

Smarter Hiring with Data-Driven Insights

Global Report -
Spotlight on Canada 🇨🇦



 indeed



Canadian Labour Market Demands Radical Shift in Hiring Mindset.

Like many markets, Canada is experiencing major changes in the labour force such as slow hiring and rapid population growth¹, combined with cultural shifts like extended educational pursuits and changing skill demands². Additionally, no one is immune to the AI revolution sweeping the globe, though there is slow adoption of AI across most sectors [despite its transformative potential](#).

These shifts significantly affect how to approach hiring. Understanding what constitutes a “quality hire” becomes increasingly important as the skills workers need evolve, workers retire, and younger workers with less experience enter the workforce. Traditionally, employers have relied on education, job titles, and years of experience to assess candidate quality and, in return, job seekers emphasized these features in their applications. However, priorities are shifting toward role-specific skills as key indicators of quality for employers and job seekers alike.

At Indeed, we believe that understanding the reality of both job seekers and employers is the key to creating a better world of work. One phenomenon currently standing out is a major dissatisfaction with the **quality of hiring**. To better understand this trend, Indeed conducted a [global survey](#) to find out how job seekers and hiring managers in major international markets define and assess quality in hiring today and the challenges they’re experiencing in search of quality roles and candidates.

The Canadian picture mirrors a global tendency: a major chasm between job seekers and employers. This divide between what job seekers believe employers want and what employers truly prioritize implies that the hiring landscape is at a turning point. Shifts in the labour market – precipitated by economic shifts, political uncertainty and market preferences – are leading to a critical prioritization of skills and focus on the role of new technologies.

Source: ¹[Indeed's 2025 Canada Jobs & Hiring Trends Report, December 2024](#)

Source: ²[Statistics Canada](#), July 2021

Key findings

In short, both job seekers and employers agree: the old way isn't working and they are ready for a better way forward.

Job seekers and employers struggle to find the right match, despite both seeking “quality.”

Skills and experience outweigh traditional credentials in hiring decisions.

Skills-first hiring improves candidate quality, diversity, and retention — especially when paired with learning and development.

Most employers see the value of skills-first hiring but face challenges in putting it into practice.

Employers are slow to adopt AI and hiring technology, missing opportunities to improve efficiency and find better candidates.

Methodology

This report is based on an [online survey](#) conducted from June 21 to July 12, 2024 in Canada, France, Germany, the Netherlands, the UK and the US.

Canadian respondents included:

- 1003 job seekers, defined as people who are employed full- or part-time or are looking for work.
- 252 employers, defined as people with senior management responsibility in their organization.

When referencing this research, please use the following citation: Indeed Survey with YouGov 2024, Total N=1003 job seekers and 252 employers.

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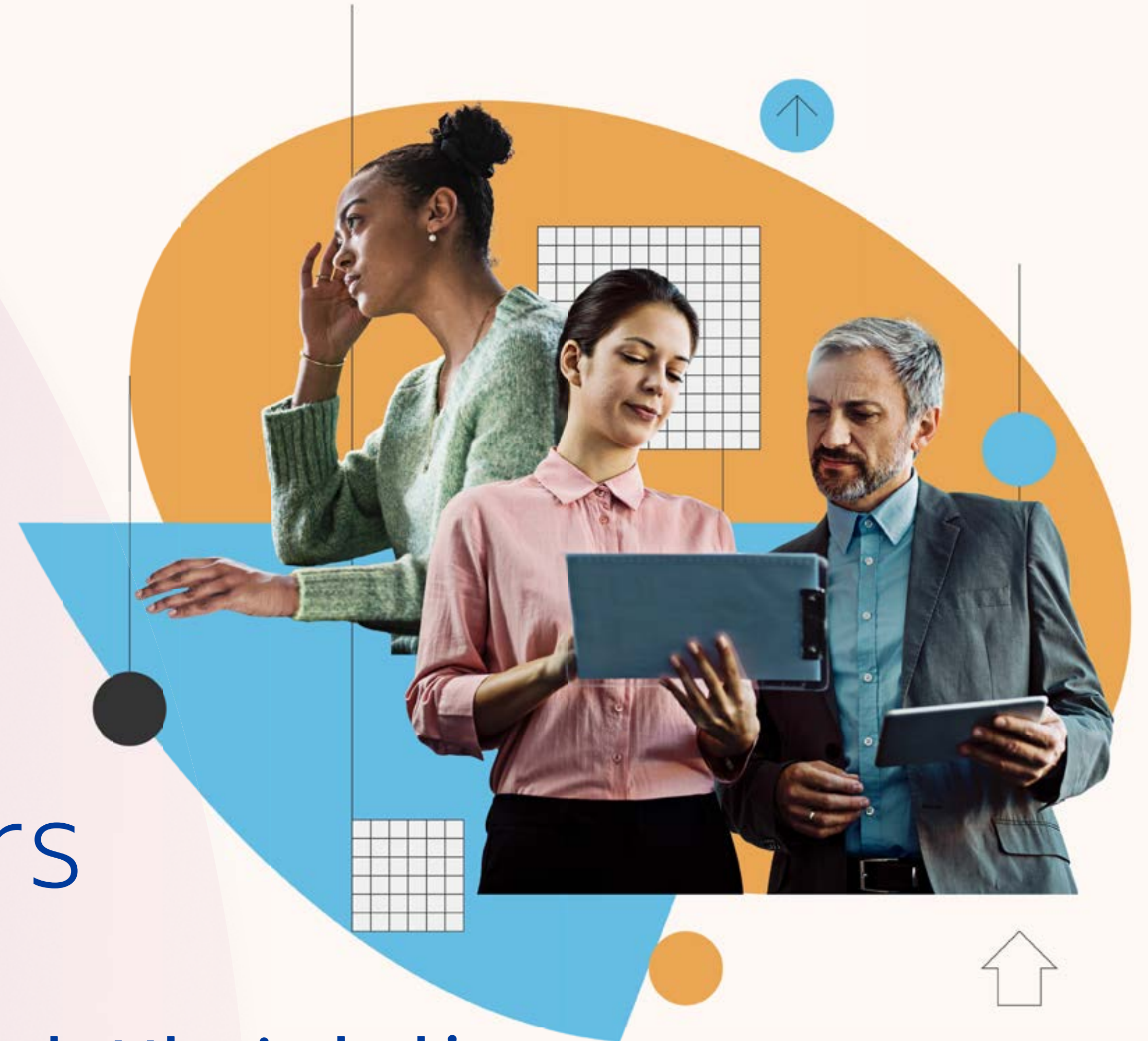
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Section 1

