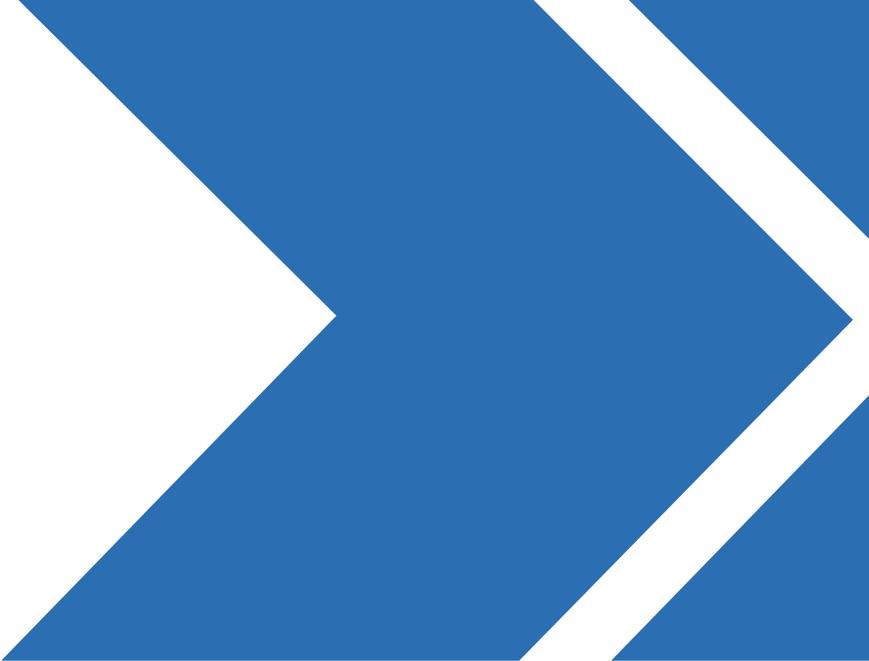




## THE IMPACT OF COVID-19 ON CANADA'S ENERGY WORKFORCE:

A FOUR PART SERIES ON WORK  
PRACTICES, PRODUCTIVITY AND  
OPPORTUNITIES

**PART 4:**  
**IMPACT ON UNEMPLOYED  
AND TEMPORARILY LAID OFF  
(FURLOUGHED) WORKERS**  
NOVEMBER 2020



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# Introduction

The PetroLMI Division of Energy Safety Canada surveyed Canadian energy industry employees to learn how the COVID-19 pandemic is affecting work practices and productivity across all industry occupations, and what changes to previous work practices employees expect as the country emerges from public health restrictions. The survey also gathered data on whether shifts in work practices resulting from the pandemic are creating demand for new skill sets within the industry, and what employment opportunities workers may be investigating to leverage existing skills.

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*This report is divided into four parts:*

**PART 1** focused on the labour cost reductions implemented by energy companies and how industry work practices and productivity have changed as energy workers and their employers responded to public health restrictions.

**PART 2** explored how energy workers feel about returning to work and what actions employers can take to address workers' concerns and ensure their safety.

**PART 3** examined which skills and training energy workers believe are in demand. It also looks at whether energy workers have been seeking employment in different sub-sectors or industries.

**PART 4** focuses on unemployed and temporarily laid off (furloughed) energy workers. It explores the job search and training activities workers have been engaged in, including potential plans should they not be called back to work or able to find other work.

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More than 300 energy workers from across Canada completed the survey in August and September 2020. In addition, 13 leaders from energy companies were interviewed in September and October 2020. The companies included large, medium and small organizations representing exploration and production, oil sands, oil and gas services, and midstream and downstream sectors of the industry. These interviews provide an employer perspective of how the COVID crisis has impacted businesses and workforces. Their views, expressed in the form of quotes, provide additional context throughout the previous parts of the series.

PetroLMI thanks all those who participated in the survey and interviews. Your feedback and perspectives were extremely valuable in developing a timely and meaningful report.

This project was funded by the Government of Canada's Sectoral Initiatives Program.

