

2018

GTA

**Employer
Survey**

**Employment and
Retention of Newcomers**

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Acknowledgements

We would like to express our sincere gratitude to the following individuals and organizations who contributed to the design and/or dissemination of this survey. Their guidance and support was invaluable:

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Dixie Bloor Neighbourhood Centre	The Centre for Skills Development & Training
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Humber Community Employment Services	Mississauga
Indus Community Services	YMCA Halton
Job Skills	York Workforce Planning Council
Job Start	
John Howard Society	
Landscape Ontario	



Peel Halton Local Employment Planning Council (LEPC)

The Peel Halton Workforce Development Group (PHWDG) is a community-based not-for-profit Corporation that serves the Peel and Halton regions. The PHWDG functions as a neutral broker of research, disseminator of information and facilitator of collaborative partnership development. The PHWDG works with the community to identify trends and opportunities in the labour market environment which impact our workforce. We then nurture the ideas, which emerge from our consultations and seek to develop partnerships to address these issues, to further help our community to thrive in our local economy. Operating as part of the Local Boards Network of Ontario, PHWDG is one of 25 local planning board areas funded by the Ministry of Training, Colleges & Universities (MTCU) to conduct and distribute local labour market research and engage community stakeholders in planning processes that support local solutions to local issues.

The PHWDG undertook the piloting of the Peel-Halton Local Employment Planning Council (LEPC) as of December 2015. The Peel-Halton LEPC is one of eight LEPC's across Ontario. Ontario launched the LEPC pilots as part of the ministry's work to modernize employment, training programs and services. LEPC's promote place-based approaches to workforce development, while generating and analyzing local labour market information.

Additionally, LEPC's drive local approaches to the planning and delivery of employment and training programs and services. LEPC's also improve local labour market conditions through enhanced collection and distribution of local labour market information.

Published by the Peel Halton Workforce Development Group, March 2019

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An electronic version of this document as well as the survey questionnaire are available at: <https://www.peelhaltonlepc.com/reports>

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Executive Summary

Given that a significant portion of the population in the Greater Toronto Area are new immigrants who settled in Canada less than five years ago, and that the Canadian labour market is increasingly relying on a diverse knowledge and skills base, it is important to understand the experience of employers when recruiting and retaining newcomers to Canada. The subject matter is meaningful to local governments, employment services providers, settlement agencies and educational institutions, together with those organizations mandated with enhancing labour market outcomes of newcomers.

The 2018 GTA Employer Survey is the 8th annual employer survey conducted by Peel Halton Workforce Development Group. In order to collect comprehensive data from employers, great efforts were made to disseminate the survey to employers across the GTA, not only Peel and Halton regions.

This year's theme focused on the employment and retention of newcomers. The survey consisted of 23 questions and was administered electronically through various channels such as email campaigns (with support from community partners) and social media (such as LinkedIn, Facebook, and Twitter). In total, 630 employers across the Greater Toronto Area responded to the survey, with significant numbers from Mississauga (33%), Toronto (17%), Oakville (11%), Burlington (11%), and Brampton (10%). After eliminating those responses with no substantive answers, 584 responses were eventually used in the analysis.

The Peel Halton Workforce Development Group has been conducting employer surveys for the past seven years.

Several clear messages emerge from the survey and interview results:

- The majority of employers surveyed believe newcomers have already become and will continue to be an important and necessary part of the labour force.
- A significant number of newcomers are being hired for technical/mid-level skills positions that often require a college diploma or apprenticeship certificate. GTA employers identified these positions as strongly in demand.
- Very few employers hire from abroad, even though the skill sets they need may be difficult to secure domestically.
- About a third of employers have worked with international students with a work permit; however, some employers are concerned about the decreasing quality of international students.
- English language skills and familiarity with Canadian work culture are concerns of employers as they assess newcomer candidacies.
- Employers view foreign work experience as being more important than foreign education. Type of industry, number of years of experience, and the level of position held are more important to employers when evaluating work experience from abroad.
- Once employers hire a newcomer, they reported that they try to make it a successful employment relationship. However, if termination is necessary, employers reported that it was for reasons including poor communication skills, inability to adjust and learn, or poor fit.
- Employers reported that in their experience newcomer employees chose to leave their positions because they found positions that better use their experience and education, offer higher wages or because of commuting challenges.

Insights from the key findings provide the basis for the following policy directions:

1. Strengthen employment services for newcomers, especially in the areas of understanding Canadian work culture and improving English language skills.
2. Promote frequent dialogue between employers and employment service providers, especially those who work with newcomers, to understand the current demands of the labour market from the industry perspective. Encourage employers' input for employment program design and enhancement in order to meet employer expectation and needs.
3. Service providers should undertake more intensive outreach to ensure newcomers entering the labour market make use of employment services so they have better understanding of employer expectations.

The rest of the report consists of five sections. The first section provides the background and rationale for the survey theme. The second section describes the methodologies used in this research. It includes information about survey design and survey results. It also describes the qualitative research methodologies that have been used to complement the survey. The third section is a review of previous literature regarding the labour market challenges faced by newcomers to Canada. The fourth section profiles the distribution of the survey responses across several characteristics and compares them with the actual distribution of business establishments in the GTA. These comparisons suggest the degree to which the survey sample reflects the employer population in the GTA. The fifth section is a comprehensive analysis of the survey and interview results. The quantitative data from the survey was enhanced by the qualitative context derived from the employer interviews. The last section concludes the report with key findings and recommendations.

Introduction

Toronto Census Metropolitan Area (CMA) is home to 356,930¹ recent immigrants who settled in Canada less than five years ago. Approximately one third of the recent immigrants in Toronto CMA live in Peel and Halton Regions. Employment is vital for the livelihood of any individual or family, and meaningful employment is especially important for newcomers because it is the core of a successful settlement and integration.

On the other side of the equation, employers that attract and retain internationally trained new immigrants benefit from their diverse knowledge and skills base. As Canada's fertility rate drops to 1.54 children per woman², and baby boomers continue to retire over the next decade leaving a void in the labour market, there is increasing pressure on the federal government to bring in more skilled immigrants. In fact, Immigration, Refugee, and Citizenship Canada planned to welcome 310,000 new permanent residents in 2018, 330,000 in 2019 and 340,000 in 2020 (IRCC 2017 Annual Report). Historical trends indicate that municipalities in the Greater Toronto Area (GTA) are popular sites for newcomer settlement. Therefore, a significant number of the workforce in the GTA is, and will continue to be, recent immigrants.

Employment has always been one of the key priorities of local organizations and governments for fostering newcomer settlement and integration in the GTA. For example, the Halton Newcomer Strategy³ and the Peel Newcomer Strategy Group⁴— the local immigration partnerships of Peel and Halton that are designed to plan, coordinate and enhance local immigration service integration, have identified the need to improve labour market outcomes through effective employment for newcomers as their main strategic priority.

Addressing the barriers to the employment and retention of newcomers is an extremely important step towards stabilizing the workforce and ensuring economic prosperity. Informal consultations with key stakeholders and community partners such as employment and settlement service providers, local government and economic development offices, employers, and academic institutions have revealed that employment is the anchor of a successful settlement. Consensus over the significance of newcomer employment created the foundation for the 2018 Employer Survey.

