

THE ULTIMATE HIRING GUIDE FOR ONTARIO EMPLOYERS DURING ECONOMIC UNCERTAINTY

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HELLO

FROM THE EMPLOYNEXT EMPLOYER ENGAGEMENT TEAM

Over the past year, we've seen firsthand how Ontario employers like you are not only filling roles faster but also creating meaningful opportunities for people who are ready to work and eager to contribute.

And the results speak for themselves:

- **Hundreds of jobseekers** placed into full-time roles across sectors like healthcare, retail, tech, and skilled trades
- Employers reporting **faster time-to-hire and better candidate fit** through our digital platform, Thrive
- **Success stories** of newcomers, youth, and individuals overcoming barriers—now thriving in workplaces like yours

What sets EmployNext apart is simple: We combine no-cost hiring support, pre-screened talent, and ongoing coaching to help you build a workforce that's ready for what's next.

Whether you're hiring for one role or scaling a team, we're here to make the process easier, faster, and more impactful—for your business and your community.

Let's keep building the future—**together.**

INTRODUCTION

HIRING WITH CONFIDENCE IN UNCERTAIN TIMES

Economic uncertainty can make hiring feel like a high-stakes gamble. But for Ontario employers, it's also an opportunity to rethink, refocus, and rebuild stronger teams. Whether you're hiring for growth, replacing key roles, or future-proofing your workforce, this guide will help you make informed, strategic decisions.

We'll explore:

- Ontario's current labour market trends
- Industry-specific hiring challenges
- Strategic hiring practices
- The role of employment services like EmployNext in supporting employers



ONTARIO'S LABOUR MARKET: WHAT YOU NEED TO KNOW

Ontario's employment landscape is shifting rapidly:

- **Employment Growth:** Ontario added 166,900 jobs in Q1 2025 compared to the previous year, with strong gains in part-time work (+5.4%) and self-employment (+3.5%)¹
- **Unemployment Trends:** The provincial unemployment rate rose to 7.5% in March 2025, up from 5.0% in April 2023²

Regional Highlights:

- Northern Ontario: +3.1% employment growth³
- Kitchener-Waterloo-Barrie: +15.9% increase in unemployment rate from May 2024-May 2025⁴
- Kingston: +33% YoY increase in unemployment rate from August 2025 vs. August 2024¹²



ONTARIO EMPLOYMENT REPORTS – Q1 2025 VS. Q1 2024

+3.9%

Healthcare & Social Assistance³

+6.9%

Accommodation & Food Services³

-1.6%

Construction³

-4.1%

Transportation & Warehousing³

¹ <https://www.ontario.ca/document/ontario-employment-reports/january-march-2025>

² <https://www.ontario.ca/page/labour-market-report-march-2025>

³ <https://www.ontario.ca/document/ontario-employment-reports/january-march-2025>

⁴ <https://www150.statcan.gc.ca/n1/daily-quotidien/250606/g-a003-eng.htm>

¹² https://srv129.services.gc.ca/ei_regions/eng/kingston.aspx?rates=1&period=434

ONTARIO INDUSTRIES UNDER PRESSURE

WHAT
EMPLOYERS
SHOULD
KNOW





MANUFACTURING & AUTOMOTIVE

Ontario's manufacturing and automotive industries are at a pivotal crossroads, grappling with a complex mix of global trade tensions, technological disruption, and the electric vehicle (EV) transition.

In June 2025 alone, the province saw a 0.4% decline in manufacturing employment. Recent data from the S&P Global Canada Manufacturing PMI reveals that production volumes have experienced their sharpest decline in over five years.⁴ In fact, the Kitchener-Waterloo-Barrie catchment area experienced four manufacturing plant closures, each impacting more than 50 employees. This downturn is largely attributed to the impact of tariffs, which are not only dampening demand but also significantly increasing input costs for manufacturers. In response to these pressures, companies across Ontario have initiated workforce reductions. Notable layoffs include the closure of ArcelorMittal's wire-drawing mill in Hamilton, downsizing at Novelis in Kingston, and job cuts at General Dynamics in London.⁴ The sector's vulnerability is amplified by U.S.-Canada tariff disputes, which have led to a 13% drop in average revenue for small and medium-sized automotive businesses⁵