# Duration of Unemployment

## SUMMARY

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Employment in the energy sector has been hit hard by the COVID-19 pandemic. From February to June 2020, the number of unemployed in Canada's oil and gas industry (exploration and production, oil and gas services and pipelines) more than tripled from 9,900 to 30,000 – increasing the unemployment rate from 5.3% to 16.1% over the period. The number of unemployed workers has been slowly declining since June 2020, but the industry's unemployment rate remained elevated at 11.1% in October 2020.<sup>1</sup>

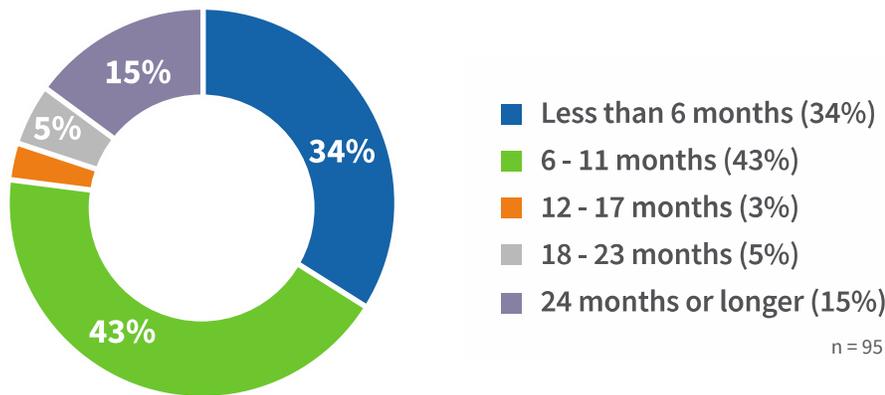
To gain a deeper understanding of the unemployment situation, it is important to examine both the unemployment rate and the duration of unemployment. In our survey, we asked energy workers if they weren't working, how long they had been unemployed or temporarily laid off.

Of the respondents who said they were unemployed or temporarily laid off (furloughed):

- 
- **34% had been unemployed or furloughed for less than six months**
  - **43% had been unemployed or furloughed for six months to less than one year**
  - **23% had been unemployed or furloughed for one year or longer**
-

# Duration of Unemployment

## How long have you been unemployed or temporarily laid off (furloughed)?



### KEY TAKEAWAYS

The unemployment rate is an important labour market indicator that provides a snapshot in time of the number of people who are unemployed as a proportion of the labour force. However, when the unemployment rate increases, the rate alone does not tell us whether more workers have lost their jobs, or whether people who are unemployed are staying unemployed longer.

This distinction is important for policy makers and stakeholders. Long-term unemployment - defined as unemployed and looking for work or on temporary layoff for 27 weeks or more - can lead to a deterioration in skills. This can reduce workers' productivity if - or when - they do find work. In addition, research suggests the longer people are out of work, the more difficult it is for them to find a new job, and the amount of time and effort dedicated to searching for work tends to decline.

According to Statistics Canada, increases in long-term unemployment in September and October 2020 were the sharpest recorded since comparable data became available in 1976.<sup>2</sup> Results of this survey mirror that reality. Of the respondents who reported they were unemployed or temporarily laid off - two-thirds reported they had been for six months or more.

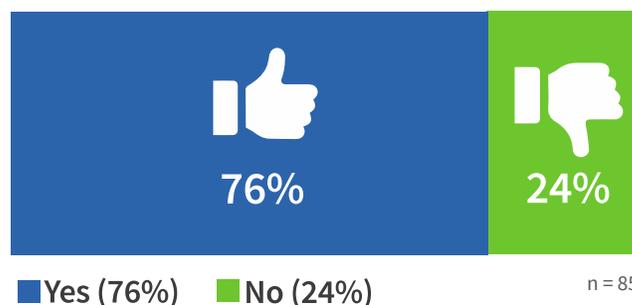
# Government Financial and Employment Assistance

## SUMMARY

Federal and provincial governments quickly introduced financial assistance programs and other employment resources to support Canadians facing hardship following the COVID-19 pandemic outbreak. These included benefits for individuals and their families, persons with disabilities, students, seniors and Indigenous Peoples and included programs such as Canadian Recovery Benefit (CRB), Canadian Recovery Sickness Benefit (CRSB), Canadian Emergency Response Benefit (CERB) and the mortgage payment deferral program, along with existing programs such as Employment Insurance (EI).

