

# 2010 Survey of Service Industries: Employment Services

## Reporting Guide

This guide is designed to assist you as you complete the 2010 Survey of Service Industries. If you need more information, please call the Statistics Canada Help Line at the number below.

**Help Line: 1-800-972-9692**

### Your answers are confidential.

Statistics Canada is prohibited by law from releasing any information it collects which could identify any person, business, or organization, unless consent has been given by the respondent or as permitted by the *Statistics Act*. The confidentiality provisions of the *Statistics Act* are not affected by either the *Access to information Act* or any other legislation. Therefore, for example, **the Canada Revenue Agency cannot access identifiable survey records from Statistics Canada.**

Information from this survey will be used for statistical purposes only and will be published in aggregate form only.

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## B - Main business activity

### 1. Please describe the nature of your business.

To ensure that you have received the appropriate questionnaire, you are asked to describe the nature of your business. The description should briefly state the main activities of your business unit.

### 2. Please check the one main activity which most accurately represents your main source of revenue.

Below is a description of each main activity.

#### **Permanent placement, executive search and contract staffing services**

Establishments primarily engaged in listing employment vacancies and selecting, referring and placing applicants (including executives and contractors) in employment. The individuals placed are not employees of the placement agencies.

#### **Temporary staffing services**

Establishments primarily engaged in supplying workers for limited periods of time to supplement the workforce of the client. The individuals provided are salaried employees of the temporary staffing establishment. These business units do not provide direct supervision of their employees at the client's work sites.

#### **Co-employment staffing services provided by a professional employer organization (PEO)**

Establishments primarily engaged in providing human resources and human resource management services to clients.

These business units operate in a co-employment relationship with client businesses or organizations and are specialized in performing a wide range of human resource and personnel management duties, such as payroll accounting, payroll tax return preparation, benefits administration, recruiting, and managing labour relations.

Professional employer organizations typically acquire and lease back some or all of the employees of their clients and serve as the employer of the leased employees for payroll, benefits and related purposes. Professional employer organizations exercise varying degrees of decision making relating to their human resource or personnel management role, but do not have management accountability for the work of their clients' operations with regard to strategic planning, output or profitability.

If none of the above activities describes your main source of revenue, please call **1-800-972-9692** for further instructions.

## C - Reporting period information

Please report information for your **fiscal year** (normal business year) **ending between** April 1, 2010 and March 31, 2011. Please indicate the reporting period covered by this questionnaire.

## D - Revenue

A detailed breakdown may be requested in other sections.

### 1. Sales of goods and services (e.g., rental and leasing income, commissions, fees, admissions, services revenue) Report net of returns and allowances.

Sales of goods and services are defined as amounts derived from the sale of goods and services (cash or credit), falling within a business's ordinary activities. Sales should be reported net of trade discount, value added tax and other taxes based on sales.

#### **Include:**

- sales from Canadian locations (domestic and export sales);
- transfers to other business units or a head office of your firm.

#### **Exclude:**

- transfers into inventory and consignment sales;
- federal, provincial and territorial sales taxes and excise duties and taxes;
- intercompany sales in consolidated financial statements.

### 2. Grants, subsidies, donations and fundraising

Please report contributions received during the reporting period.

#### **Include:**

- non-repayable grants, contributions and subsidies from all levels of government;
- revenue from private sector (corporate and individual) sponsorships, donations and fundraising.

### 3. Royalties, rights, licensing and franchise fees

A royalty is defined as a payment received by the holder of a copyright, trademark or patent.

Please **include** revenue received from the sale or use of all intellectual property rights of copyrighted musical, literary, artistic or dramatic works, sound recordings or the broadcasting of communication signals.

#### 4. Investment income (dividends and interest)

Investment income is defined as the portion of a company's income derived from its investments, including dividends and interest on stocks and bonds.

**Include** interest from:

- foreign sources;
- bonds and debentures;
- mortgage loans;
- G.I.C. interest;
- loan interest;
- securities interest and deposits with bank interest.

**Exclude:**

- equity income from investments in subsidiaries or affiliates; these amounts should be reported in **section E**, at question 25.

