Quality of Employment in Canada

Job tenure, 2023

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The duration of job tenure—the length of time a worker has been with the same employer or worked at the same business—is an indicator of the degree of job stability within the labour market. A declining proportion of workers with longer tenure may indicate that employment conditions are less stable. Shorter-term employment may increase financial insecurity, and in turn, affect the well-being of workers. At the same time, shorter job tenure may relate to workers' job mobility, including young workers or new entrants transitioning from temporary to permanent jobs, as well as employees with in-demand transferable skills who can more easily obtain a higher-quality job.

The indicator examines the proportion of employed persons in Canada who have been with the same employer or worked at the same business for less than 1 year, 1 to less than 5 years, 5 years to less than 10 years, and 10 years or more, using annual averages from the Labour Force Survey (LFS). Unless otherwise specified, the analysis focuses on workers aged 25 and over.

Historical trends, 1976 to 2023

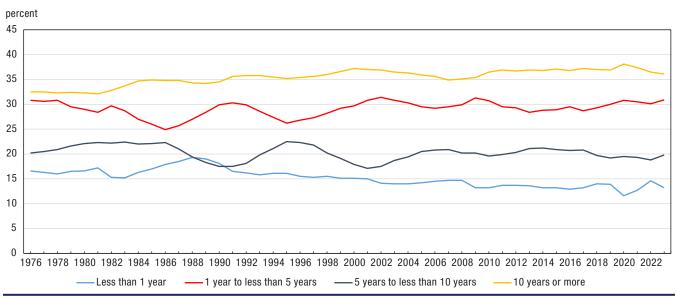
Excluding economic downturns, there has been a long-term shift in the distribution of employed Canadians across different job tenure durations since 1976. The proportion of workers aged 25 and over who had been with the same employer or worked at the same business for 10 years or more grew 3.6 percentage points (32.5% to 36.1%) from 1976 to 2023. Over the same period, the proportion of those with a tenure of less than a year fell from 16.6% to 13.9%. Longer job tenure may be related in part to changes in the age structure of the workforce. Younger workers—who tend to have shorter job tenure—now represent a smaller proportion of the employed population due to population aging and a higher rate of participation in postsecondary education. The average age of workers in 1976 was 41.3 compared to 44.7 in 2023.

At the same time, the higher rate of participation in full-time education has meant that young workers are less likely to have long job tenure—likely due to fewer of them beginning their career immediately upon completion of high school. Among 25- to 34-year-olds, the rate of job tenure of 1 to less than 5 years has increased 5.6 percentage points to 48.1% from 1976 to 2023 and the rate of job tenure of 10 years or more has decreased 2.4 percentage points to 7.9%.

Partly as a result of reduced hiring, the proportion of short-tenured workers tends to decrease more sharply during economic downturns. In the context of the 2008/09 recession, the share of workers with a tenure of less than 1 year fell 1.5 percentage points to 13.2% from 2008 to 2009. In 2020, job losses and lower labour demand due to the COVID-19 pandemic led to a decline in the proportion of workers with a tenure of less than 1 year (-2.2 percentage points to 11.6%). However, employment subsequently recovered, and the proportion of workers with a tenure of less than 1 year increased by 1.1 percentage points to 12.7% in 2021 and was at or above its pre-pandemic levels in 2022 (14.6%) and 2023 (13.2%).

In 2023, 13.2% of workers had a job tenure of less than 1 year. Just under one-third (30.9%) of workers had a tenure of 1 to less than 5 years, and 19.8% had a tenure of 5 to less than 10 years. Over one-third (36.1%) of workers had a tenure of 10 years or more.

Chart 1



Distribution of employed persons 25 years and over by duration of job tenure, Canada, 1976 to 2023

Note: Due to rounding, estimates and percentages may differ slightly between different Statistics Canada products, such as analytical documents and data tables. Source: Statistics Canada, Labour Force Survey, custom tabulation.

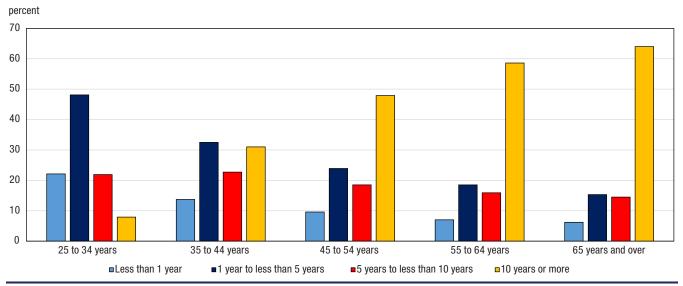
A recent snapshot

Older workers much more likely to have longer job tenure than younger workers

Job tenure has a strong association with age and older workers have a higher rate of job tenure of 10 years or more. In 2023, less than 1 in 10 workers (7.9%) aged 25 to 34 had been with the same employer or worked at the same business for 10 years or more. This proportion increased with age and was 58.6% for 55- to 64-year-olds and 64.0% for workers 65 years of age and over.