Approximately three-quarters (76%) of unemployed and furloughed energy workers surveyed said they accessed government financial assistance programs or other employment resources with CERB being the most frequently mentioned benefit.

**Have you personally accessed a government financial assistance program or other employment resources since being unemployed or temporarily laid off (furloughed)?**



## KEY TAKEAWAYS

It is not surprising that over three-quarters of the unemployed or temporarily laid off energy workers surveyed said they had accessed a government financial assistance program or other employment resource. Direct employment in the oil and gas industry fell by 11.6% between February and June 2020 – a loss of 20,600 jobs.<sup>3</sup> The oil and gas services sub-sector saw an employment decrease of 26% or 20,500 jobs. The pipelines sub-sector of the industry decreased by 9.4% (-1,200 jobs), while the exploration and production sub-sector increased slightly by 1.3% (1,100 jobs). These job losses followed more than five years characterized by an overall downward trend in total employment – with employment dropping by 23% between August 2014 (229,000) and February 2020 (176,600).

# Job Search Activities

## SUMMARY

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Ninety-four per cent of the unemployed and furloughed energy workers surveyed said they were actively looking for employment, either within or outside the oil and gas industry.

Of those actively looking for employment, 18% said they were only looking within the oil and gas industry, 6% were only looking outside the industry, and 76% were looking both in and outside the industry.

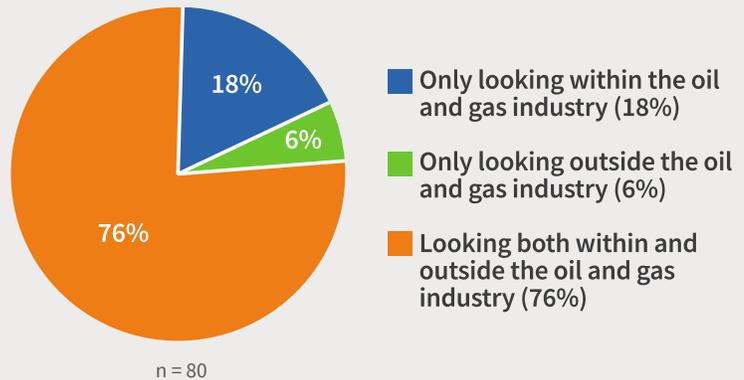
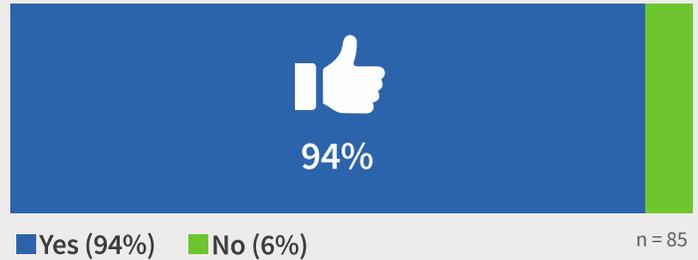
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## TOP INDUSTRIES OUTSIDE OIL AND GAS FOR ACTIVE JOB SEEKERS

- **Construction**
  - **Professional, scientific and technical services**
  - **Mining and quarrying**
  - **Utilities (including renewable power generation)**
  - **Manufacturing**
-

# Job Search Activities

**Are you actively looking for a different position or occupation (either within the oil and gas industry or outside of it) as a result of the pandemic or slowdown within the industry?**



## KEY TAKEAWAYS

With the longer-term persistent downturn in the energy industry exacerbated by the COVID-19 pandemic, unemployed and underemployed workers are exploring ways to redirect their careers. More programs to both retrain and transition oil and gas workers to other careers are needed, and that would include examining different work arrangements and developing programs and resources that explore new and emerging occupations within the energy sector and that are available across other industry sectors.

