

Intelligence MEMOS



From: Parisa Mahboubi
To: HR Watchers
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Re: **MORE APPLICANTS DOESN'T MEAN BETTER HIRES**

Despite signs of economic cooling, Canadian companies are still [hiring](#) and continue to struggle with getting it right. The labour market is shifting, but one thing hasn't changed: employers continue to face long hiring timelines, mismatched candidates, and costly hiring mistakes.

A recent [survey](#) of more than 1,500 hiring managers across Canada reveals how inefficient the process has become. Ninety-four percent said hiring now takes longer than it did just two years ago. Screening applications, conducting interviews, checking references – each step is slower, even as businesses face pressure to fill roles linked to essential operations.

You might think that in a looser labour market, this would be less of a problem. Job [openings](#) dropped by more than 16,000 in April, according to Statistics Canada, pushing the national vacancy rate to 2.8 percent, its lowest level since 2017. The number of unemployed people per available job has risen to 3.1, meaning there are now more applicants for every opening.

At first glance, this seems like good news for employers. However, more candidates does not necessarily lead to better hires, especially if hiring processes are slow, unclear, or poorly aligned with the role.

The Robert Half survey makes this clear. Eighty-eight percent of managers said it's still difficult to find the talent they need. And nearly a quarter admitted to making a bad hire in the past two years. These mistakes take an average of four weeks to recognize and lead to more than 15 hours of lost productivity per week across teams. In more than half of these cases, the bad hire also triggered further turnover.

The costs are significant. The estimated cost of a bad hire could be [30 percent](#) of an employee's first-year salary, while it can climb to [five times](#) an employee's annual salary once lost productivity, recruitment, onboarding, and training are factored in.

These issues aren't new, but they're more damaging in today's context. Many employers fail to properly assess soft skills or cultural fit, some don't evaluate technical qualifications rigorously enough, and others fall short in communicating clear expectations and role responsibilities. A flood of applicants doesn't help if employers aren't sure what they're looking for or how to assess it. With hiring taking longer and top candidates often fielding multiple offers, delays can mean losing the best talent – or hiring the wrong person in haste.

So what can companies do differently?

First, they need clarity. Vague job descriptions lead to mismatched expectations and misaligned hires. Clear roles, defined success metrics, and honest descriptions of workplace culture go a long way toward better matches.

Second, companies need to be strategically efficient. Streamlining interview processes, using structured evaluations, and reducing redundancy can save time without sacrificing rigour.

Third, employers should invest in [competency-based hiring](#) – an approach that focuses on what candidates can actually do, not just where they've worked or studied. This model allows organizations to specify the exact skills needed, evaluate candidates objectively, and reduce reliance on credentials that may not reflect real-world ability. The United Kingdom, for example, saved time and money by certifying its entire health workforce this way – cutting credentialing costs in half and slashing time to certification by two-thirds. For Canadian employers, this could mean fewer hiring mistakes, better retention, and a more inclusive labour market that recognizes the talent of skilled immigrants and career-switchers alike.

However, an [Indeed](#) survey of Canadian hiring managers showed that while more than half recognize the value of skills-based hiring, fewer than a quarter have removed degree or experience requirements – evidence that employers still need tools and guidance to implement competency-based systems effectively.

Canada's economic future depends on how effectively we match people to opportunity. And that requires treating hiring not as a bureaucratic hurdle, but as a core business function. As the market shifts, companies that adapt – that prioritize clarity, flexibility, and fit – will be best positioned to hire and to thrive.

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