In the past, Peel Halton Workforce Development Group employment surveys focused on Peel and Halton Regions. However, during the consultation process it became clear that issues relating to newcomer employment are similar across the GTA, and previous survey results indicated that the location of an employer had less impact on their responses than what industry they were in or the size of the employers. Therefore, this year the survey was designed to gather information from GTA employers with the intention to achieve robust findings that are applicable for the stakeholders across the GTA.

The Peel Halton Workforce Development Group has been conducting employer surveys for the past seven years. Each year, the survey attracts a significant number of responses and receives excellent feedback from employers, employment service providers, economic development offices and other stakeholders. The survey aims to provide information on local labour market trends from the perspective of local employers.

¹ Statistics Canada, Geographic distribution of immigrants and recent immigrants and their proportion within the populations of census metropolitan areas, Canada, 2016. <https://www150.statcan.gc.ca/n1/daily-quotidien/171025/t001b-eng.htm>

² Statistics Canada, Fertility: Overview, 2012 to 2016. <https://www150.statcan.gc.ca/n1/pub/91-209-x/2018001/article/54956-eng.htm>

³ "Strategic Plan 2017-2020" Halton Newcomer Strategy. <http://www.welcometohalton.ca/en/newcomerstrategy/Documents/HNS%20Strategic%20Plan%202017-2020.pdf>

⁴ "2015/2016 Collective Impact Report" Peel Newcomer Strategy Group. https://www.peelnewcomer.org/site/peel_newcomer_strategy_group___new/assets/pdf/collective_impact_report__2015_-_2016_.pdf

Methodology

The survey was developed to solicit input from employers in Peel, Halton, York and Durham Regions and in the City of Toronto. The survey used the Survey Monkey platform and was distributed through various channels, such as e-blasts through community stakeholders, and through social media platforms such as LinkedIn, Facebook, and Twitter. The survey was open to the employers from November 1st to December 17th 2018. A full list of the survey dissemination partners are included in the acknowledgement page.

The survey questions were designed with input from an advisory committee representing a broad section of stakeholders including academics from universities, employment service providers, newcomer settlement service providers, and foreign credential evaluators.

The survey had 23 questions and, on average, took 15-20 minutes to complete. The survey mainly consists of questions regarding employers' challenges in recruiting qualified candidates, hiring individuals from abroad, experience with recruiting and employing newcomers and international students, assessing newcomer candidates, turnover rates among newcomers and other retention related issues. The survey also gave employers the opportunity to elaborate on their answers, provide general comments and advice on the subject matter. The final questions ask employers if they were interested in receiving a copy of the survey results, wanted to be contacted for a short interview, or if they wanted to be contacted regarding any labour market issue including recruitment challenges, hiring incentives or training grants, obtaining co-op students, etc. Employers had the option to leave their contact information for follow up.

In total, 630 responses were received, and after eliminating those surveys with no substantive answers, 584 responses were eventually used in the analysis. On average, 439 respondents answered each question. The data generated from each question was analyzed and is presented in this report through graphs, charts and tables, alongside the interview results.

The respondents had to give their consent to take part in the survey. Four respondents answered "no" to the question "do you consent to take part in this survey?" and their responses were removed from the survey. The survey asked respondents to identify their sector, geographic location and size. Based on the information provided by respondents, industry classifications were checked and corrected when necessary. The majority of respondents dropped out towards the end of the survey without providing contact information; however, their unanswered questions did not significantly affect survey results.

It is important to note that the survey is not a scientifically random survey because it was distributed through community partners and to employers connected to the Peel Halton Workforce Development Group. Although the survey was promoted through social media platforms, most of the responses came from regular contacts as well as those who responded to invitations sent out by community partners. Thus, the sample size was limited to employers who have connections with the Peel Halton Workforce Development Group and its community partners. Despite this limitation, there is a broad concordance between the employer response by industry and the actual distribution of employers by industry.

In order to contextualize the survey findings, a set of individual interviews was conducted with employers. Initially, 40 employers left their contact information for an interview; however, due to scheduling challenges with some employers, a total of 30 employers from across GTA were interviewed. These interviews lasted approximately 15-30 minutes each and the respondents answered a set of six questions exploring employers' challenges finding qualified individuals, their experiences with the recruitment and employment of newcomers, their assessment of newcomers in comparison to other job candidates, the retention of newcomer employees, and the evaluation of foreign credentials. The interviewers also probed about employers' HR practices in relation to newcomer employees and asked for their advice on how newcomers can better succeed in the Canadian labour market.

Literature Review

According to an Immigration, Refugee, and Citizenship Canada commissioned study⁵, employment opportunity is listed as the number one factor contributing to an open and inclusive environment enhancing successful newcomer integration. The report concludes that employment is significant for three reasons: 1) it is the primary source of income for new immigrants to meet basic needs, 2) for many newcomers who immigrated under the skilled worker category, finding employment that is commensurate with their educational and professional experiences is the top incentive to remain in Canada, 3) the country's knowledge-based economy necessitates a faster integration of skilled immigrants amid its shrinking domestic labour force.

The Canadian integration model is "premised on mutual adaptation by newcomers and Canadian society"⁶. It is a two-way model that strives to apply the core principles of a welcoming society to its enabling programs and associated stakeholders including employers, regulatory bodies, professional associations, education/public institutions, services provider organizations, and established Canadians.

Past studies and consultations have revealed that newcomers face challenges accessing the labour market and obtaining jobs that are commensurate with their academic achievements and work experience. In 2014, Employment and Social Development Canada⁷ conducted an online consultation with newcomers, organizations supporting newcomers, and other stakeholders to explore employment challenges of new immigrants. The top three employment challenges identified by newcomers were 1) difficulties obtaining Canadian work experience, 2) difficulties in foreign credential recognition, and 3) employer's hesitation in hiring new immigrants.

The Canadian integration model is "premised on mutual adaptation by newcomers and Canadian society".

Newcomers often cannot access certain industry sectors or areas of occupation due to a lack of information and appropriate guidance. In 2012, the HR Council for the Nonprofit Sector produced the Recruitment and Retention of New Immigrants and Members of Visible Minorities in the *Nonprofit Sector's Workforce*⁸ report. The results of the non-profit employer survey, telephone interviews with new immigrants, and dialogue sessions with non-profit employers found that new immigrants are underrepresented and underused in the non-profit sector. One of the reasons is newcomers' lack of information about the Canadian non-profit sector. For example, non-profit occupational titles are difficult to understand for newcomers, especially if they come from a country where non-profits are not prevalent. Non-profit employers also struggle to attract newcomer talent because "their expectations and perspectives about Canada's nonprofit sector can be strongly, and often inaccurately, shaped by their experiences with nonprofit organizations in their country of origin".⁹

⁵ Statistics Canada, 5 Esses, Victoria M., Leah K. Hamilton, Caroline Bennett-AbuAyyash, and Meyer Burstein. "Characteristics of a Welcoming Community." Pathway to Prosperity Canada Publication. <http://p2pcanada.ca/wp-content/uploads/2011/09/Characteristics-of-a-Welcoming-Community-11.pdf>