# Considering Plan B

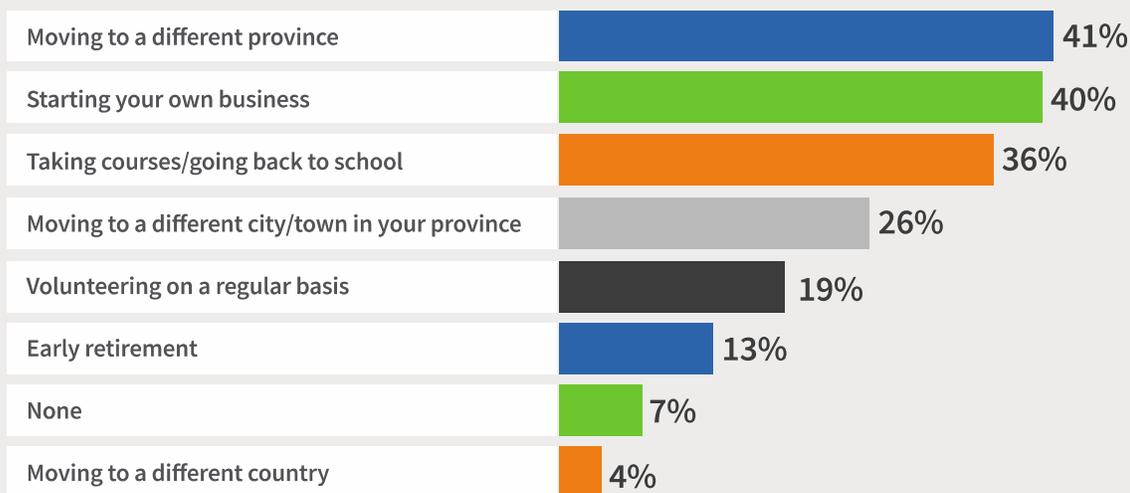
## SUMMARY

Workers who do not find similar work in the same industry or location immediately following a job loss may have to consider other options. We asked unemployed and furloughed energy workers what options they would seriously consider if they do not find employment or are not called back to work within the next 12 months. Their top five considerations were:

- 
- **Moving to a different province (41%)**
  - **Starting their own business (40%)**
  - **Taking courses/going back to school (37%)**
  - **Moving to a different city/town in their province (26%)**
  - **Volunteering on a regular basis (19%)**
-

# Considering Plan B

**If you do not find employment or are not called back to work within the next 12 months, which of the following will you seriously consider?**



n = 85

## KEY TAKEAWAYS

There is concern from regional governments – and employers – most impacted by a decline in oil and gas employment that there will be a significant loss of talent should workers move elsewhere. With 41% of workers surveyed considering moving to a different province and 26% considering moving to a different city or town within their province, it would be beneficial for governments at all levels to provide supports which enable workers to make other choices. That would include programs on how to transition skills and experiences into other local sectors, start a business or upgrade skills to those in-demand, in order for workers to stay in their communities.

# Skills Upgrading and Training

## SUMMARY

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In order for unemployed and temporarily laid off energy workers to stay on top of changing demands in the labour market, training and upskilling are key. This investment keeps skills up-to-date and may give those searching for work an advantage over other candidates.

When energy workers surveyed were asked if they had participated in any skills upgrading or training since they had become unemployed or temporarily laid off (furloughed), 53% of respondents said they had done so.

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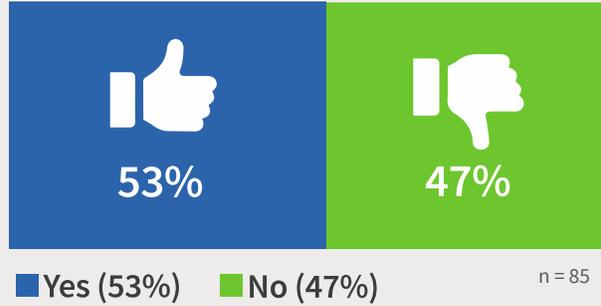
## TOP FIVE SKILLS RESPONDENTS WERE UPGRADING OR DEVELOPING:

- **Project management skills**
  - **Technology and digital skills**
  - **Communication skills**
  - **Leadership skills**
  - **Analytical skills**
- 

In addition, 28% of respondents said they were actively retraining to transition to a new occupation.

# Skills Upgrading and Training

Since you've become unemployed or temporarily laid off (furloughed), have you upgraded or are you upgrading any of your skills through training/education programs?