As EV production ramps up, the demand for new skills in battery technology, robotics, and green manufacturing is surging. According to the FOCAL Initiative, transitioning to EVs will require reskilling across three major occupational categories: engineering, technical trades, and production. There are significant gaps in knowledge areas like battery systems and automation.⁶

To stay competitive, Ontario manufacturers must invest in workforce development, particularly in green tech and advanced robotics, to ensure their teams are equipped for the future. Government programs like the Ontario Vehicle Innovation Network (OVIN) and the Ontario Automotive Modernization Program (O-AMP) offer support, but many employers remain unaware or ineligible.⁷

Strategic upskilling and partnerships with employment services like EmployNext can help bridge these gaps, offering tailored training and access to job-ready talent.

⁴ <https://www.jobbank.gc.ca/trend-analysis/job-market-reports/on/job-market-snapshot>

⁵ <https://www.cfib-fcei.ca/hubfs/research/reports/2025/The%20Automotive%20Anatomy%20of%20Ontario%20%28EN%29.pdf>

⁶ <https://www.futureautolabourforce.ca/wp-content/uploads/2024/03/FOCAL-Initiative-The-Shift-to-EV-Production-in-Ontarios-Automotive-Manufacturing-Sector-Assessing-The-Economic-And-Labour-Market-Impacts-compressed.pdf>

⁷ <https://www.cfib-fcei.ca/hubfs/research/reports/2025/The%20Automotive%20Anatomy%20of%20Ontario%20%28EN%29.pdf>

RETAIL & HOSPITALITY



Ontario's retail and hospitality industries are navigating a turbulent landscape marked by labour shortages, rising operational costs, and cautious consumer spending. In March 2025, employment in wholesale and retail trade dropped by 29,000 jobs (-1.0%), reflecting ongoing restructuring and economic pressure.⁸ Legacy retailers like Hudson's Bay have closed stores, affecting over 9,300 employees, while others like Loblaw and Walmart are investing in workforce development to stabilize operations.⁸ In hospitality, hotel occupancy rates fell to 59.7%, while operational costs surged, leading to a decline in profitability across the province.⁹ These pressures have resulted in high turnover, unstable part-time roles, and reduced service quality. To counter this, employers are shifting toward skills-based hiring, offering better benefits, and investing in employee training and mental health support. Employment services like EmployNext can play a key role by connecting businesses with job-ready talent and helping build more stable, purpose-driven teams.

⁸ <https://retail-insider.com/retail-insider/2025/04/special-report-the-state-of-labour-and-staffing-in-canadian-retail-navigating-change-amid-emerging-trends/>
⁹ <https://netraclos.com/ontarios-hospitality-outlook-2025/>

CONSTRUCTION & SKILLED TRADES

Ontario's construction and skilled trades sector is facing a perfect storm of challenges: an aging workforce, project delays, and inflation-driven cost increases. Although employment showed resilience in early 2025, job numbers contracted, reflecting ongoing volatility.¹⁰ Material costs remain unpredictable due to global trade tensions, and infrastructure projects have been postponed until 2027, further straining timelines.¹¹ With many skilled trades professionals retiring faster than new ones are entering, the province is experiencing critical talent shortages, slowing project delivery and jeopardizing housing targets.¹² To address this, Ontario has invested \$3.5 million in youth-focused training initiatives, including the Oaks Revitalization Association, which is a formal EmployNext partner that works with marginalized communities providing construction training and employment with unions. Employers can also benefit from partnering with employment services like EmployNext, which help connect businesses with job-ready talent and support onboarding and retention strategies tailored to the skilled trades.