⁶ Immigrant Integration in Canada: A whole-of-society approach to help newcomers succeed. Pathways to Prosperity Conference December 1 – 2, 2016. <http://p2pcanada.ca/wp-content/blogs.dir/1/files/2016/12/Corinne-Prince-ENG-p2p1026.pdf>

⁷ Panel on Employment Challenges of New Canadians: Summary of the Panel's Online Consultation. <https://www.canada.ca/en/employment-social-development/programs/foreign-credential-recognition/consultations/emp-challenges.htm>

⁸ Recruitment and Retention of new Immigrants and Members of visible Minorities in the Nonprofit Sector's Workforce, 2012, HR Council for the Nonprofit Sector. Retrieved from http://www.hrcouncil.ca/documents/recruitment_newimmigrants.pdf

⁹ Recruitment and Retention of new Immigrants and Members of visible Minorities in the Nonprofit Sector's Workforce, 2012, HR Council for the Nonprofit Sector. Retrieved from http://www.hrcouncil.ca/documents/recruitment_newimmigrants.pdf

A 2015 Maytree Foundation commissioned report¹⁰ found several reasons why newcomers struggled to find meaningful employment opportunities that aligned with their educational background and work experience. Newcomers were not given enough pre-arrival information to allow them to succeed in Ontario's labour market. Newcomers did not avail themselves of government-funded employment services, which could have assisted them with accessing the labour market. According to employers, newcomers did not have adequate communication and language skills suggesting that further improvement in language training programs was needed to meet employers' expectations. A lack of Canadian work experience was another major reason why newcomers were unable to access the labour market to their fullest potential. Moreover, the report found that newcomers also had difficulty during the interview process and writing resumes that were compatible with Canadian labour market expectations. Other reasons identified in the report included newcomer over-qualification as well as an unconscious bias of employers when evaluating newcomers for employment opportunities.

The 2018 survey findings build on this understanding of the challenges newcomers face related to employment.

¹⁰ Perceptions of Employment Barriers and Solutions, Maytree Foundation, 2015. Retrieved from http://www.hireimmigrants.ca/wp-content/uploads/ALLIES_2015_Malatest_summary.pdf

Survey and Interview Findings



Survey and Interview Findings

Profile of Employers Participating in the Survey

Table 1 presents the survey responses by industry classification. The table presents the actual number of survey responses by industry type, and compares the responses with the percentage distribution by industry of all establishments in the Regions of Peel, Halton, York and Durham and the City of Toronto.

Such a comparison helps to determine if the sample size corresponds with the industry distribution in these municipalities. As is evident from the table, there is a broad concordance between most of the survey responses and the actual industry distribution of employers. However, in several industries, the survey response rate is greater than the proportion of businesses in that industry, suggesting a higher representation of those employers in the survey than consistent with the industry type. For example, 18% of the responses came from Manufacturing, which represents 4.7% of all industries in the GTA. Educational Services is also overrepresented in the survey findings, with a survey response rate of 8.6%, for a sector that represents 1.4% of GTA employers. In contrast, employers in Professional, Scientific and Technical Services, are underrepresented in the survey - the survey response rate of 10.1% is lower than the proportion of these employers in the GTA (17.8%).

Table 1: Distribution of Survey Responses by Industry

Industry	Number of Survey Responses	Percentage of Total Survey Responses	Percent of Employers by Industry in the GTA 2016
Accommodation and Food Services	26	4.5%	6.4%
Administrative & Support, Waste Management	3	0.5%	4.6%
Agriculture, Forestry, Fishing and Hunting	4	0.7%	0.3%
Arts, Entertainment and Recreation	16	2.7%	1.3%
Construction	29	5.0%	9.2%
Educational Services	50	8.6%	1.4%
Finance and Insurance	26	4.5%	4.2%
Health Care and Social Assistance	60	10.3%	9.6%
Information and Cultural Industries	13	2.2%	2.0%
Management of Companies and Enterprises	6	1.0%	0.7%
Manufacturing	105	18.0%	4.7%
Mining, Quarrying, and Oil and Gas Extraction	2	0.3%	0.1%
Other Services (except Public Administration), such as automotive repair and dry-cleaning services	69	11.8%	8.2%
Professional, Scientific & Technical Services, such as legal, accounting and computer systems design	59	10.1%	17.8%
Public Administration	12	2.1%	0.2%
Real Estate and Rental and Leasing	7	1.2%	4.8%
Retail Trade	35	6.0%	9.9%
Transportation and Warehousing	33	5.7%	8.7%
Utilities	5	0.9%	0.1%
Wholesale Trade	24	4.1%	5.9%
Total	584	100%	100%

Actual Distribution of Employers from Canadian Business Counts 2016, Statistics Canada

Table 2 compares the distribution of survey responses by municipalities to the distribution of employers in the Peel and Halton regions and their seven municipalities, City of Toronto, York Region, and Durham Region. The survey received a higher proportion of responses from Peel and Halton, thus, Table 2 breaks down the response rate by lower-tier municipalities for these two regions.

In the case of local municipalities in Peel and Halton, the survey distribution of employers is higher than the actual distribution of employers in these municipalities. However, in Toronto, York Region, and Durham Region, the response rate is lower than the actual distribution of business establishments in these geographic locations. This means the survey reached more employers in Peel and Halton Regions than the other municipalities. Significantly more employers (32.3%) responded to the survey from the City of Mississauga in comparison to the share of business establishments in the area; and significantly fewer employers (17%) responded to the survey in comparison to the share of business establishments in Toronto (45.5%).

Table 2: Distribution of Survey Responses by Municipalities

Municipality	Number of responses	Share of survey responses	Number of Employers	Share of Employers
Halton	167	29.3%	70,955	8.0%
Burlington	60	10.5%	22,513	2.5%
Halton Hills	24	4.2%	6,914	0.8%
Milton	22	3.9%	11,617	1.3%
Oakville	61	10.7%	29,911	3.4%
Peel	262	46.0%	172,999	19.4%
Mississauga	184	32.3%	94,396	10.6%
Caledon	21	3.7%	9,871	1.1%
Brampton	57	10.0%	68,732	7.7%
Toronto	97	17.0%	404,934	45.5%
York Region	41	7.2%	187,385	21.0%
Durham Region	2	0.4%	54,186	6.1%
Total	569	100%	890,459	100%

Actual Distribution of Employers from Canadian Business Counts 2016, Statistics Canada

Table 3 shows the survey respondents by size of employer as represented by the number of employees. According to 2016 statistics, more than half of the employers in GTA were very small businesses (63.4%) employing on average 1-4 people; however, only 12.28% of employers of this size of business responded to this survey and are underrepresented in this survey. In comparison, there is an over representation of survey responses from large employers with between 20 - 99 employees and over 100 employees. They account for 9.4% and 2.3% respectively of the GTA employers and they represented 26.7% and 34.7% of all responses to the survey.