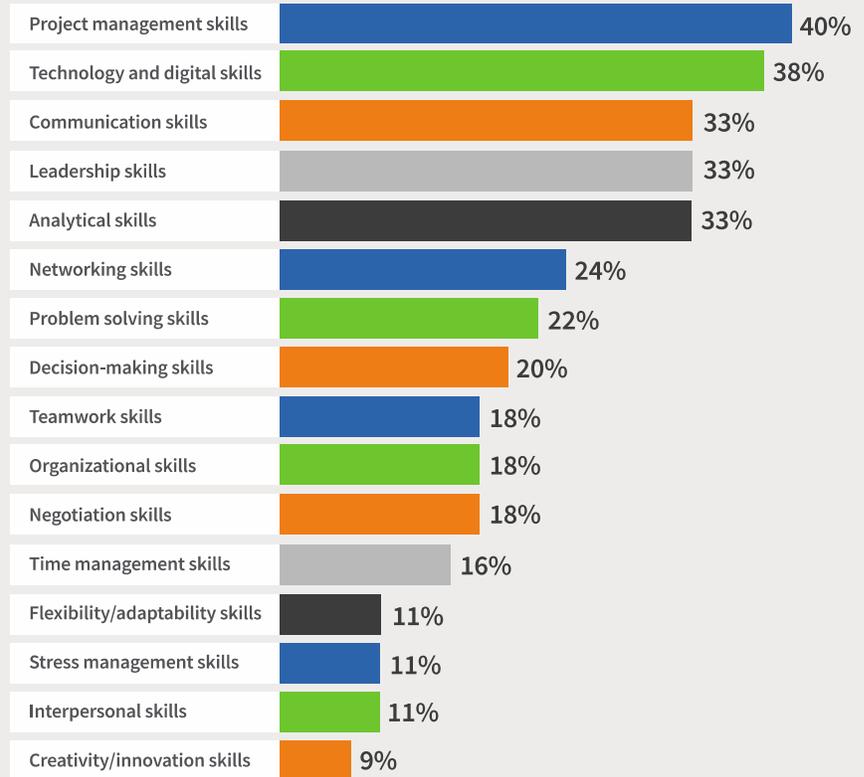


## TYPES OF UPGRADING AND TRAINING UNDERTAKEN



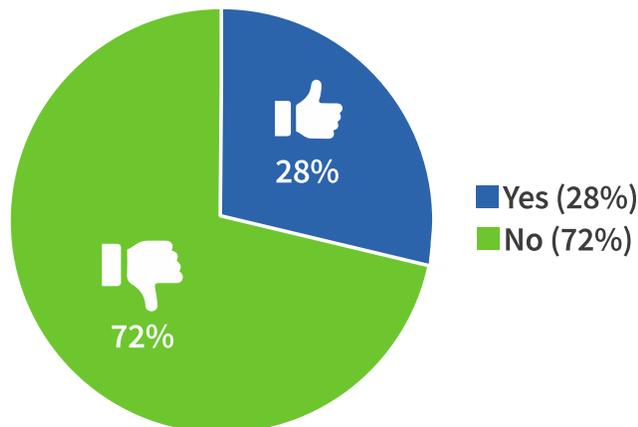
# Skills Upgrading and Training

Which of the following skills are you focused on upgrading or developing?



n = 45

Are you actively retraining to transition to a new occupation?



n = 85

# Skills Upgrading and Training

## TYPES OF RETRAINING UNDERTAKEN



## KEY TAKEAWAYS

There is no time like the present for upgrading and developing new skills to meet the needs of the changing workplace. There are a variety of programs and services that support skills assessments and skills upgrading, retraining, work experience and transition to help those looking for work.

[CareerTransitions.ca](https://www.careertransitions.ca) is one resource that helps workers identify which of their skills can transfer directly into other opportunities and/or where upskilling may be required.

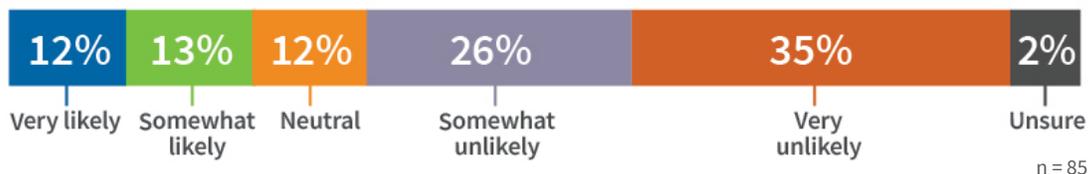
# Recommending the Oil and Gas Industry to Others

## SUMMARY

Boom and bust cycles have long been a feature of working in the energy industry. Large-scale layoffs, along with the cyclical nature of employment, have proven challenging for the oil and gas industry's reputation.