The proportion of workers aged 25 and over with a tenure of 10 years or more was slightly higher among men (36.8%) compared with women (35.3%). The difference is partly explained by the fact that men account for a larger proportion of older workers. In 2023, men represented 53.1% of workers aged 55 to 64 and 60.2% of workers aged 65 and over.

Chart 2



Distribution of employed persons 25 years and over by age group and duration of job tenure, Canada, 2023

Note: Due to rounding, estimates and percentages may differ slightly between different Statistics Canada products, such as analytical documents and data tables. Source: Statistics Canada, Labour Force Survey, custom tabulation.

Self-employed workers tend to have longer job tenure than employees

In 2023, self-employed workers had longer tenure than employees on average. Though self-employed persons accounted for 14.8% of all workers aged 25 and over in 2023, they accounted for 19.5% of those with a job tenure of 10 years or more. The vast majority (92.2%) of workers who had a job tenure of under 1 year were employees.

Almost half (47.5%) of self-employed workers had a tenure of 10 years or more compared to just over onethird (34.1%) of employees. Furthermore, the rate of job tenure of under 1 year was higher among employees (14.3%) than among self-employed workers (7.0%). The longer job tenure of self-employed workers partly reflects their higher average age (49.5 years) compared with employees (43.9 years). Job tenure is also related to how established a business is, as self-employed workers with employees were more likely (59.4%) to have a tenure of 10 years or more than self-employed workers without employees (42.7%).

Black Canadians are among the workers most likely to have short job tenures

Non-racialized and non-Indigenous workers had among the highest rate of long job tenure, and in 2023, 40.5% had a job tenure of 10 years or more. At the same time, Black Canadians were among the workers most likely to have short job tenures, and 20.4% had a job tenure of under 1 year compared to 11.4% of non-racialized and non-Indigenous workers. West Asian workers were also more likely to have short job tenures (20.0%) than their non-racialized and non-Indigenous counterparts.

Immigrants who landed 10 years earlier or less tend to have shorter job tenures than Canadian-born workers

Employed immigrants who had landed in Canada 10 years earlier or less were more likely to have a job tenure of under 1 year (24.4%) compared to more established immigrants who had landed more than 10 years earlier (10.4%) and workers born in Canada (11.5%). Since most recent landed immigrants arrive in Canada at an age when the Canadian-born population has already entered the labour market, they have less time to

build tenure with the same employer or at the same business. Recent immigrants also face specific barriers entering the labour market, such as not having enough Canadian job experience, having no connections in the job market, and lacking enough references in Canada,¹ which may translate into higher job instability.

Short job tenures are more prevalent in accommodation and food services

A larger proportion of workers with short tenure may be an indication that an industry experiences higher turnover. In 2023, the proportion of workers with a job tenure of less than 1 year was highest in accommodation and food services (23.2%), business, building, and other support services (18.6%), and construction (15.7%). In 2023, the job vacancy rate for employees in accommodation and food services (6.8%) and construction (5.1%) was higher than the average for all industries (4.1%).²

In comparison, the proportion of workers with job tenure of 10 years or more was among the highest in agriculture (59.6%), utilities (48.8%), educational services (46.4%), and public administration (43.7%). The vacancy rate for employees in utilities (2.0%), educational services (1.6%), and public administration (2.6%) was lower than the national average in 2023.³ The job vacancy rate in agriculture (4.4%) was slightly higher than the national average, suggesting that the higher proportion of workers with long tenure in the industry is driven by a high rate of self-employment rather than lower turnover among employees.

Information on the indicator

Description or definition

The **job tenure** indicator is the number of employed persons with job tenures of less than 1 year, 1 year to less than 5 years, 5 years to less than 10 years, and 10 years or more, expressed as a proportion of all employed persons.

Source

Statistics Canada, Labour Force Survey, 1976 to 2023.

Information for interpretation

For more information on the Labour Force Survey (LFS) methodology and population coverage, please consult the <u>Guide to the Labour Force Survey</u>, 2020.

The LFS estimates are based on a sample and are therefore subject to sampling variability. The analysis focuses on differences between estimates that are statistically significant at the 95% confidence level. Due to rounding, estimates and percentages may differ slightly between different Statistics Canada products, such as analytical documents and data tables.

The industry coding is based on the North American Industry Classification System (NAICS) 2017.

Job tenure is defined as the number of consecutive months or years that a person has worked for their current employer or at their current business. For employees, the person may have worked in one or more occupations, one or more locations, or have experienced periods of temporary layoff with recall and still be considered to have continuous tenure if their employer has not changed.

Other related information

Additional Statistics Canada data are available on the following subject:

Job tenure

1. Labour Force Survey, November 2023.

- 2. Table 14-10-0372-01 Job vacancies, payroll employees, and job vacancy rate by industry sector, monthly, unadjusted for seasonality, Author's calculations.
- 3. <u>Table 14-10-0372-01</u> Job vacancies, payroll employees, and job vacancy rate by industry sector, monthly, unadjusted for seasonality, Author's calculations.