HEALTH & SOCIAL ASSISTANCE

Ontario's health and social assistance sector employs over 971,000 people, accounting for 12.3% of the province's workforce, yet it is facing a mounting crisis.⁴ Staffing shortages are widespread, with Ontario holding the lowest nurse-to-population ratio in Canada - just 609.3 RNs per 100,000 residents.¹⁴ Burnout is rampant: 90% of nurses report increased stress, and many are working double shifts due to critical understaffing.¹⁴ Wage gaps between community health workers and hospital staff, up to 11%, are driving talent away from essential services like home care and mental health support.¹⁵ These pressures are reducing care quality and accelerating turnover across the sector. In response, programs like Your Health Space, developed by CMHA Ontario, offer free mental health training and workplace wellness support to healthcare organizations, helping staff manage chronic stress and trauma.¹⁶ Employers can also partner with employment services like EmployNext to access job-ready talent and implement tailored onboarding and retention strategies that support long-term workforce sustainability.

¹⁰ <https://www.mancohr.com/post/navigating-uncertainty-ontario-s-construction-sector-faces-cost-pressures-delays-and-policy-shift>

¹¹ <https://www.mancohr.com/post/navigating-uncertainty-ontario-s-construction-sector-faces-cost-pressures-delays-and-policy-shift>

¹² <https://www.jobskills.org/industries-facing-the-most-uncertainty-in-ontario-2025/>

¹³ <https://news.ontario.ca/en/release/1002486/ontario-helping-more-young-people-train-for-in-demand-careers-in-construction>

¹⁴ <https://broadview.org/nurse-shortage-ontario/>

¹⁵ <https://www.allianceon.org/news/News-Release-Urgent-Action-Needed-Ontario-Government-Address-Critical-Staffing-Crisis-Community>

¹⁶ <https://symposium.yourhealthspace.ca/>

TECH & INNOVATION



Ontario's tech industry is growing rapidly, yet it faces significant hurdles. Despite employing over 400,000 ICT professionals and being home to major hubs like Toronto, Waterloo, and Ottawa, the sector is grappling with rapid disruption and funding constraints.¹⁷ As of May 2025, the tech unemployment rate in Canada was just 3.3%, yet 88% of tech leaders report difficulty finding qualified candidates, especially in areas like AI, cybersecurity, and data science.¹⁸ The pressure to modernize infrastructure and adopt emerging technologies, such as cloud computing and ethical AI and it often outpaces the resources available to small and medium-sized enterprises.¹⁷ This results in uneven access to opportunities, where only well-funded firms can keep up with innovation. To address this, Ontario is investing \$107 million through its Critical Technology Initiatives, supporting organizations like the Vector Institute and Ontario Centre of Innovation to expand access to AI and digital skills training.¹⁷ Employers can further benefit by partnering with employment services like EmployNext, which help connect them with diverse, job-ready tech talent and support inclusive hiring strategies.

¹⁷ <https://news.ontario.ca/en/release/1003208/ontario-supporting-more-innovation-in-growing-tech-sector>

¹⁸ <https://www.roberthalf.com/ca/en/insights/research/data-reveals-which-technology-roles-are-in-highest-demand>

STRATEGIC HIRING CHECKLIST FOR ONTARIO EMPLOYERS

**WHAT
EMPLOYERS
SHOULD
KNOW**



STRATEGIC HIRING CHECKLIST

#1. CLARIFY YOUR HIRING GOALS

Before launching a hiring campaign, Ontario employers should take a step back and clarify their goals. Focus on roles that directly contribute to resilience, innovation, or revenue growth, especially in sectors facing economic pressure.

#2. BUDGET WITH FLEXIBILITY

Effective hiring in Ontario requires more than just salary planning: it means budgeting for the full employee lifecycle. Employers should account for onboarding, training, and retention costs, which can significantly impact long-term productivity and morale. To manage overhead, consider flexible staffing models such as contract, part-time, or remote roles, especially in sectors facing economic uncertainty. These options allow businesses to scale strategically while maintaining agility in a changing labour market.



#3. HIRE FOR ADAPTABILITY

In today's dynamic work environment, Ontario employers should prioritize candidates who demonstrate resilience, emotional intelligence, and a commitment to continuous learning. Using behavioural interview techniques, such as asking about past challenges or change management experiences, can reveal how well a candidate adapts under pressure and collaborates with others. These traits are especially valuable in sectors facing disruption or uncertainty, where flexibility and growth mindset are key to long-term success.

