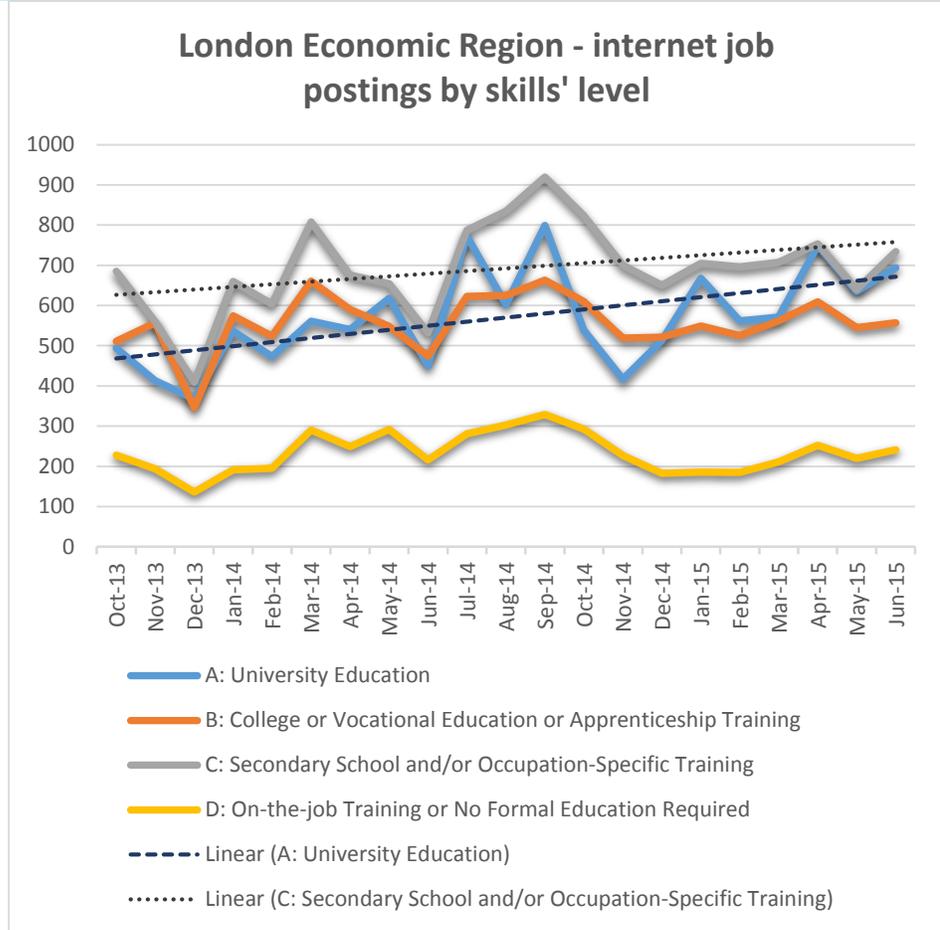
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Figure 9

As with “unknown” category in the prior two sections, in Figure 9 one would observe a large category classified as “Other/unidentified.” This category suggest that employers and employment agencies should make efforts in improving the quality of their postings by increasing their specificity, thus reducing the transactions costs associated to their hiring processes.

Skills' level

An interesting picture is presented for the internet job posting trends by skills' level (see Figure 10). Overall, one could observe growing trends on the number of postings requiring "University Education" and "Secondary School and/or Occupation-Specific Training;" see the dotted lines on Figure 10. A smaller growth rate was present for the "College, or Vocational Education, or Apprenticeship Training." The number of internet job postings requiring "On-the-job Training, or No formal Education Required" appears to float around a constant level.

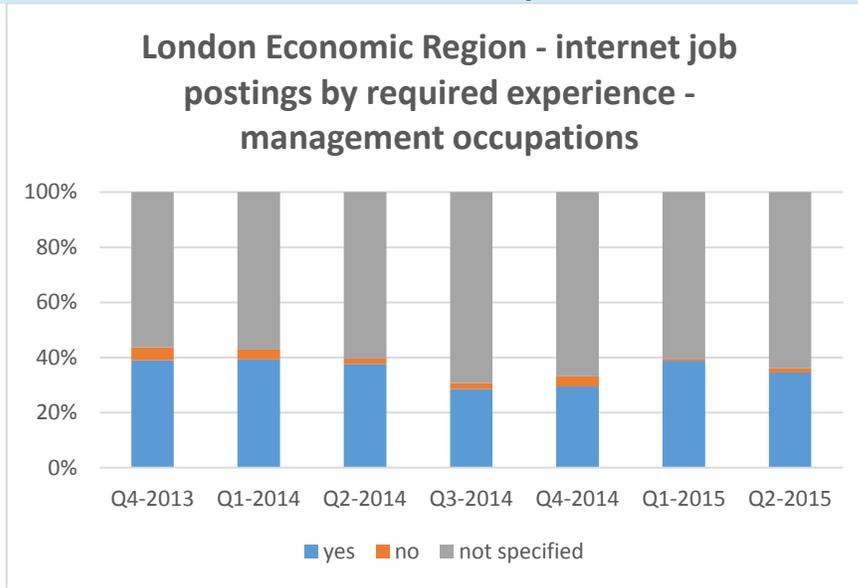


Data source: www.VicinityJobs.com & www.MillierDikinsonBlais.com

Figure 10

If looking month-to-month (May vs. June of 2015) the largest relative gain was registered by the internet job postings requiring "Secondary School and/or Occupation-Specific Training", by 14.87 percent. The same category had a great relative gain over a year span (June 2014 vs. June 2015), by 37.97 percent. However, the largest relative gain over a year time span was recorded by the job postings requiring "University Education," by 54.22 percent. Although not represented in Figure 10, the "unknown" category was still present and representing about 23.20 percent of the total postings in June 2015, and making less clear this analysis.