Mounting Frustration for Job Seekers and Employers

Both job seekers and employers struggle to find what they're looking for in the Canadian job market because of a matching disconnect.



Section 1

Missed connections

Both job seekers and employers agree that hiring is getting harder. Compared to three years ago, 56% of Canadian job seekers claim getting hired has become more difficult, while 62% of employers report increased hiring challenges.

The survey revealed a worldwide paradox that also affects Canada. While over two-thirds of Canadian (70%) and global (69%) job seekers cite a lack of quality roles, over one-third (36%) of Canadian employers say finding quality candidates is a significant or critical issue for their organizations, slightly more than employers globally (32%).

The problem, however, is neither a lack of good roles nor a shortage of applicants to fill them. The challenge lies in the difficulty of connecting the right candidates with the right jobs, which points to an urgent need to rethink how the hiring is done.

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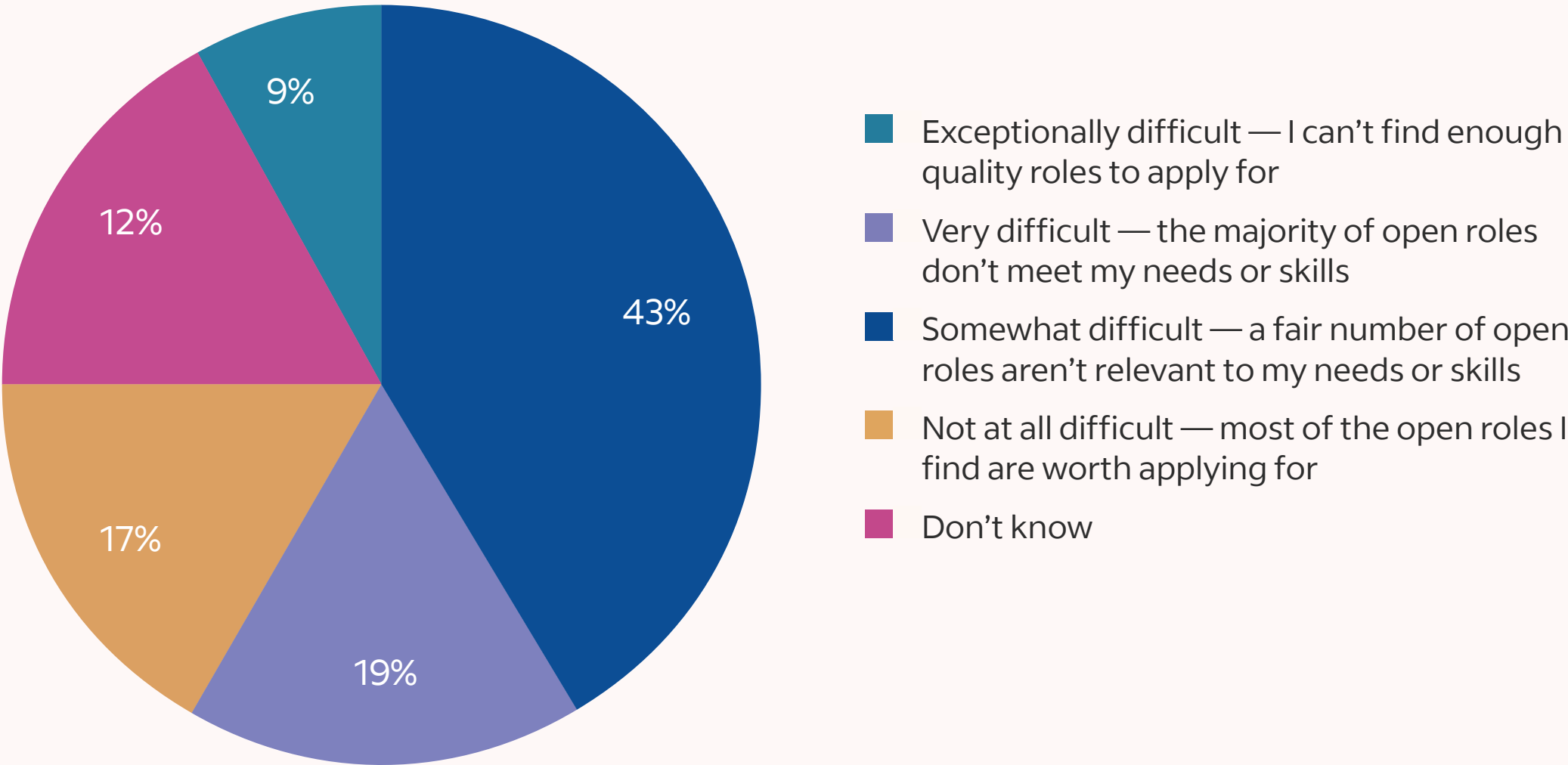
Employers and job seekers often focus on different understandings of what a role entails, leading to a matching disconnect. The real goal should be clear: can this person do the job? Yet, that’s not always assessed the same way.”

