

## More than Half of Canadian Companies Say Supply Chain Issues Hurting Business Growth

### *Companies Forced to Change Hiring Plans with Logistics Positions in Higher Demand*

**TORONTO, Feb. 9, 2022** — Although the Christmas season is now over, the demand for goods hasn't let up due to ongoing supply chain issues. Not only are supply chain problems affecting the price and availability of some products, they're also impeding the ability of companies to grow as the economy recovers from the COVID-19 pandemic.

According to a new survey from The Harris Poll, commissioned by Express Employment Professionals, more than half of Canadian companies (54%) say supply chain issues are negatively impacting their company's growth.

Larger companies (100+ employees) are more likely than smaller companies to be faced with challenges as a result of supply chain issues. Almost two-thirds (64%) of larger companies (more than 100 employees) say supply chain issues are negatively impacting growth, compared to 53% of medium-sized companies (10-99 employees) and 43% of small businesses (with 2-9 employees).

More than half of companies surveyed (58%) say supply chain issues have also forced them to change hiring plans and hiring practices. Nearly 1 in 6 (16%) say their company has hired specifically for logistics/supply chain positions in the past year.



In some cases, supply chain problems haven't just hurt a company's growth, they have been a major factor in the collapse of some businesses, according to Barrie, Ontario Express franchise owner KV Aulakh.

"We have seen several small businesses get put up for sale or close down in some cases," said Aulakh. "At the same time, companies that have good capital have seen growth simply due to some of the smaller competition being unable to stay afloat during these times."

Niven Lee, an Express franchise owner in Delta, British Columbia, says supply chain issues affect the ability of companies to finalize hiring plans and retain staff.

"Demand for goods has not let up as there are still supply chain backlogs," said Lee. "The backlog of supplies creates uncertainty and delays for companies, and so workers move on to other jobs and this creates an even greater labour shortage at that company."

Lee and Aulakh report more companies are hiring specifically for logistics and supply chain issues, and the wages of these positions are increasing more than the average. They both also predict that supply chain issues are not going to be resolved anytime soon, so companies need to adapt for the foreseeable future.

"I believe supply chain problems will exist for the next three to five years," said Aulakh. "It won't be until we are past this pandemic with no mandates in place that we will have an influx of hiring for skilled labour, drivers and professionals."

"The supply chain problem has several variables and with the pandemic, consumption spending

that was previously spent on services such as restaurants, movies, etc. has shifted to goods consumption,” said Lee. “Many consumers goods are produced overseas and the global supply chain infrastructure was not built for this volume of business. With tight COVID restrictions, some factories cannot produce at the same rate due to lack of staff and parts or materials. Businesses are adapting but it will take years.”

So many businesses are ready and willing to grow in 2022, but can’t until something changes, Express CEO Bill Stoller said.

“The Canadian economy is caught in this perfect storm where the breakdown in supply chains is just the start,” he said. “When you combine that with the scarcity of workers, companies are doomed to stay in this holding pattern for the foreseeable future.”

### **Survey Methodology**

The survey was conducted online within Canada by The Harris Poll on behalf of Express Employment Professionals between Nov. 10 and Dec. 2, 2021, among 510 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.

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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](mailto: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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