Table 3: Distribution of employer survey responses by number of employees

	1-4	5-19	20-99	100+	Total
Number of employers	157,499	61,956	23,350	5,657	248,462
Percentage of total employers	63.4%	24.9%	9.4%	2.3%	100%
Survey responses	70	150	152	198	570
Percentage of survey responses	12.3%	26.3%	26.7%	34.7%	100%
Survey responses as a percentage of the total number of employers	0.0%	0.2%	0.7%	3.5%	0.2%

Actual Distribution of Employers from Canadian Business Counts 2016, Statistics Canada

In summary, the survey respondents come from various industries, with the highest proportion, nearly 20%, in manufacturing. The majority of employers that responded to the survey are from Peel and Halton Regions, with a large representation of 17% from the City of Toronto. The survey included significantly more responses from relatively larger employers, especially those with 100+ employees.

Recruitment Challenges

The employers were asked to identify how difficult has it been for them to recruit for various job levels over the last 12 months. The job levels and rating options given to employers are shown in Chart 1.

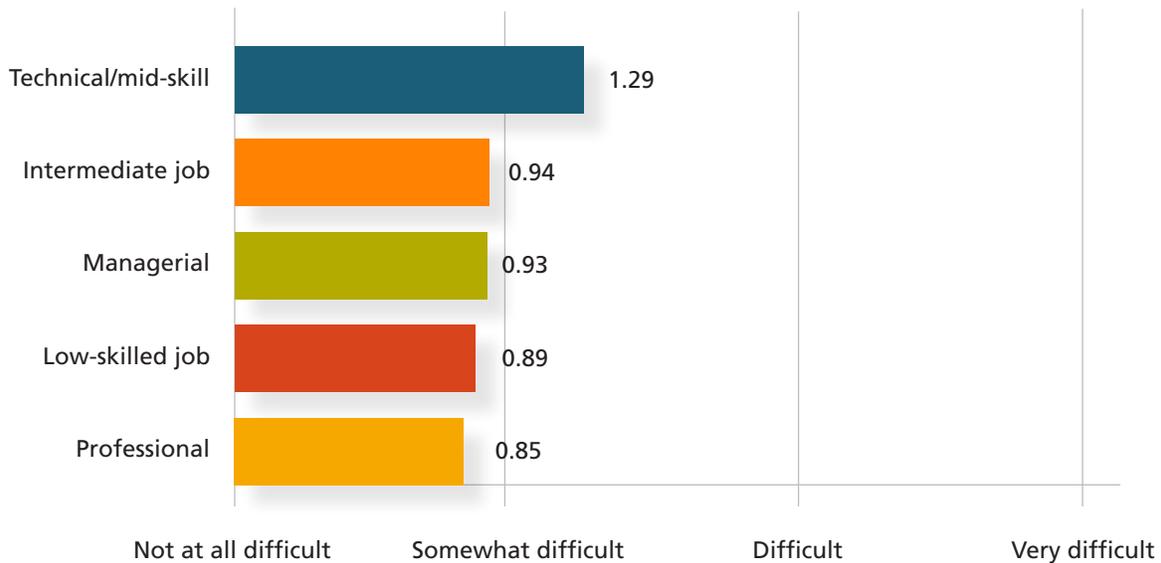
The level of difficulty was scored using the following rating:

- Very Difficult: 3
- Difficult: 2
- Somewhat Difficult: 1
- Not at All Difficult: 0

The average score for each option was calculated by multiplying the number of individuals selecting each rating by the corresponding rating value (0-3), and adding the results of those calculations together and dividing that result by the total number of responses to the question.

The survey results are presented in Chart 1. Employers assessed all job levels as close to “somewhat difficult” with technical/mid-skill jobs being the most difficult to fill. The qualitative data gathered from interviews with employers tells similar stories. There’s a general consensus among the interviewed employers from similar industries, such as advanced manufacturing, that Canada is experiencing a shortage of people in technical fields and skilled trades, especially since the baby boomer generation is starting to retire. According to employers’ experiences, it has become increasingly difficult to find technicians and technologist such as robotics technicians, machine operators, and engineering technicians. Moreover, many employers believe that because skilled trades are perceived to be less prestigious, parents and educators alike tend to push the younger generations to a university education despite the higher prospect for employment in skilled trades

Chart 1: Recruiting challenges in the last 12 months by job levels



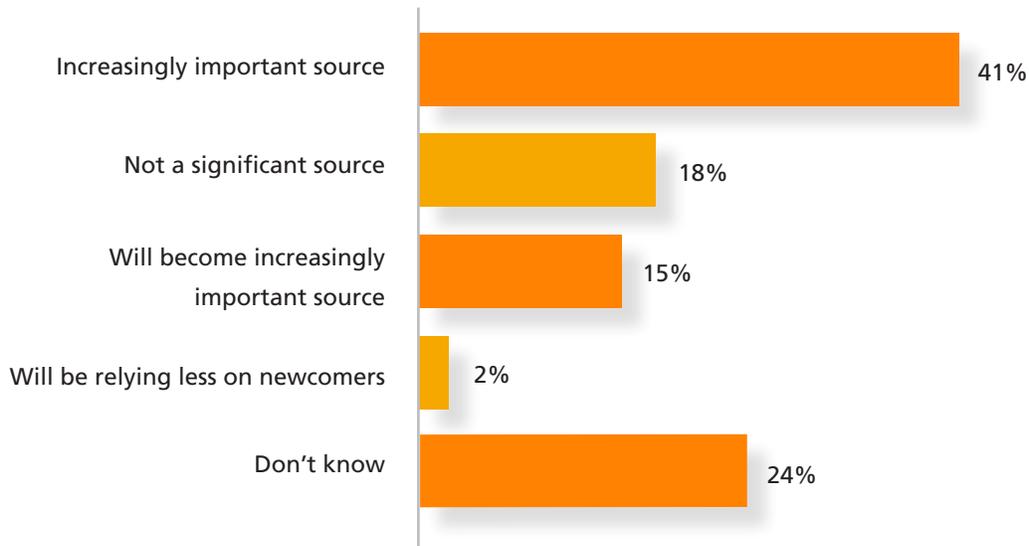
Hiring Newcomers

The survey asked employers to choose one statement, from the list below, that best reflects the importance of newcomers to Canada in their business and their hiring decisions. Note that the statements also include the abbreviations that have been used in Chart 2:

- Newcomers have already become an increasingly important source of new hires for our company
“Increasingly Important Source”
- Newcomers are not a particularly significant source of new hires for our company
“Not a significant source”
- We foresee that, in the near future, newcomers will become an increasingly important source of new hires for our company
“Will become increasingly important source”
- We expect that we will be relying less on newcomers as a source of new hires for our company
“Will rely less on newcomers”
- We do not know or do not track whether the person we are hiring is a newcomer or not
“Don’t know”

Chart 2 shows that four in ten employers believe that newcomers are an increasingly important source of new hires for their companies. About 15% of the employers identified that newcomers will become an increasingly important source of new hires for their businesses in the future. 18% of employers reported that newcomers are not an important source in their hiring decisions, and a 2% of employers responded that they would rely less on newcomer hires in the future. Overall, a significantly larger number of employers agree that newcomers currently play an important role in their hiring practices or will play an important role in the future.