Élise Marcotte,
Head of Talent Intelligence,
Indeed Canada

Quality vs Quantity

A “quality vs. quantity” disconnect adds further strain to the hiring process. More than one in four (27%) Canadian job seekers believe they lose out on roles due to overwhelming competition for too few quality jobs. In response, many job seekers prioritize efficiency over selectivity, casting a wide net of applications rather than tailoring applications to fewer, more targeted roles. This approach floods employers with applications that often lack the targeted skills and qualities they seek.

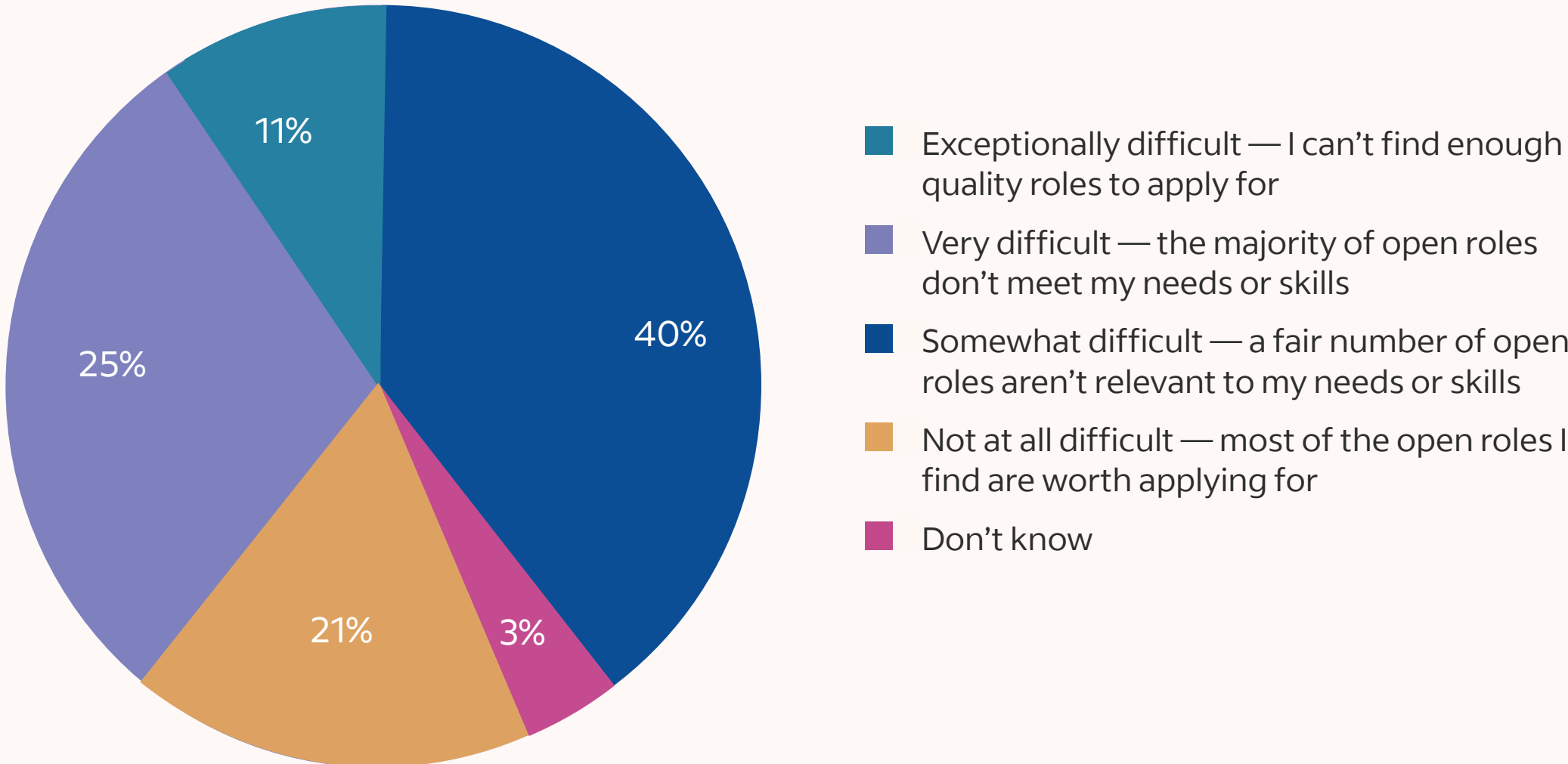
How difficult is it for you to find quality roles to apply for?