#### 5. Other revenue (please specify)

**Include:**

- amounts not included in questions 1 to 4 above.

#### 6. Total revenue

The sum of questions 1 to 5.

### E - Expenses

#### 1. Salaries and wages of employees who have been issued a T4 statement

Please report all salaries and wages (including taxable allowances and employment commissions **as defined** on the T4 – Statement of Remuneration Paid) before deductions for this reporting period.

**Include:**

- vacation pay;
- bonuses (including profit sharing);
- employee commissions;
- taxable allowances (e.g., room and board, vehicle allowances, gifts such as airline tickets for holidays);
- severance pay.

**Exclude:**

- all payments and expenses associated with casual labour and outside contract workers; please report these amounts in this section, at question 5.

#### 2. Employer portion of employee benefits

**Include** contributions to:

- health plans;
- insurance plans;
- employment insurance;
- pension plans;
- workers' compensation;
- contributions to any other employee benefits such as child care and supplementary unemployment benefit (SUB) plans;
- contributions to provincial and territorial health and education payroll taxes.

#### 3. Commissions paid to non-employees

Please report commission payments to outside workers without a T4 – Statement of Remuneration Paid.

**Include:**

- commission payments to independent real estate agents and brokers.

#### 4. Professional and business services fees

**Include:**

- legal;
- accounting and auditing;
- consulting;
- education and training;
- architect;
- appraisal;
- management and administration.

#### 5. Subcontract expenses (include contract labour, contract work and custom work)

Subcontract expense refers to the purchasing of services from outside of the company rather than providing them in-house.

**Include:**

- hired casual labour and outside contract workers.

#### 6. Charges for services provided by your head office

**Include:**

- parent company reimbursement expenses and interdivisional expenses.

**7. Cost of goods sold, if applicable (purchases plus opening inventory minus closing inventory)**

Report cost of purchased goods that were resold during the reporting period. If applicable, report cost of goods and material used in manufacturing of sold products.

**Include:**

- goods purchased for resale: purchases during the period (including freight-in) **plus** opening inventory **less** closing inventory;
- materials used in manufacturing of products sold: report **only** the material component of cost of finished manufactured goods that were sold during the reporting period.

**Exclude:**

- direct and indirect labour costs (salaries, wages, benefits, and commissions);
- overhead and all other costs normally charged to cost of goods sold, such as depreciation, energy costs, utilities, sub-contracts, royalties, transportation, warehousing, insurance, rental and leasing; these expenses should be reported elsewhere in the detailed categories provided.

**8. Office supplies**

**Include:**

- office stationery and supplies, paper and other supplies for photocopiers, printers and fax machines;
- diskettes and computer upgrade expenses;
- data processing.

**Exclude:**

- postage and courier;
- telephone, Internet and other telecommunications expenses (please report this amount in this section, at question 14).

**9. Rental and leasing (include rental of premises, equipment, motor vehicles, etc.)**

**Include:**

- lease rental expenses, real estate rental expenses, condominium fees and equipment rental expenses;
- motor vehicle rental and leasing expenses;
- rental and leasing of computer and peripheral expenses;
- studio lighting and scaffolding, and other machinery and equipment expenses;
- fuel and other utility costs covered in your rental and leasing contracts.

**10. Repair and maintenance (e.g., property, equipment, vehicles)**

**Include** expenses for the repair and maintenance of:

- buildings and structures;
- vehicles (including vehicle fuel);
- machinery and equipment;
- security equipment;
- costs related to materials, parts and external labour associated with these expenses.

Also **include** janitorial and cleaning services and garbage removal.

**11. Insurance (include professional liability, motor vehicles, etc.)**

**Include:**

- professional and other liability insurance;
- motor vehicle and property insurance;
- executive life insurance;
- bonding, business interruption insurance and fire insurance.

Insurance recovery income should be deducted from insurance expenses.

**12. Advertising, marketing and promotions (report charitable donations at question 22)**

**Include:**

- newspaper advertising and media expenses;
- catalogues, presentations and displays;
- meeting and convention expenses;
- tickets for theatre, concerts and sporting events for business promotion;
- fundraising expenses.