Chart 2: Role of Newcomers in employers’ hiring decision

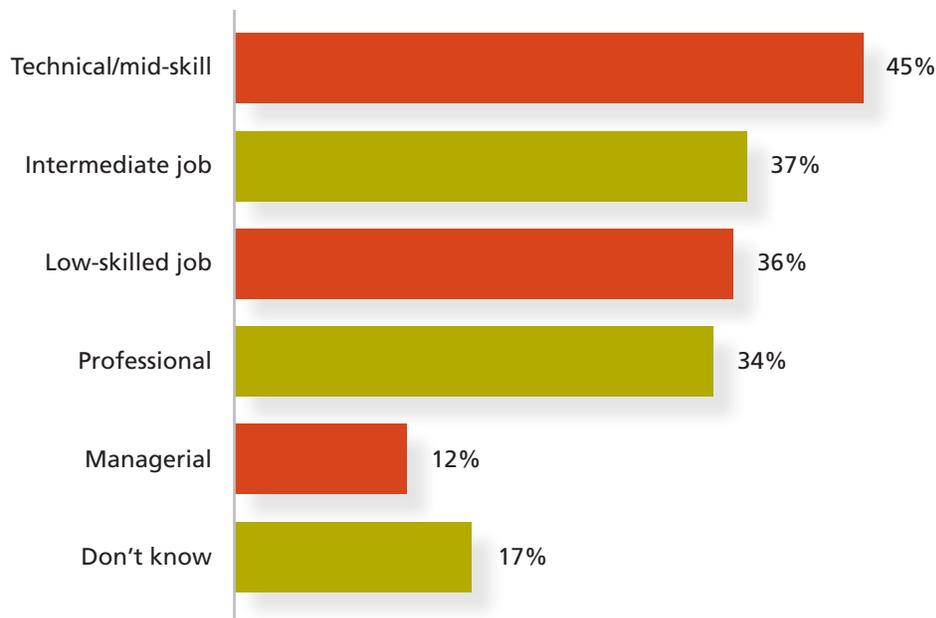


Employers were asked to identify the job skill levels of the positions that they filled with newcomer hires in the last 12 months. As shown on Chart 3, the largest group of employers (45%) hired newcomers for technical/mid-skill level positions that usually required a college diploma or apprenticeship certificate. During the interviews, employers repeatedly mentioned their challenges in finding qualified IT professionals and candidates for technical positions. Quantitative data from the survey and qualitative data from the employer interviews point to an increased demand for technical skills in the labour market, and newcomers are filling the supply-side gaps. One recruiter from advanced manufacturing said,

“Newcomers are more educated than [the] domestic population; that’s why we go for newcomers when we hire for technical positions.”

Moreover, 34% of employers hired newcomers for professional level jobs that usually require a university degree. The interview discussions indicate that employers from IT related businesses have hired a significant number of newcomers for professional level positions in the IT field. Over 35% of employers hired newcomers for positions at the intermediate (usually requires a high school diploma) and low-skilled (only requires some on-the-job training) levels. About one in eight employers hired newcomers for managerial positions.

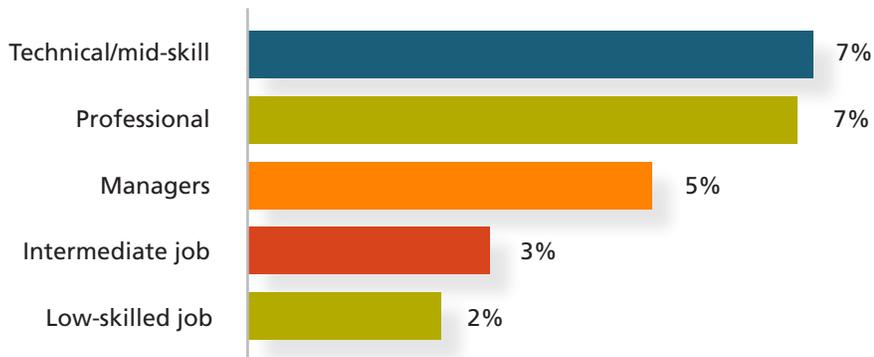
Chart 3: Job Levels of newcomers hired in the last 12 months



Hiring from Abroad

To investigate how employers are solving supply gaps in the domestic labour market, the survey asked employers if they hired anyone from abroad in the past 12 months. About 15% of the employers reported that they hired individuals from abroad to meet their skill needs. As Chart 4 shows, most of the employers that hired individuals from abroad, hired for technical/mid-skill, and professional level positions; hiring for other skill categories are comparatively lower.

Chart 4: Skill levels of individuals hired from abroad in the last 12 months

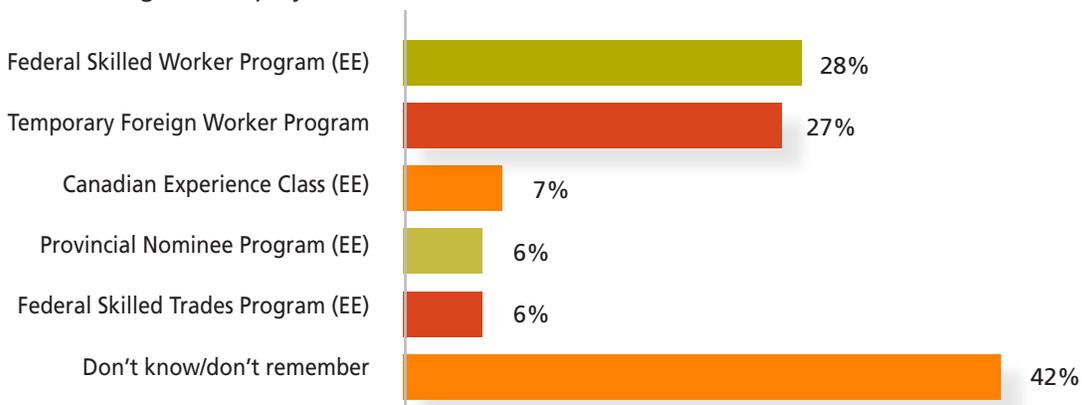


During the individual interviews, one employer stated their strong need for international talent; but noted that tax policies do not allow them to apply for tax credits if they hire from abroad. They are a relatively small business, and need the tax credits from the government to continue operating. The employer further stated that many small businesses in their field face similar challenges. In response to this situation, some businesses have started to increase their wages in order to attract domestic talent. However, other companies feel that they cannot afford to increase their wages, even with the tax credit, while they also cannot hire from abroad at a lower wage, because they cannot qualify for the tax credit.

Employers who have hired individuals from abroad were asked to identify what type of recruitment focused programs they used. Chart 5 shows that most employers don't know or remember the name or any specifics about the program. 28% of employers who hired individuals from abroad used the Federal Skilled Worker (Express Entry) and 27% used the Temporary Foreign Worker programs.

During the interviews, many employers agreed that there is a shortage of people studying in skilled trades, thus it is hard to fill such positions from the domestic labour market. However, only 5.6% of employers hired individuals from abroad through the Federal Skilled Trades program according to the survey findings.