Net: Difficult

70%

To what extent, if at all, is a lack of quality candidates an issue for your organization?



Net: Difficult

36%



Section 2

Employers and Job Seekers Agree: Skills are Key

Both employers and job seekers agree that skills are more important than other credentials.



Section 2

Job seekers and employers define “quality” the same

Employers and job seekers view today’s hiring challenges differently, yet align on what constitutes a “quality” hire. In Canada, 53% of hiring managers and 70% of job seekers identify relevant, on-the-job experience as one of the top three indicators of quality, outweighing factors like educational degrees and total years of experience.



Section 2

Which criteria do employers value most in a new hire?

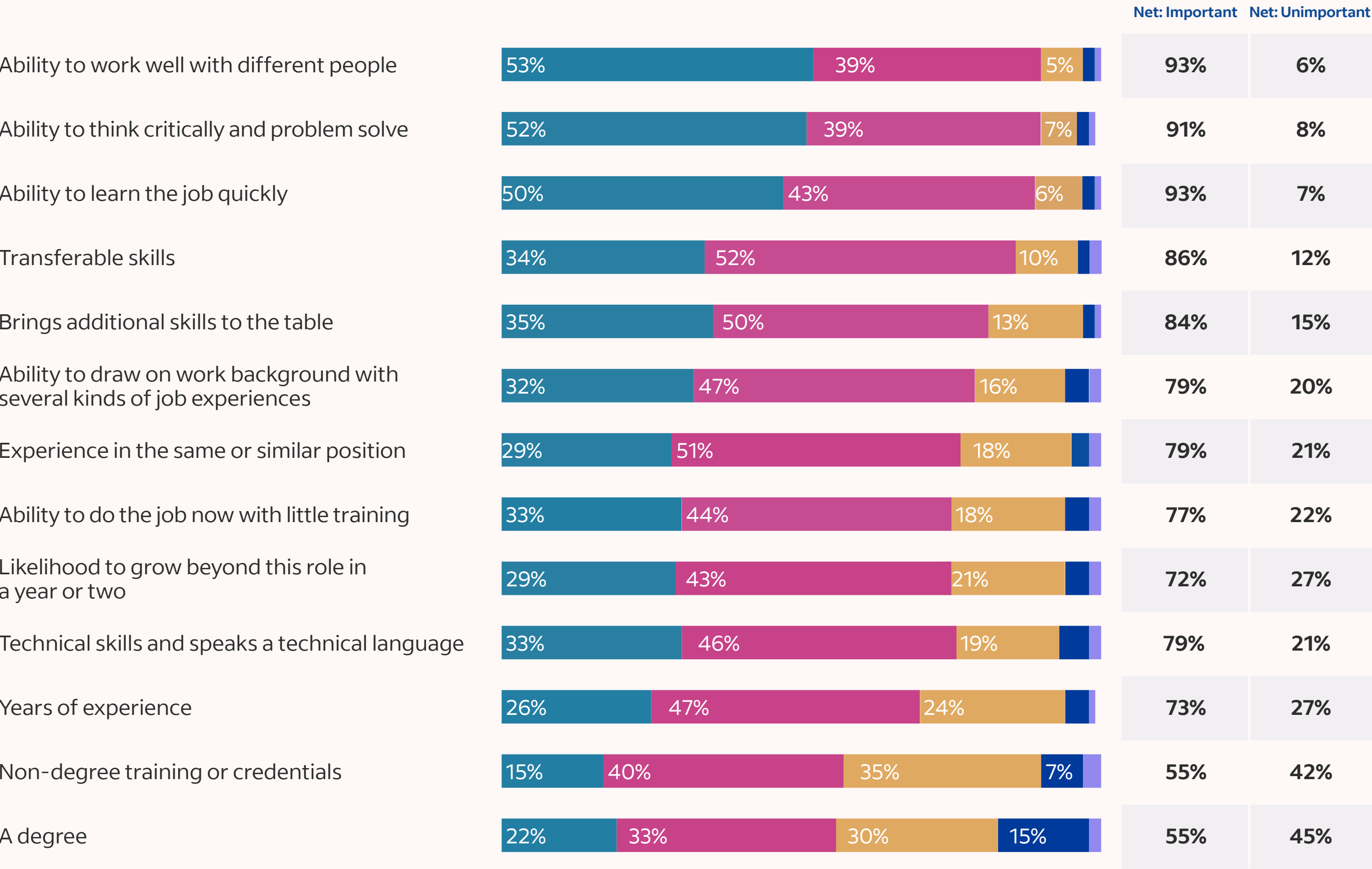
Canadian employers prioritize transferable skills. When asked about what criteria are important when evaluating a candidate, they indicated they value the ability to learn a job quickly (93%), critical thinking and problem-solving (91%), and working well with different people (93%). These skills rank above years of experience (73%) and technical expertise (79%). **Importantly, educational degrees (55%) are considered the least important criterion for evaluating candidates.**

“Who would you hire?”