**13. Travel, meals and entertainment**

**Include:**

- passenger transportation, accommodation and meals while travelling;
- other travel allowances as well as meal, entertainment and hospitality purchases for clients.

**14. Utilities and telecommunications expenses (include gas, heating, hydro, water, telephone and Internet expenses)**

**Include:**

- diesel, fuel wood, natural gas, oil and propane;
- sewage.

**Exclude:**

- energy expenses covered in your rental and leasing contracts;
- vehicle fuel.

**15. Property and business taxes, licences and permits**

**Include:**

- property taxes paid directly and property transfer taxes;
- vehicle licence fees;
- beverage taxes and business taxes;
- trade licence fees;
- membership fees and professional licence fees.

**16. Royalties, rights, licensing and franchise fees**

**Include:**

- amounts paid to holders of patents, copyrights, performing rights and trademarks;
- gross overriding royalty expenses and direct royalty costs;
- resident and non-resident royalty expenses;
- franchise fees.

**17. Delivery, warehousing, postage and courier**

**Include:**

- amounts paid for courier, custom fees, delivery and installation;
- distribution, ferry charges and cartage;
- freight and duty, shipping, warehousing and storage.

**18. Financial service fees**

**Include:**

- explicit service charges for financial services;
- credit and debit card commissions and charges;
- collection expenses and transfer fees;
- registrar and transfer agent fees;
- security and exchange commission fees;
- other financial service fees.

**Exclude:**

- interest expenses.

**19. Interest expenses**

Please report the cost of servicing your company's debt.

**Include** interest on:

- short-term and long-term debt;
- capital leases;
- bonds and debentures and mortgages.

**20. Amortization and depreciation of tangible and intangible assets**

**Include:**

- direct cost depreciation of tangible assets and amortization of leasehold improvements;
- amortization of intangible assets (e.g., amortization of goodwill, deferred charges, organizational costs, and research and development costs).

**21. Bad debts**

A bad debt is the portion of receivables deemed uncollectible, typically from accounts receivable or loans.

**Include:**

- allowance for bad debts.

Bad debt recoveries are to be netted from bad debt expenses.

**22. All other expenses (please specify)**

**Include:**

- amounts not included in questions 1 to 21;
- charitable and political expenses;
- research and development expenses;
- recruiting expenses.

**23. Total expenses**

The sum of questions 1 to 22.

**24. Corporate taxes, if applicable**

**Include:**

- federal, provincial and territorial current income taxes and federal, provincial and territorial provision for deferred income taxes.

**25. Gains (losses) and other items**

**Include:**

- realized gains/losses on disposal of assets and realized gains/losses on sale of investments;
- foreign exchange gains/losses, subsidiary/affiliate share of income/losses and other division income/losses;
- joint venture income/losses and partnership income/losses;
- unrealized gains/losses, extraordinary items, legal settlements, and other unusual items;
- write-offs.

**26. Net profit/loss after tax and other items**

Total revenue **less** Total expenses **minus** Corporate taxes **plus** Gains (losses) and other items.

## F - Industry characteristics

Please provide a breakdown of your sales.

### 1. Executive/retained search services

Specialized search and recruitment service limited to filling highly paid executive, senior manager, and professional positions, according to client specifications.

May **include** fees for services such as:

- conducting detailed interviews with the client organization's management team;
- developing job profiles;
- conducting original research and advertising to locate potential job candidates;
- screening possible candidates;
- preparing, presenting, and discussing a confidential list of highly qualified applicants with the client;
- making interview arrangements;
- negotiating compensation;
- providing post-hire follow-up.

The search firm typically provides two assurances to the client firm:

- repeat the search at no extra charge (out-of-pocket expenses only) should a placed candidate subsequently fail for reasons attributed to lack of due diligence by the search firm;
- not to recruit from the client firm for a stated period of time.

The client makes the decision as to which candidate to hire. The search agency's fee is charged whether or not the candidate is hired. This product is also known as retained search.

### 2. Permanent placement services (exclude executive/retained search services)

Service of recruiting, selecting and referring candidates to the client to fill positions on a permanent (indeterminate) basis.