Experience



The analysis of the internet job postings by the required “experience” has to be done by major occupational categories (one digit NOC). As Figures 11 and 12 show there are differences among the occupational categories in the relative proportion of the job announcements requiring “experience.”

Data source: www.VicinityJobs.com & www.MillierDikinsonBlais.com

Figure 11

For example, around 40 percent of the postings associated to “management occupations” require experience (see Figure 11). Occupational groups that asked for “experience” at somewhat similar levels were: “Business, finance and administrative occupations,” “Natural and applied sciences and related occupations,” and “Trades, transport and equipment operators and related occupations.”

Other categories, such as occupations in “Education, law and social, community and government services” presented somewhat lower relative levels (around 20 percent) of postings asking for “experience,” see Figure 12. Occupational categories that floated around the same relative levels (between 20 and 30 percent) of postings asking for “experience were: “Health occupations,”

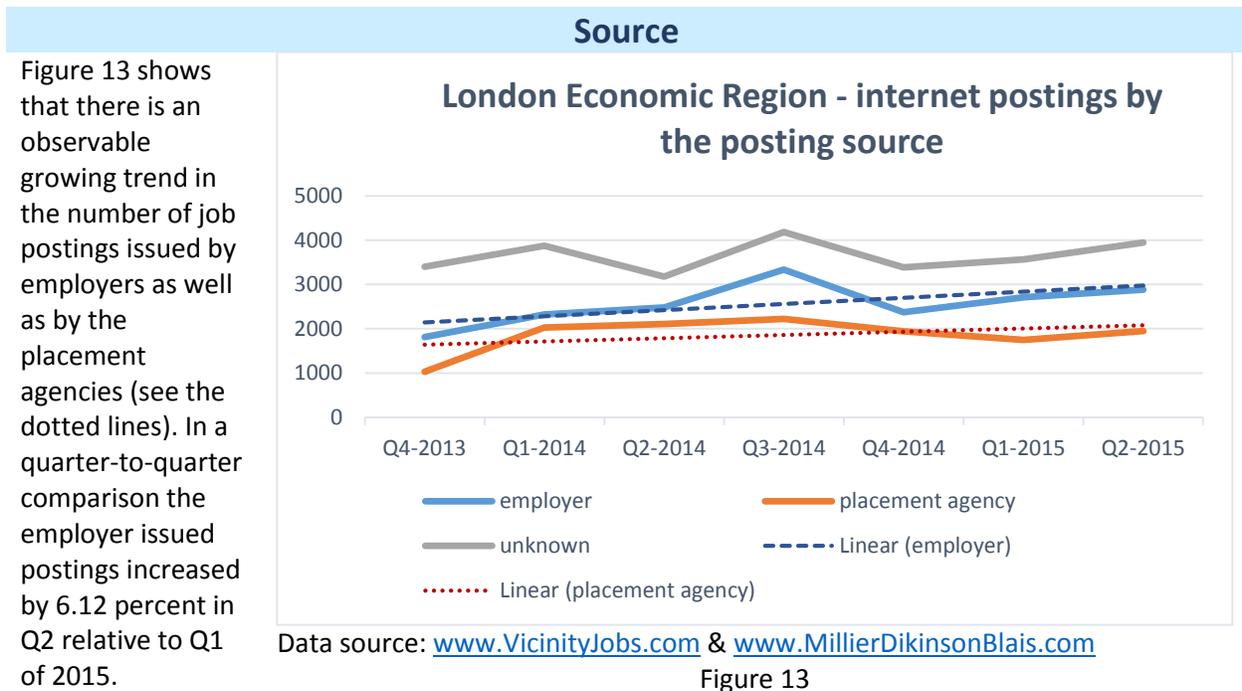


Data source: www.VicinityJobs.com & www.MillierDikinsonBlais.com

Figure 12

“Occupations in art, culture, recreation and sport,” “Occupations in manufacturing and utilities” and “Sales and service occupations.” The occupational category with the largest proportion (somewhere

between 20-30 percent) of job postings with “no” experience requires was “Natural resources, agriculture and related production occupations.” Overall, the proportion of internet job postings in LER that specify a requirement for experience seems to be low relative to the total number of postings.



Over the same time span the “placement agency” sourced postings increased 11.54 percent. Over a year time span (Q2-2014 vs. Q2-2015), the “employer” sourced announcement grew by 16.01 percent whereas the “placement agency” sourced job postings decreased by 7.31 percent. The “unknown” category is ignored in this brief analysis.

Conclusions

The recent job posting figures suggest an overall improvement of the LER labour market efficiency in result of the

- Progress in
 - skills’ matching
 - the overall aggregate demand
 - the level of unemployment rate
- And increasing
 - demand for a skilled and educated labour force
 - number of postings for permanent full-time jobs
 - number of postings specific for major sectors dominating the region: Business-Finance, Education, Health, Construction – Trades, Transportation and Agriculture.



The mission of Worktrends.ca is to address skills gaps and reduce job and skill mismatch, through the collection and sharing of quality local data that is accessible, accurate, timely, and usable. Worktrends.ca will support local and regional economic development efforts by maximizing talent attraction and retention efforts to grow priority sectors and leverage existing and emerging sector strengths. It will enhance workforce development initiatives to upgrade skills and improve labour market transitions, increasing employment opportunities and facilitating workforce integration of displaced workers and disadvantaged groups. Ultimately, Worktrends.ca will improve the resilience of the local and regional workforce in adapting to rapid economic change—solidifying the region’s competitive advantage, increasing productivity, stimulating job creation, and advancing community prosperity and social inclusion.

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