When asked to choose between a candidate with a degree but no industry experience and one with on-the-job experience but no degree, most Canadian hiring managers (66%) favoured the experienced candidate. Similarly, 69% of job seekers believe employers prioritize experience over degrees.

How important are each of the following criteria when evaluating a candidate?

Very important Quite important Not very important Not at all important Don't know



Section 2

Job seekers agree: Skills-first is a must

When Canadian job seekers were asked about what criteria they think are important when considering applying for a role, most (87%) consider their transferable skills more important compared to years of experience (69%). They also consider their ability to learn on a job quickly (91%), critical thinking and problem-solving (91%) and their ability to work well with different people (88%) to be valuable criteria.

Salary vs. Growth - “Which job would you accept?”

When asked to choose between a higher-paying job with no growth opportunities and a lower-paying job with chances to upskill and advance, 58% of Canadian job seekers favoured the latter. This highlights the value of skills not only in hiring decisions but also in employer branding to support employee attraction and development programs to aid retention.



Section 2

Job seekers are frustrated with the lack of pay transparency and unrealistic requirements

Pay transparency remains a persistent pain point for Canadians, as job seekers identified a lack of pay transparency (34%) and unrealistic role requirements (32%) as the biggest challenges in finding quality roles.

Nearly a quarter (24%) of job seekers identified “too much emphasis on formal education” as a significant obstacle in finding quality roles to apply for. Employers should evaluate whether specific years of experience, degrees, or certifications are truly necessary for candidates to avoid discouraging otherwise strong applicants.

What are the biggest challenges job seekers face in finding quality roles?

| | |
|----------------------------------------------------------------------|-----|
| Lack of transparency on pay | 34% |
| Unrealistic role requirements | 32% |
| Staffing agencies or recruiters who aren't very good | 18% |
| Too much emphasis on formal education | 24% |
| Assessments that don't reflect my skills | 18% |
| Insufficient matching on hiring platforms | 18% |
| Poorly written job ads | 15% |
| Not understanding organization's policies and benefits | 12% |
| N/A — it's not a challenge for me to find quality roles to apply for | 11% |
| Don't know | 9% |
| Others | 7% |



Section 3

An Ideological Shift

The new mindset needs to prioritize skills above all else, not just consider them.



Section 3

Prioritizing skills before anything else

Both job seekers and employers agree that a quality hiring process should focus on candidates' actual skills rather than proxy indicators like degrees or years of experience. While recruiters have always considered skills as part of the overall hiring process, the major shift should entail putting skills above all other qualifications. This concept, known as “skills-first hiring,” prioritizes **abilities over credentials**.



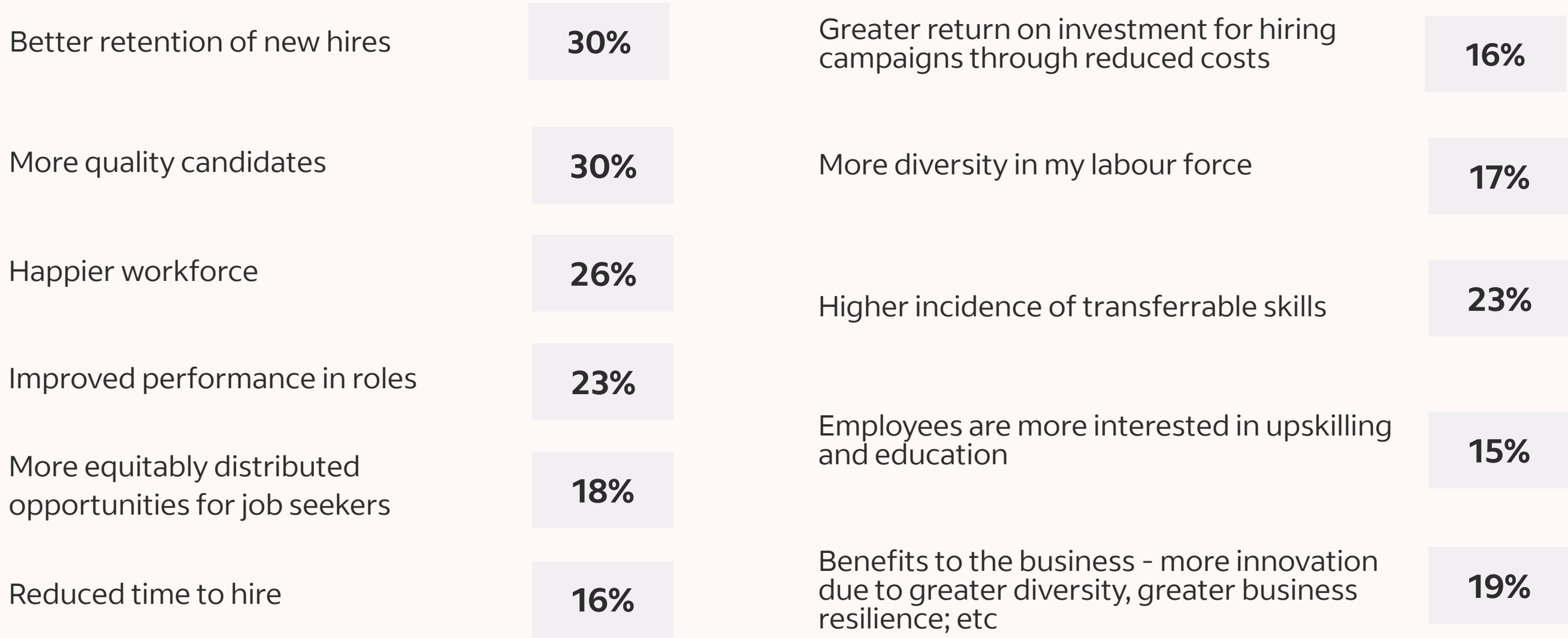
What is skills-first hiring and why does it work?