The services may include testing, interviewing, reference checking, evaluation and counselling of prospective employees. The service provider acts as an employment intermediary. The candidate is selected and hired by the client. The placement firm is paid on a contingency basis, i.e., only for successful placement of a candidate. This product includes permanent placement services for a complete range of occupations from low-level employees to management employees, including executives, domestic and international job placements.

#### Exclude:

- permanent placement services for executives recruited through executive/retained search services (question 1).

### 3. Contract staffing services (temporary assignment of contractors — non T4 recipients)

Services of finding individual contractors to fill positions on the basis of written contracts that stipulate the deliverables for which the client has contracted, as well as specific terms and conditions of employment. Under the terms of this agreement, the service provider has legal rights and duties with respect to the individual contractors. As they are not employees of the employment placement agencies, the individual contractors are normally responsible for their own payroll deductions and government filings.

### 4. Temporary staffing services (temporary assignment of staffing firm employees — T4 recipients)

Supplying personnel for temporary work assignments, temporary staffing firms hire their own employees and assigns them to support or supplement the client's workforce in work situations such as employee absences, temporary skill shortages, seasonal workloads, and special assignments and projects. The employees are on the payroll of the temporary staffing firm which is legally responsible for their actions, but when working they are under the direct supervision of the client. The temporary staffing firm specifies the pay, benefits, etc. of the employee.

### 5. Temporary staffing to permanent placement services

This is a temporary assignment of staffing firm employees — T4 recipients — with the expectation of permanent work at the end of the trial period with the client.

The employee remains on the payroll of the temporary help staffing firm until the hiring decision is made at which time he or she becomes an employee of the client or, if not, returns to the temporary help staffing firm. This service may include training, counselling, assessment, and resume upgrading.

### 6. Co-employment staffing and payrolling services

Co-employment staffing is provided by a professional employer organization; payrolling is long term staffing such as labour leasing, staff leasing, employee leasing and extended employee staffing.

A service in which a professional employer organization (PEO) co-employs a client's workforce. The PEO and the client enter into a contractual agreement whereby the rights and responsibilities in respect of co-employees are shared or allocated, with the service provider assuming responsibility for certain activities as agreed with the client. These range from basic to full-service packages.



Payrolling is supplying personnel for extended work assignments. Under the terms of this arrangement, the client may recruit the person or persons hired by the staffing firm and assigned to their place of work, or transfer a portion of their existing workforce to the staffing firm. Long-term employees are placed on the payroll of the staffing firm, which is legally responsible for their actions, but when working they are supervised by the client. This service includes activities such as labour leasing, staff leasing, employee leasing, extended employee staffing and payrolling.

## **7. All other sales**

Include the following goods and services:

### **On-site management of temporary help**

Provision of personnel who, in the work area of the client, assign, co-ordinate, and monitor employees provided by the temporary help staffing firm. This service provides a single point of contact for the client. Activities include recruitment, testing, selection, training, reporting, and quality monitoring. Assignment of an on-site manager requires a request from the client.

### **On-line job listing services**

Soliciting candidates and posting job openings to a website which may be known as a job board, job bank, recruiting site, directory, labour exchange or employment registry. Organizations that post job listings to these sites are usually charged a fee, whereas job seekers usually have free access. These websites may include newsletters, referrals based on matching profiles or keywords, and access to training and employment-related services and programs, search engines and other resources.

### **On-line resume listing services**

Soliciting and posting resumes/vitae to a website which may be known as a job board, job bank, recruiting site, directory, labour exchange or employment registry. Individuals who post resumes or vitae to these sites are not usually charged a fee; exceptions are online casting and talent search services that may charge for posting a vita or headshot. These websites may include job referrals based on matching profiles or keywords, access to training and employment-related services and programs, search engines, newsletters, and other resources.

### **Sale of on-line job site advertising space**

Sale of advertising space on Internet job sites by the owner or operator of the site. Advertising in this medium consists mainly of announcements, splash pages, and logo buttons directed to individuals seeking jobs.

### **On-line job site memberships**

Sale of memberships in an online job bank, job board, recruiting site, directory, labour exchange or employment registry for a set period of time. The membership level varies but usually includes job posting, resume searching, use of job tracking software, and access to statistical databases.