STRATEGIC HIRING CHECKLIST



#4. STREAMLINE YOUR PROCESS

To stay competitive in Ontario's fast-moving labour market, employers should streamline their hiring processes using digital tools that reduce time-to-hire and improve efficiency. Applicant tracking systems, automated screening, and virtual interviews can help identify top candidates faster. Equally important is maintaining candidate engagement through clear communication, timely updates, and constructive feedback. A smooth, transparent process not only improves the candidate's experience but also strengthens your employer brand and increases the likelihood of securing top talent.

#5. SUPPORT NEW HIRES

Supporting new hires goes beyond orientation. It's about setting them up for long-term success. Ontario employers should offer modular onboarding programs that can be tailored to different roles and learning styles, along with mentorship opportunities to foster connection and growth. Providing access to mental health resources and career development tools not only improves retention but also builds a resilient, engaged workforce. A thoughtful onboarding experience signals that your organization values its people from day one.



EDUCATIONAL TAKEAWAYS

Here are some key lessons to apply when hiring in Ontario's evolving labour market:

- **Labour Market Literacy:** Stay informed about regional and sector-specific employment trends. Understanding which industries are growing, contracting, or facing talent shortages helps you make smarter, data-driven hiring decisions and anticipate future workforce needs.
- **Workforce Planning:** Align your hiring strategy with long-term business goals and economic forecasts. This means thinking beyond immediate vacancies and considering how roles will evolve, what skills will be needed, and how external factors—like automation or policy changes—might impact your team.
- **Inclusive Hiring:** Embrace diversity, equity, and inclusion to tap into underrepresented talent pools such as newcomers, Indigenous job seekers, and youth. Inclusive hiring not only strengthens your team's creativity and problem-solving but also reflects Ontario's diverse communities.
- **Retention Strategy:** Hiring is just the beginning—retention is where long-term value is built. Invest in employee well-being, career development, and engagement initiatives to reduce turnover and build a loyal, high-performing workforce.
- **Partnerships Matter:** Collaborate with employment services like EmployNext to stay agile and competitive. These partners offer access to job-ready talent, support with screening and onboarding, and training programs tailored to your industry needs—all at no cost to employers.

HOW EMPLOYNEXT CAN HELP YOU HIRE SMARTER

EmployNext is a government-funded employment services program designed to support Ontario employers with practical, cost-effective hiring solutions. Whether you're a small business, a large organization, or a public sector employer, EmployNext helps you build a resilient workforce by streamlining recruitment and improving candidate fit.

WHAT YOU GET

- **Access to job-ready talent across all industries:** From skilled trades and healthcare to tech and retail, EmployNext connects you with candidates who are pre-screened, trained, and ready to contribute.
- **AI-powered matching tools for precision hiring:** Their platform uses smart algorithms to match your job postings with candidates whose skills, experience, and goals align with your needs—saving time and improving hiring outcomes.
- **Support with job postings, screening, and interviews:** EmployNext offers hands-on assistance with crafting job descriptions, filtering applications, and coordinating interviews, helping you focus on selecting the right fit.
- **Customized training programs co-designed with employers:** If your ideal candidate needs upskilling, EmployNext can work with you to develop tailored training modules that prepare them for the role—at no cost to you.
- **Digital platform for centralized hiring and tracking:** Manage your recruitment process in one place, with tools for tracking applicants, scheduling interviews, and accessing support resources.

**REDUCE HIRING
COSTS AND TIME**

**IMPROVE EMPLOYEE
RETENTION**

**TAP INTO DIVERSE
TALENT POOLS**

**RECEIVE EXPERT
SUPPORT AT NO COST**

FINAL THOUGHTS: BUILDING A RESILIENT WORKFORCE

Hiring during economic uncertainty isn't just about filling roles, It is about building a team that can adapt, innovate, and thrive. By understanding Ontario's evolving labour market and leveraging support from partners like EmployNext, you can turn today's challenges into tomorrow's opportunities.

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