Skills-first hiring focuses on sourcing and evaluating candidates based on their skills, regardless of how or where they acquired them.

Globally, employers using skills-first strategies report key benefits, including an increase in quality candidates (28%) and a higher prevalence of transferable skills (29%). Canadian employers who adopted skills-first strategies report better retention of new hires (30%), an increase in quality candidates (30%) and a happier workforce (26%) as their top benefits.

For Canadian job seekers, skills-first hiring alleviates frustrations with unrealistic role requirements and the perceived overemphasis on formal degrees and accreditations. When asked how employers could adopt a skills-first hiring strategy, job seekers prioritized three key approaches: adopting a mindset that focuses on training quality candidates (41%), encouraging applications from individuals without degrees (36%), and training staff to focus on skills over proxies like years of experience (37%).

What are the benefits of skills-first hiring?



What effect, if any, has skills-first hiring had on the diversity of your organization?



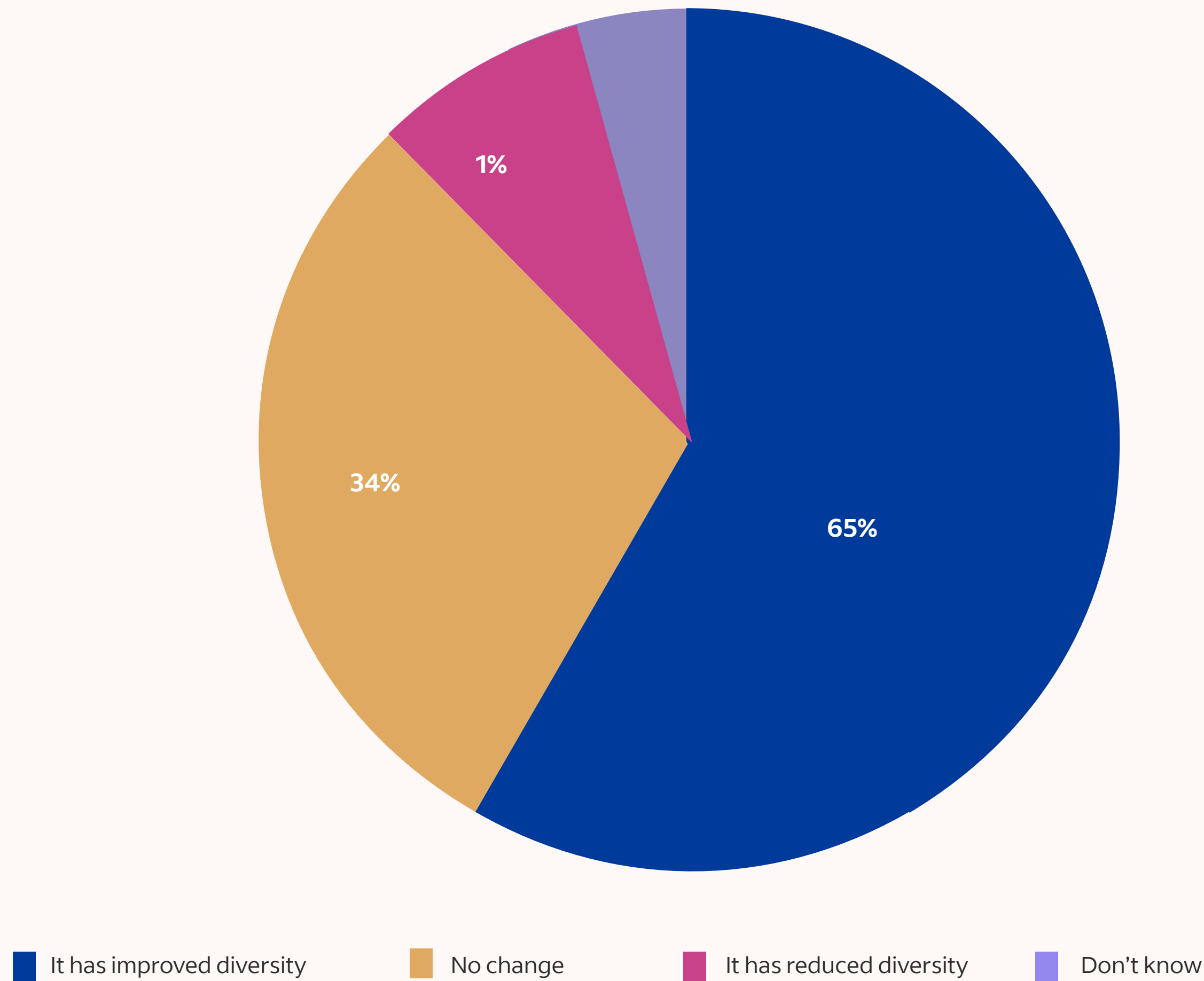
An important driver of equitable success

Skills-first hiring is a powerful driver of diversity, equity, inclusion, and belonging (DEIB). Among Canadian employers who have adopted a skills-first approach, 65% report improved diversity within their organizations, and 67% note the approach has enhanced equity.