### **On-line employment database search services**

Enabling users to search resumes/vitae or job listings posted to a website. Searches can usually be conducted by function, industry, location, and date of resume posting using customized search engines.

### **Sale of employment-related software**

Sale of software designed for employment/job search. Includes software for interactive Internet recruiting, applicant tracking and applicant evaluation.

### **Managed services**

Managing and/or operating an area or task for a client organization on an on-going basis, with or without the provision of operating staff. This service may include shipping and receiving, mail services, accounts payable, purchasing, food services, maintenance of facilities, records management, and other operations that support a client's business. Managed services are also known as outsourcing, office management, facilities support, facilities management, or project management services.

### **Human resource consulting services**

Providing advice and assistance concerning policies and procedures relating to staffing and development, performance measurement, pay and benefits, internal communications, regulatory compliance, due diligence, labour relations, and other human resource issues, with reference to the strategic and operational objectives of the client.

### **Consulting services, not elsewhere classified**

Consulting services not directly related to human resource operations. Examples are information technology (IT) consulting, management consulting, and employment market consulting.

### **Employee evaluation services**

Screening and appraisal of the technical and psychometric skills of individuals considered for hiring, promotion and/or advancement by the client. This service is most frequently used as part of the hiring process. This service also includes fee-based computer software certification tests.

### **Outplacement and career counselling**

Assisting clients to deal with employee terminations in a fair, safe, and lawful manner and assisting client employees in making job and career changes. Employee assistance includes counselling, job search support, workshops, seminars and resume upgrading.

### **Payroll services**

Payroll processing, withholding deductions, remitting deductions and employer's contributions to government-mandated and other plans, and filing reports.

### **Training services**

Instruction related to employment in such areas as computer-based skills, certification programs, skills upgrading, safety training and tutorials. This service is adjusted to the needs identified by the client.

### **Personal background checks**

Investigation of the personal, academic, financial, and work history of candidates to be considered for hiring, promotion and/or advancement or those already employed by the client. This service is normally included as part of the hiring process. This product may be sold separately.

### **Medical exams for employment**

Evaluation of the health of the candidate. Includes medical history, laboratory tests, and physical examinations. This product may be sold separately.

## **8. Total sales**

The sum of the dollar amounts reported at questions 1 to 7.

### **Labour costs**

#### **Questions 9 and 10**

Please report all salaries, wages and benefits (including taxable allowances and employment commissions as defined on the T4 — Statement of Remuneration Paid) before deductions for this reporting period.

#### **Include:**

- vacation pay;
- bonuses (including profit sharing);
- employment commissions;
- taxable allowances (e.g., room and board, vehicle allowances, gifts such as airline tickets for holidays);
- severance pay.

#### **Include** contributions to:

- health plans;
- insurance plans;
- employment insurance;
- pension plans;
- workers' compensation;
- any other employee benefits such as child care and supplementary unemployment benefit (SUB) plans;
- provincial and territorial health and education payroll taxes.

#### **Exclude:**

- All payments made to outside contract workers temporarily assigned and to casual labourers to whom no T4 — Statement of Remuneration Paid was issued.

## **9. Salaries, wages and benefits paid to internal employees — T4 recipients**

Internal employees are the staffing firm employees who are responsible for the day to day activities of the staffing firm. These internal employees are not assigned to client firms and their work is mainly carried out within the office(s) of the staffing firm.

#### **Include:**

- administrative personnel;
- recruitment consultants.

## **10. Salaries, wages and benefits paid to employees temporarily assigned — T4 recipients**

Employees from the staffing firm sent temporarily to client firms on short-term or extended work assignments. The staffing firm is responsible for paying all salaries, wages and benefits of the assigned employees. The work of employees assigned to client firms is carried out under supervision provided by the client firm.

## **11. Amounts paid to contractors temporarily assigned — non T4 recipients**

Amounts paid by the staffing firm to contractors assigned to client firms to fill positions on the basis of written contracts that stipulate the deliverables for which the client has contracted, as well as specific terms and conditions of employment. Under the terms of this agreement, the employment service provider has legal rights and duties with respect to individual contractors.