Chart 5: Programs employers used to hire from abroad



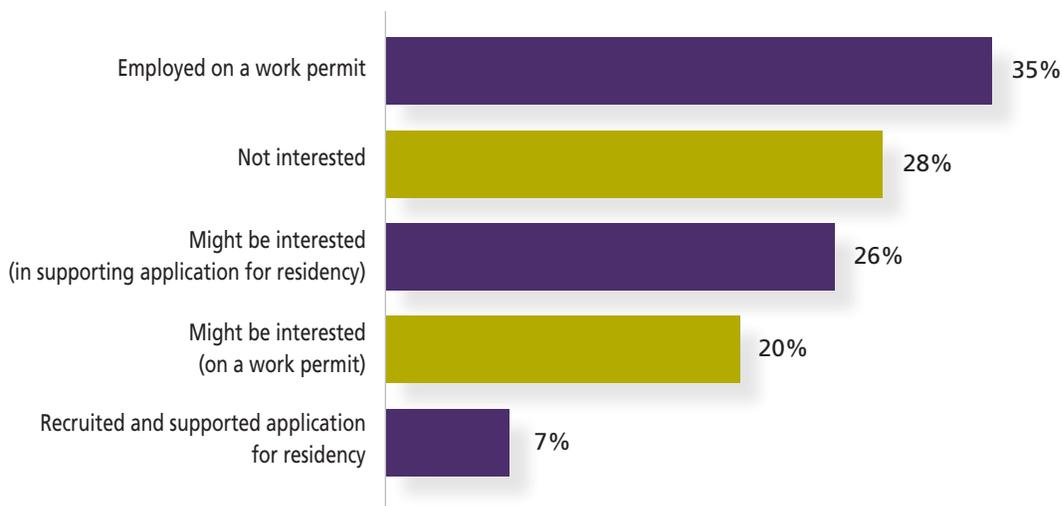
International Students

International students are non-Canadian students currently enrolled or graduated from Canadian institutions who need Canadian study permit to enter and study in Canada. Under certain conditions, they may also obtain a work permit, including after they graduate, and may also be eligible to apply for permanent residency. In order to investigate employers' experiences with this group of the labour force, employers were asked to choose from the following statements (with abbreviations used in chart 6):

- Our organization has employed international students on a work permit.
"Employed on a work permit"
- Our organization might be interested in employing international students on a work permit.
"Might be interested (on a work permit)"
- Our organization has recruited international students and supported their application to become Permanent residents.
"Recruited and supported application for residency"
- Our organization might be interested in recruiting international students as future permanent residents.
"Might be interested (in supporting application for residency)"
- Our organization is not interested in employing international students in any capacity
"Not interested"

The results are illustrated in Chart 6. A relatively large group of employers, more than three out of ten, have employed international students holding valid Canadian work permits. 20% of respondents indicated that they might be interested in hiring international students with a work permit and a further 26% indicated potential interest in hiring those with intentions to become permanent residents in the future. A small group, 7% of the employers, have recruited international students and have supported them to apply for permanent residency. 28% of employers have no interest in hiring international students in any capacity. A few employers commented in the interviews on what they perceive to be the decreasing quality of international students. They noted that higher international student tuition means that post-secondary institutions no longer recruit students from abroad on the basis of merit. Moreover, even though this group of students attain a Canadian education, some employers noted that they still need training and knowledge about Canadian business culture.

Chart 6: Employers experience with international students



Assessing Newcomer Candidates

Employers were asked to assess newcomer candidates in comparison to other candidates for the same position. The options provided to employers are shown in Chart 7.

Their level of concern was scored using the following rating:

- Almost Always a Concern: 3
- Often a Concern: 2
- Sometimes a Concern: 1
- Almost Never a Concern: 0

The average score for each option was calculated by multiplying the number of individuals selecting each rating by the corresponding rating value (0-3), and adding the results of those calculations together and dividing that result by the total number of responses to the question.

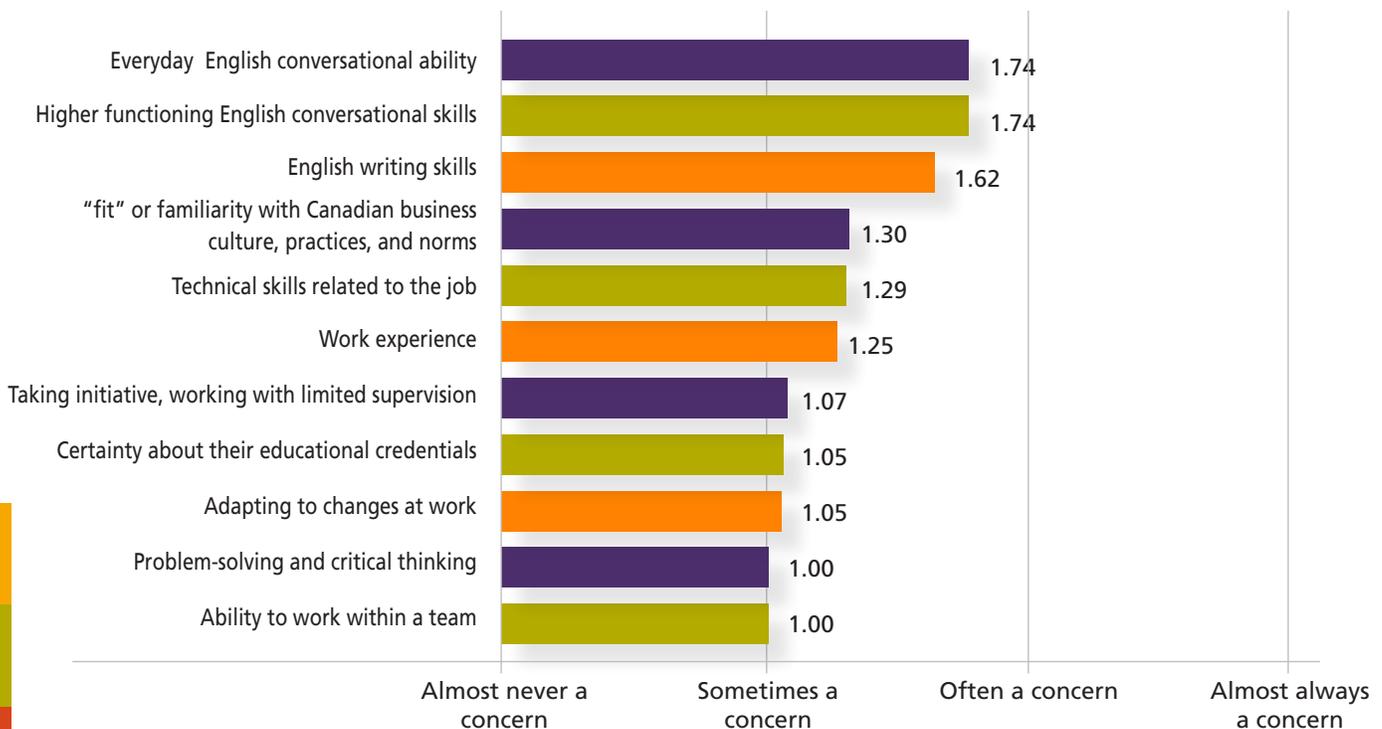
As Chart 7 indicates, all factors were identified as sometimes a concern or often a concern. English language skills, whether everyday or professional level, are a major concern for employers when they are assessing newcomer candidates. All 30 interviewed employers voiced similar concerns, and a majority of the employers wrote on the comment section of the survey that learning English is essential to newcomers' success. For example,

"Learning English is very important. Communication is essential, especially for safety."