Equity means providing individuals with the resources they need to succeed. Adopting a skills-first approach, which helps judge people on whether they can do a job or not, helps move everyone closer to success.

Additionally, 19% of these Canadian employers identify increased innovation — driven by greater diversity and business resilience — as one of the benefits of implementing a skills-first strategy.

What effect, if any, has skills-first hiring had on the diversity of your organization?





Section 4

Adapting to a New Hiring Mentality

Employers need to embrace new organizational practices, standards, and cultural norms.



Rethinking organizational practices and norms

Adopting a skills-first approach requires significant changes to organizational practices and norms. Although 59% of Canadian employers understand the concept, many are unclear about its execution. Only one in five (25%) recognize that skills-first hiring means intentionally sourcing candidates based on skills, and even fewer identify key practices involved, such as evaluating candidates based on non-degree training (24%) or writing skills-based job descriptions (18%).

Most employers have yet to take the steps to connect with the right candidates through skills-first hiring. Only one in ten (11%) Canadian employers have removed or reduced the years-of-experience qualifier and 11% have eliminated degree requirements — despite recognizing that these criteria are not strong indicators of candidate quality.

Structural changes supporting skills-first hiring are also lagging. Only 15% of Canadian employers use skills-based evaluations to screen applicants, and just 8% have trained staff on skills-first practices or adopted an organization-wide strategy.

How have companies adopted a skills-first strategy?



“

Many employers will say they are already looking at skills, but the shift is putting skills first, above credentials such as degrees or years of experience, as they are not always predictive of future success.”

Élise Marcotte,
Head of Talent Intelligence,
Indeed Canada

Section 4

At what stage are candidates dropped?

Both job seekers and employers agree that field experience is the most influential factor for advancing to the interview stage. While 54% of Canadian job seekers rely on resumes to showcase their on-the-job experience, 55% of Canadian employers actually use interviews to verify those skills. Around two in five (38%) employers decide whether a candidate is a good fit during the interview itself while 30% decide after the first interview.

Employers without effective tools or enough time to evaluate resumes for skills and experience may miss out on interviewing talented candidates — and miss out on the right hire.



A still-untapped resource

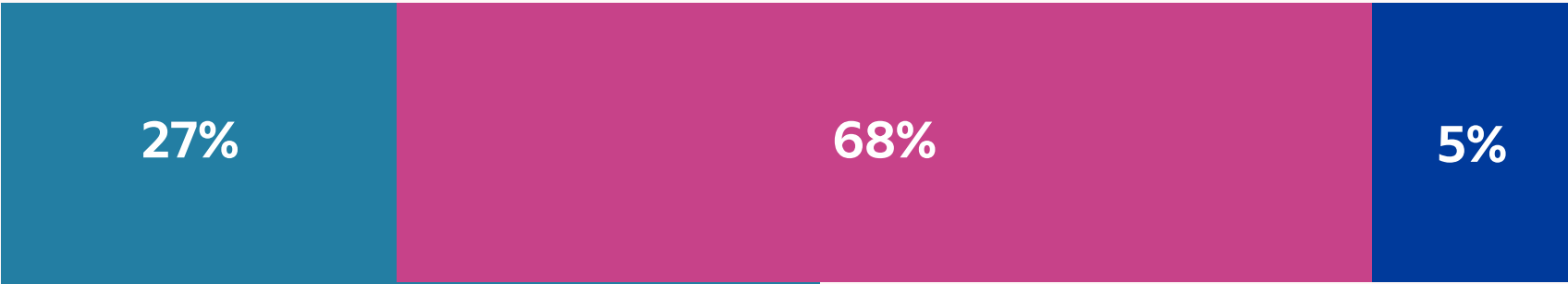
Hiring technology has advanced significantly in recent years and continues to evolve rapidly. Solutions like [Indeed Smart Sourcing](#) use AI technology to provide candidate summaries that highlight key skills and potential gaps. Users can also create customized contact templates and generate AI-powered messages for candidates based on their resume and the job description.

Only 27% of Canadian employers have adopted AI technology in the recruitment process, a rate that ranks among the lowest compared to employers in the UK, the US, France, Germany, and the Netherlands. Resistance to adopting AI solutions prevents Canadian hiring managers from hiring quicker and more efficiently and even puts them at risk of competing for their own roles against more tech-savvy hiring managers.

Are employers using AI in hiring?

Now thinking about artificial intelligence (AI). Have you ever used AI-powered tools in recruitment?

Yes No Don't know



How much time, if any, are you willing to dedicate to training AI-powered tools to create better matches?

I would be willing to commit some time to this

50%

I would be willing to commit a lot of time to this

41%

I would be willing to commit a little time to this

8%

I would not be willing to commit time to this

1%

Don't know

-

Net: Willing to commit time

99%

Section 4

A skills-first approach doesn't end with hiring

Employers recognize the need to enhance their learning and development strategies to expand their talent pool and meet the evolving demands of the workforce. Two-thirds of Canadian employers (66%) report they have changed or plan to change their learning and development programs to help new hires acquire the skills they need.