Not being employees of the staffing firm, the individual contractors are normally responsible for their own payroll deductions and government filings. The contractors are not issued a T4 — Statement of Remuneration Paid — by either the staffing firm nor the client firm.



## Number of internal employees

### 12. Number of internal employees — T4 recipients

Please see the definition of internal employees — T4 recipients provided at question 9 above.

Please provide your best estimate if this number is not readily available.

## H - Sales by type of client

This section is designed to measure which sector of the economy purchases your services.

Please provide a percentage breakdown of your sales by type of client.

Please ensure that the sum of percentages reported in this section equals 100%.

### 1. Clients in Canada

#### a) Businesses

Percentage of sales sold to the business sector should be reported here.

**Include:**

- sales to Crown corporations.

#### b) Individuals and households

Please report the percentage of sales to individuals and households who do not represent the business or government sector.

#### c) Governments, not-for-profit organizations and public institutions (e.g., hospitals, schools)

Percentage of sales to federal, provincial, territorial and municipal governments should be reported here.

**Include:**

- sales to hospitals, schools, universities and public utilities.

### 2. Clients outside Canada

Please report the share of total sales to customers or clients located outside Canada including foreign businesses, foreign individuals, foreign institutions and/or governments.

**Include:**

- sales to foreign subsidiaries and affiliates.

## I - Sales by client location

Please provide a percentage breakdown of your total sales by client location (first point of sale).

Please ensure that the sum of percentages reported in this section equals 100%.

The percentage in question 14 must equal question 2 in section H.

## General information

### Survey purpose

Statistics Canada conducts this survey to obtain detailed and accurate data on this industry, which is recognised as being an important contributor to the Canadian economy. Your responses are critically important to produce reliable statistics used by businesses, non-profit organizations and all levels of government to make informed decisions in many areas.

The information from this survey can be used by your business to benchmark your performance against an industry standard, to plan marketing strategies or to prepare business plans for investors. Governments use the data to develop national and regional economic policies and to develop programs to promote domestic and international competitiveness. The data are also used by trade associations, business analysts and investors to study the economic performance and characteristics of your industry.

### Data-sharing agreements

To reduce respondent burden, Statistics Canada has entered into data sharing agreements with provincial and territorial statistical agencies and other government organizations, which must keep the data confidential and use them only for statistical purposes. Statistics Canada will only share data from this survey with those organizations that have demonstrated a requirement to use the data.

**Section 11** of the *Statistics Act* provides for the sharing of information with provincial and territorial statistical agencies that meet certain conditions. These agencies must have the legislative authority to collect the same information, on a mandatory basis, and the legislation must provide substantially the same provisions for confidentiality and penalties for disclosure of confidential information as the *Statistics Act*. Because these agencies have the legal authority to compel businesses to provide the same information, consent is not requested and businesses may not object to the sharing of the data.

For this survey, there are **Section 11** agreements with the provincial and territorial statistical agencies of Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, and the Yukon.

The shared data will be limited to information pertaining to business establishments located within the jurisdiction of the respective province or territory.

**Section 12** of the *Statistics Act* provides for the sharing of information with federal, provincial or territorial government organizations. Under **Section 12**, you may refuse to share your information with any of these organizations by writing a letter of objection to the Chief Statistician and returning it with the completed questionnaire. Please specify the organizations with which you do not want to share your data.

For this survey, there are **Section 12** agreements with the statistical agencies of Prince Edward Island, the Northwest Territories and Nunavut.

For agreements with provincial and territorial government organizations, the shared data will be limited to information pertaining to business establishments located within the jurisdiction of the respective province or territory.

### **Record linkages**

To enhance the data from this survey, Statistics Canada may combine it with information from other surveys or from administrative sources.

**Please note that Statistics Canada does not share any individual survey information with the Canada Revenue Agency.**

Please visit our website at [www.statcan.gc.ca/survey-enquete/index-eng.htm](http://www.statcan.gc.ca/survey-enquete/index-eng.htm) or call us at **1-800-972-9692** for more information about these data-sharing agreements.

**Thank you!**