With that in mind, we asked unemployed and furloughed energy workers how likely they were to recommend working in oil and gas to others seeking a career in the industry. Overall, 25% said they would recommend the oil and gas industry despite its volatility; 14% were neutral or unsure; and 61% would not recommend it, with 35% saying they were very unlikely to recommend the industry.

### How likely are you to recommend the oil and gas industry to others seeking a career in the industry?



# Recommending the Oil and Gas Industry to Others

## KEY TAKEAWAYS

Thousands of energy workers have returned to work in recent months. Still, over 20,600 workers remained unemployed in October 2020 – about 10,700 more workers than pre-pandemic levels. With the onset of a second wave of the pandemic across the country, there are worrying trends emerging that a growing share of the temporary job losses will be longer-term or permanent. Nearly one in four of those surveyed (23%) said they had already been unemployed or furloughed for one year or more.

It is not surprising, then, that many unemployed and furloughed energy workers feel frustrated and discouraged. Survey results show they are nearly twice as likely as employed workers (61% vs. 32%) not to recommend the industry to others.

## CLOSING

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**PART 1** of our series focused on the labour cost reductions energy firms have implemented and how industry work practices and productivity have changed as energy workers and their employers have responded to public health restrictions. [Link to report](#)

**PART 2** explored how energy workers feel about returning to work and what actions employers can take to address workers' concerns and ensure their safety. [Link to report](#)

**PART 3** examined the skills energy workers believe will be in demand and what training will be necessary to meet this demand. We also looked at whether energy workers will be seeking employment in different sub-sectors or industries where their skills are in demand. [Link to report](#)

**PART 4** focused on unemployed and temporarily laid off (furloughed) energy workers. We explored the job search and training activities workers are engaged in, including potential plans should they not be called back to work or able to find other work.

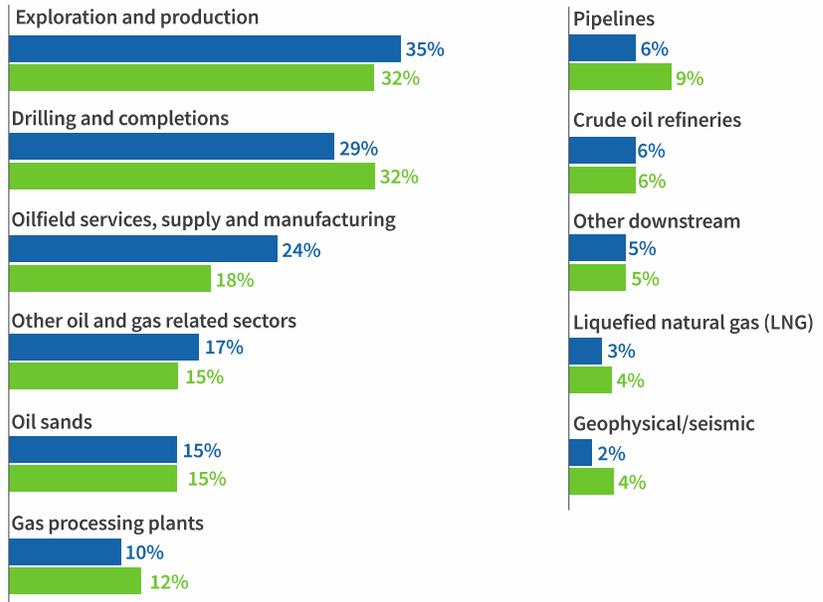
# Demographics

Which sub-sectors within the oil and gas industry did the organization where you were most recently employed operate in?

■ Company sub-sector operations

Which sub-sector within the oil and gas industry did you primarily work in?

■ Primary sub-sector of work



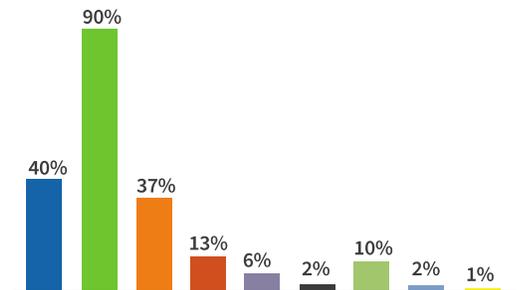
"Other oil and gas related sectors" include engineering design and construction.