A skills-based approach makes sense for internal hiring, and tapping into the potential of your current workforce by building learning and development programs can make you a more attractive employer to prospective candidates.



Communicating development opportunities

More than three-quarters (78%) of Canadian job seekers consider learning and development opportunities important when deciding to apply for a role, 3% higher than the global average. However, 41% say they only learn about these opportunities during the interview stage. Employers that fail to promote professional development programs on their website or company page and platforms like the Indeed [Employer Branding Hub](#) risk missing a crucial chance to attract top talent.

Upskilling is imperative

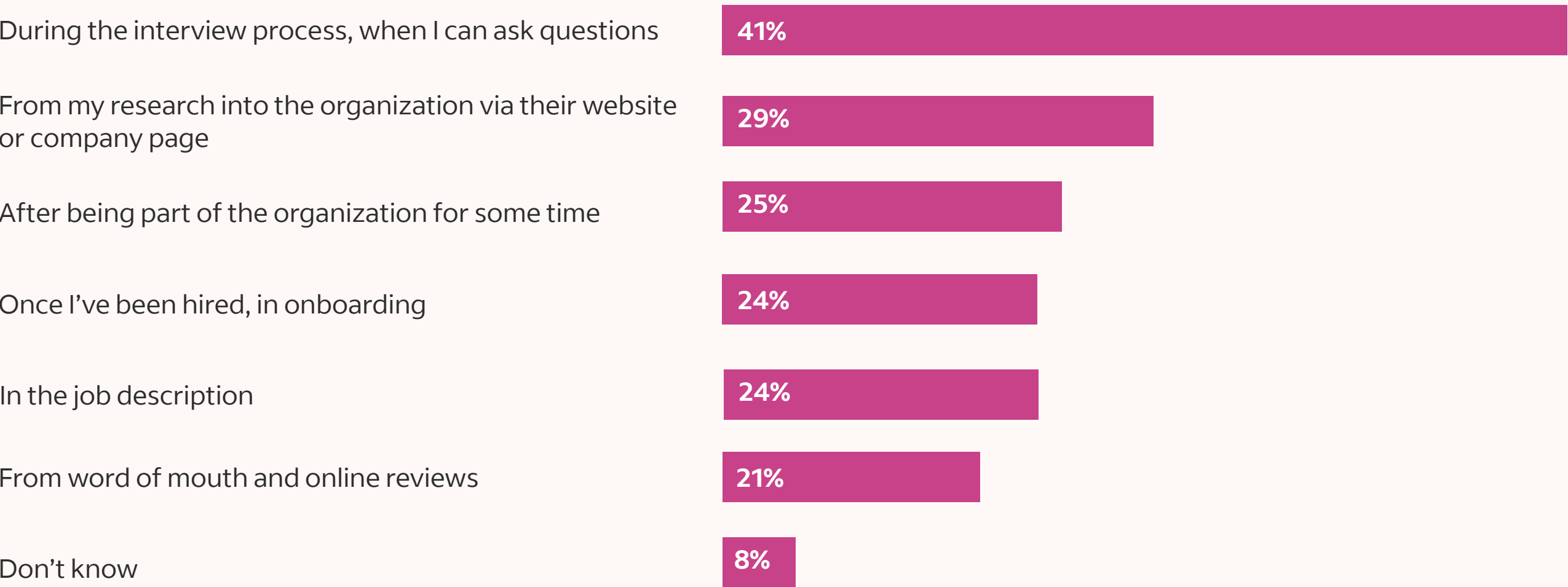
Learning and development are vital for quality hiring today and for navigating the unprecedented changes in the labour market. Canada is projected to face 917,000 job vacancies by 2040 with a vacancy rate of 3.8% – nearly double pre-pandemic levels.³

Source: ³[Conference Board of Canada, December 2024](#)

How important are an organization’s learning and development opportunities to your decision to apply for an open role?



When do you usually learn about an organization’s learning and development opportunities?



“

A skills-first mindset isn't just about hiring — it's also key to retention, internal mobility and workforce optimization. By clearly defining the skills for success, you can craft better job descriptions, strengthen your employer brand to attract the right candidates, and develop training programs that grow talent from within and drive long-term business success.”

Elise Marcotte,
Head of Talent Intelligence,
Indeed Canada.

Conclusion: The Future of Hiring in Canada

Indeed's research on quality in hiring reveals a critical shift in key global labour markets, including Canada. Job seekers and employers alike report increasing frustration with the hiring process, partly driven by a disconnect between what job seekers believe employers want and what employers truly prioritize. This disconnect prevents quality candidates from advancing or applying for a role at all. However, both groups increasingly recognize skills as central to quality, which is beginning to reshape recruitment strategies.

Canadian employers that embrace skills-first hiring strategies find not only an increase in quality talent but also improvements in diversity, equity, and innovation — factors that enhance workplace decision-making, creativity, and financial outcomes. Almost a third (30%) of Canadian employers report better retention of new hires as a key benefit of skills-first hiring, which is 10% higher than the global average.

As Canada's labour market evolves — and technologies like generative AI reshape skill demands — strategic hiring becomes essential. Skills-first hiring enables employers to identify candidates with the foundational skills needed for success, bridging the communication gap between job seekers and employers to build stronger, more adaptable teams.



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