

Small Companies Face Dire Outlook for Rest of 2020

Only 10% of Small Businesses (2-9 people) Plan to Hire

Latest Results from The Harris Poll

TORONTO, ON, Sept. 9, 2020 – Companies with 100 or more employees are the most likely to increase employee count in the second half of 2020, according to a recent survey from The Harris Poll.

Largely following the same pattern as the first half of the year, hiring decision-makers at companies with just a handful of employees remain doubtful staff size will increase any time soon.

Just 10% of companies with 2-9 employees anticipate hiring more staff, while 29% of companies with 10-99 workers said they would bring on more people. Businesses with 100+ employees display the most optimism at 33%.



Bruce Hein, Express franchise owner in Sarnia, Ontario, says it's not surprising that some larger companies are optimistic.

“With people stuck at home these last several months, home renovations are on the rise, and large retailers and their suppliers have been busy trying to meet demand,” Hein notes. “On the other hand, it’s not uncommon for small business owners to live pay cheque to pay cheque, and the pandemic has pushed many small businesses over the edge.”

Express experts agree small businesses have been hit hard by the COVID-19 pandemic shut down and may not have the capital to come out on the other side.

Daniel Purdy, Express franchise owner in Abbotsford, British Columbia, agrees.

“Larger companies have greater access to financial capital and human resources than smaller firms,” he said. “This helps them secure more favorable agreement terms, stronger financing against purchase orders and business longevity.”

Purdy notes that as COVID-19 related government subsidies and loan programs end, “each business must stand on its own merits (and pro forma statements). Former hobby businesses and undercapitalized ventures will likely fail against the well-heeled corporations offering similar products and services.”

“Small businesses need to be extremely strategic with each hire, whereas larger corporations may have greater flexibility and ability to absorb the losses of a less than stellar hire,” says Brent Pollington, Express franchise owner from Vancouver, British Columbia.

Although there is no one area that hiring decision-makers in Canada overwhelmingly say their companies plan to hire employees for in 2020, General Labour (20%), Customer Service (17%), Sales (15%), and IT/Technology Support (14%) top the list. And, as company size increases, they are more likely to report plans of hiring employees in IT/Technology Support this year (2-9 employees, 2%; 10-99 employees, 8%; 100+ employees, 30%).

Niven Lee, Express franchise owner in Delta, British Columbia, thinks that the interest in IT/technology, is a result of so many people working remotely and online.

“Technology has always been a leading industry, but the pandemic has resulted in an accelerated need for technology. There has been a fundamental societal shift in how work at home is perceived and there is no going back now,” Lee says.

Purdy also sees a strong connection between the pandemic and the increased need for technology.

“COVID-19 poses an unprecedented opportunity for technology firms to deliver hardware and software solutions as the way we work permanently changes,” Purdy says. “Companies investing in science, technology, engineering and mathematics are better positioned to overcome these challenges, thrive and gain market share.”

Hein notes that there are areas beyond technology that are hiring.

“For the last three months, administrative and accounting/finance positions have been the most common roles we are filling in our region and they haven’t been confined to one industry,” Hein says. “Whether it’s a law office, an insurance agency or an industrial company, companies continue to have needs for essential roles like controller, bookkeeper, payroll, and accounts payable and receivable.”

In his region, Lee sees food production and manufacturing, large construction projects, transportation and distribution of goods and food to the consumers as industries that have a big need and are hiring. However, they are struggling to hire workers.

“This is because the Canadian Economic Relief Benefit (CERB) payments are resulting in a disincentive for those workers at the lower wage levels,” he said.

As the unemployment rate continues to drop, Express CEO Bill Stoller is optimistic business will continue to pick up across the country.

“While they may not look exactly the same as before the pandemic, jobs are coming back strong, and we need workers to fill them,” he said.

Survey Methodology

The survey was conducted online within Canada by The Harris Poll on behalf of Express Employment Professionals between April 21 and May 6, 2020 among 501 Canadian hiring decision-makers (defined as adults ages 18+ in Canada who are employed full-time or self-employed or have been laid off, furloughed, or given a zero hour schedule in the past 60 days but worked full-time or were self-employed full-time prior, work at companies with more than 1 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 Adria Minsky at (416) 620-7111 or email adria@mapleleafstrategies.com.

About Bill Stoller

William H. "Bill" Stoller is chairman and chief executive officer of Express Employment Professionals. Headquartered in Oklahoma City, the international staffing company has more than 825 franchises in the U.S., Canada and South Africa, and beginning in 2020 will expand to Australia and New Zealand. Since its inception, Express has put more than 8 million people to work worldwide.

About Express Employment Professionals

At Express Employment Professionals, we're in the business of people. From job seekers to client companies, Express helps people thrive and businesses grow. Headquartered in Oklahoma City, OK, our international network of franchises offers localized staffing solutions to the communities they serve, employing 552,000 people across North America in 2019. For more information, visit www.ExpressPros.com.