"Other downstream" includes transportation networks, retail gas stations and natural gas distribution, and sales and marketing of refined petroleum products.

■ n = 89

■ n = 85

Where did the organization have oil and gas operations in Canada?

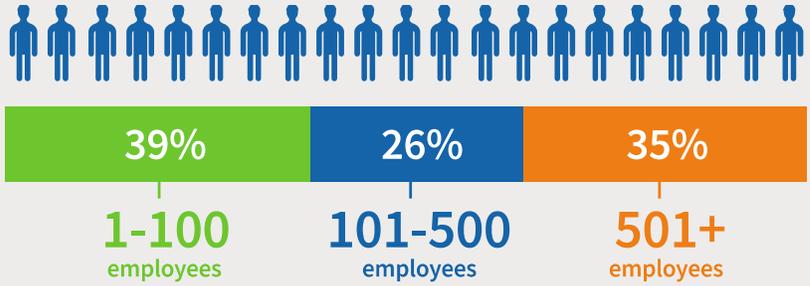


- British Columbia (40%)
- Alberta (90%)
- Saskatchewan (37%)
- Manitoba (13%)
- Ontario (6%)
- Quebec (2%)
- Atlantic Canada (10%)
- Northwest Territories (2%)
- Yukon (1%)

n = 89

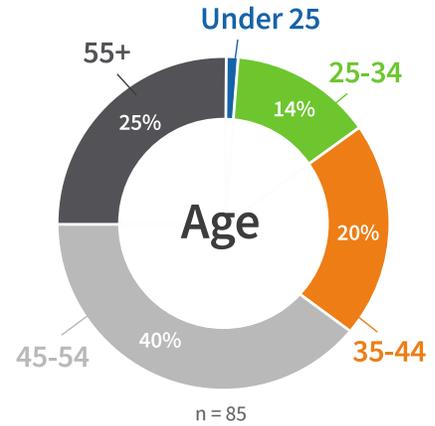
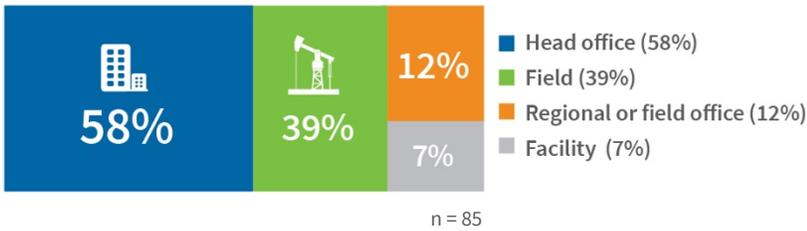
# Demographics

What was the size of the organization's workforce in Canada?

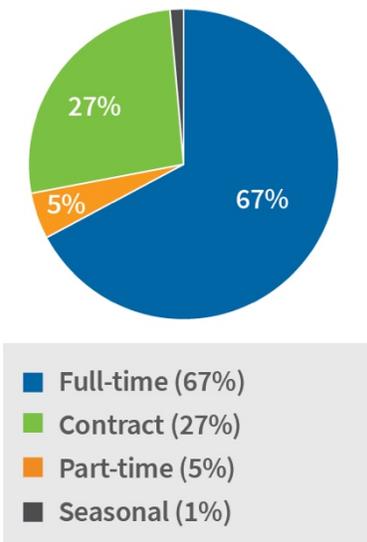


n = 89

What type of environment did you work in?



What was your position defined as?



What was your last position within the organization?



## ACKNOWLEDGEMENTS

PetroLMI gratefully acknowledges the Government of Canada’s department of Employment and Social Development Canada for the funding to undertake and complete this study.

PetroLMI also acknowledges the contributions of Glacier Resource Innovation Group and Richart Studios for assisting in the study and production of this report.

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## PetroLMI Overview

The Petroleum Labour Market Information (PetroLMI) Division of Energy Safety Canada is your source for labour market information and trends in Canada's energy industry.

Careers in Oil + Gas is a PetroLMI initiative and is Canada's leading website for oil and gas labour market information and insights, as well as occupational tools and other resources for career and workforce planning.

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