"Communication skills (English) both verbal and written are important. It is also important to "fit" in with a company - get to know people so people get to know you."

Understanding the Canadian business culture is also an important issue for employers, and examples of this are more pronounced in individual interviews. Many employers hire newcomers because they have the necessary skills; however, the employers report that they lack an understanding of Canadian work culture, which can

Chart 7: Assessing newcomer candidates against other candidates



create challenges when dealing with clients and other businesses. Several employers mentioned during the interviews that some newcomers appear used to a more hierarchical workplace structure, with greater top-down communication as opposed to a somewhat more egalitarian environment in Canadian workplaces. This can create two kinds of problems: firstly, Canadian managers more often expect their staff to offer contrary opinions for the sake of arriving at better solutions; and, secondly, if these newcomers were to be promoted to supervisory positions, their more hierarchical habits may not sit well with Canadian employees.

Moreover, one employer described an incident where he had to fire a newcomer due to his personal beliefs that were considered to be grossly inappropriate in the Canadian work place.

"I had to fire a middle-aged gentleman who was a newcomer because, in his words, he does not report to women. While he respects women as individuals, he refuses to respect them as his superiors."

The employers rated most categories for assessing newcomers against other candidates close to 1, which means they are "sometimes a concern". During the interviews with employers, it became apparent that many of the concerns listed above are not unique to newcomers. Employers stated that besides the concerns with English language skills and understanding of Canadian workplace, newcomers are hard working individuals with great work ethics. In addition, employers noted that depending on the industry, newcomers possess the technical skills that are currently in-demand. For example, one recruiter from advanced manufacturing industry stated during the employer interviews,

"We hired a large number of newcomers in the past couple of years, because they had the kind of technical skills we were looking for; sure English language was a concern, but we were in need of the skills they offer, so we gave them longer period of time to adjust and get used to the company and their positions"

Employers were also asked to identify the factors that were important to them in evaluating foreign education credentials. The employers were provided with the following options (with abbreviations used in Chart 8):

- Level of education completed (e.g. Bachelor versus PhD)
"Level of education"
- Country where degree was earned
"Country"
- International reputation of the educational institution
"International reputation"
- Educational credential assessment from a credential assessment agency in Canada
"Educational credential assessment"
- Field of study (e.g. engineering vs. commerce)
"Field of Study"

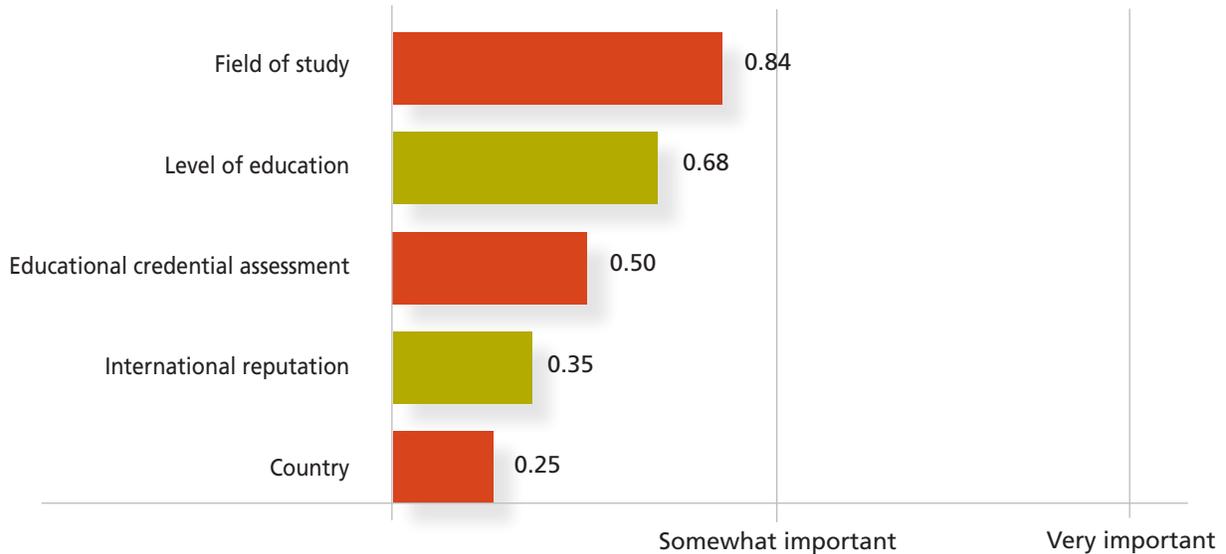
The level of importance was scored using the following rating:

- Very Important: 2
- Somewhat Important: 1
- Not Important: -1

The average score for each option was calculated by multiplying the number of individuals selecting each rating by the corresponding rating value (-1, 1, 2), and adding the results of those calculations together and dividing that result by the total number of responses to the question. After the calculation, the average rating for all the factors were higher than 0, thus the option "not important" (-1) was not presented in Chart 8.

Chart 8 shows that field of study is relatively more important to employers than either the newcomer’s level of education, proof from credential assessment agency in Canada, international reputation of the educational institution or the country where the degree was earned. This might be the result of stronger demands in certain fields, such as IT and engineering technicians.

Chart 8: Important factors in evaluating foreign educational credentials



Employers were also asked to identify the important factors in evaluating work experience obtained overseas by newcomer candidates. The employers were provided with the following options (with abbreviations used in the chart 9):

- The number of years of work experience
"Number of years"
- Level of work experience (e.g. entry level vs. senior management)
"Level of work experience"
- Country where the work experience was obtained
"Country"
- International reputation of the organization/company where work experience was obtained
"International Reputation"
- The industry in which the work experience was obtained
"Industry"

The level of importance was scored using the following rating:

- Very Important: 2
- Somewhat Important: 1
- Not Important: -1

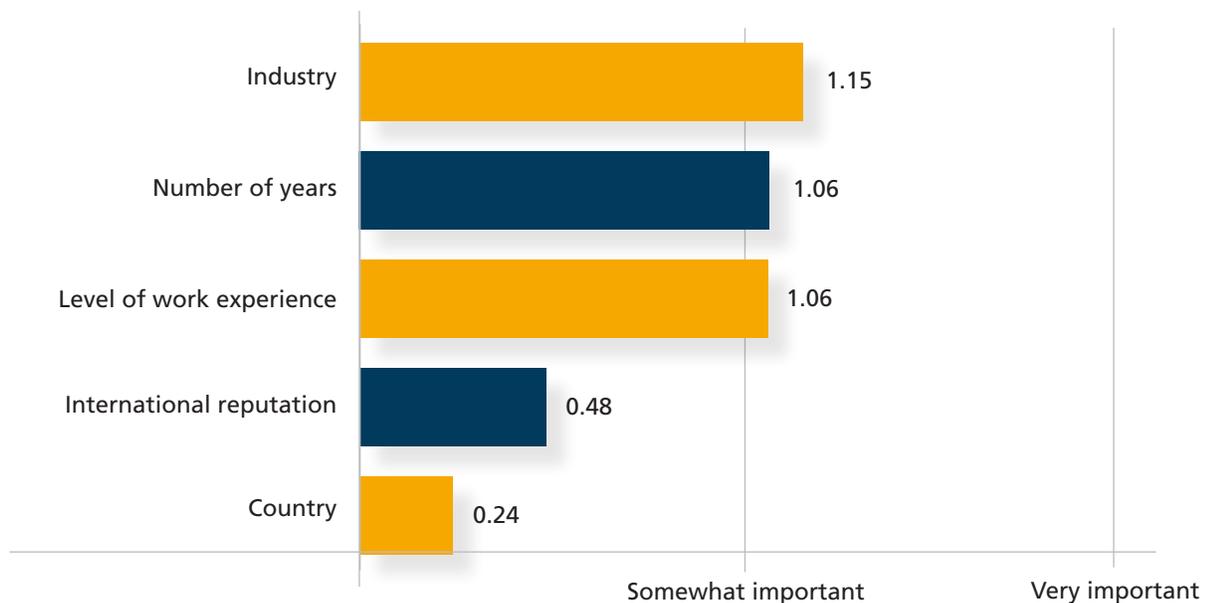
The average score for each option was calculated by multiplying the number of individuals selecting each rating by the corresponding rating value (-1, 1, 2), and adding the results of those calculations together and dividing that result by the total number of responses to the question. After the calculation, the average rating for all the factors were higher than 0, thus the option "not important" (-1) was not presented in Chart 9.

It is evident from Chart 9 that three factors are most important to employers out of the five choices:

- The industry in which the work experience was obtained
- The number of years of work experience
- Level of work experience (e.g. entry level vs. senior management)

Other factors such as the international reputation of the organization/company or the country where the work experience was obtained is rated lower by employers than the three factors mentioned above. The findings suggests that newcomers from certain industries, with significant years of solid experience in higher-level positions, are more attractive due to their knowledge about the industry, familiarity with the standard practices of the field, and thus their potential to significantly contribute to the company. Furthermore, it can be expected that employees with greater and varied experience will require less employer provided training and guidance.

Chart 9: Important factors in evaluating foreign work experience



However, Chart 8 and Chart 9 generally indicate while foreign education and work experience are important to employers, they are rated in the ‘somewhat important’ range. Other factors, like Canadian experience, which wasn’t measured in this survey, may be more important for employers. In the interviews, employers indicated that newcomer employees often have difficulty understanding the expectations of the work place and the responsibilities of a position. Employers recommended that newcomers go through comprehensive employment training in order to have clearer understanding of expectations in the Canadian work place.

It is also important to note that the overall ratings for foreign work experience is higher than the rating for foreign education credentials, suggesting that employers value the past work experience more than education.

During the interviews, employers spoke of challenges in validating foreign work experience and education credentials. Small businesses indicated that they simply lack the resources to validate the experience; they do not have enough human resource capacity or other systems in place. Some companies administer technical tests to evaluate a candidate’s knowledge in the field, while others focus on the individual’s performance in the in-person interview and accept the information provided on the resume.

Recruitment Channels for Newcomers

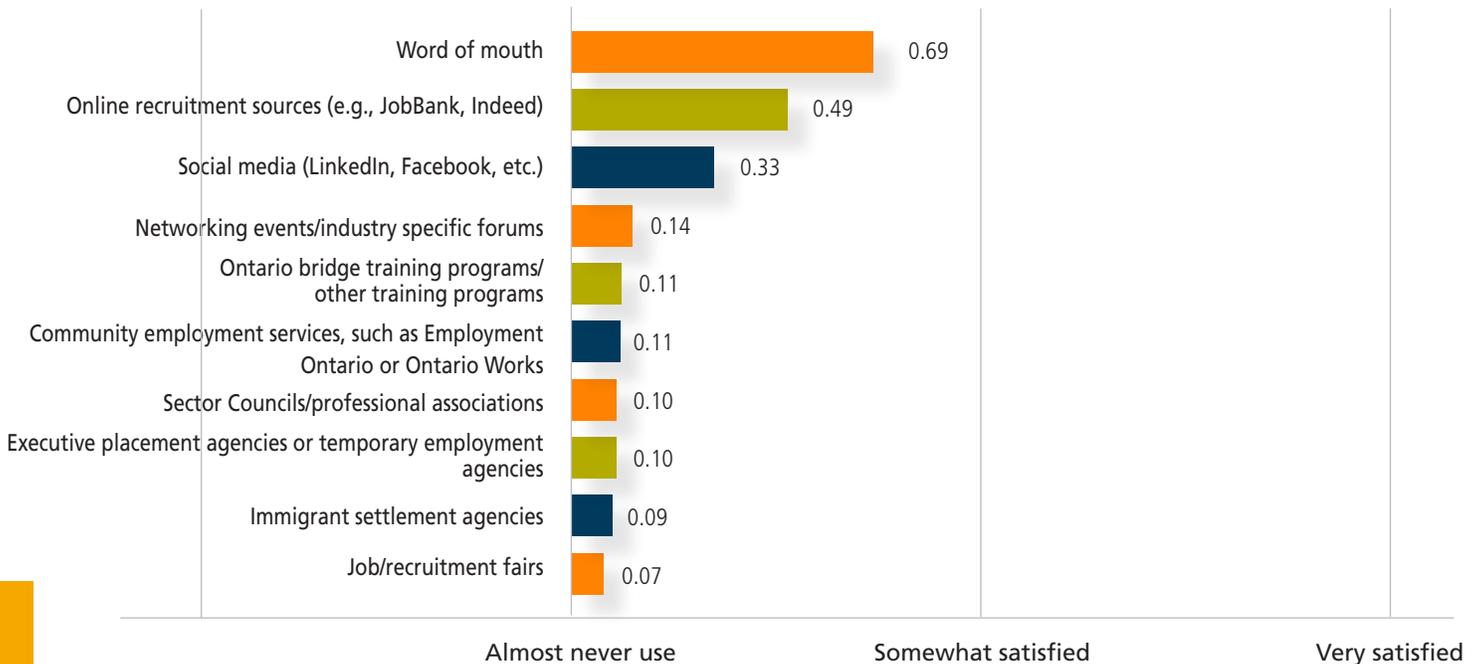
Employers were asked to rate their level of satisfaction with different newcomer recruitment channels. The options provided for the employers are shown in Chart 10. The level of satisfaction was scored using the following rating:

- Very Satisfied: 2
- Somewhat Satisfied: 1
- Somewhat Unsatisfied: -1
- Very Unsatisfied: -2

The average score for each option was calculated by multiplying the number of individuals selecting each rating by the corresponding rating value (-2, -1, 1, 2), and adding the results of those calculations together and dividing that result by the total number of responses to the question. After the calculation, the average rating for all the recruitment channels were higher than 0, thus the options “somewhat unsatisfied” (-1) and “very unsatisfied”(-2) were not presented in Chart 10.

Chart 10 shows that employers are most satisfied with newcomers they hired through word-of-mouth and online recruitment platforms, however the level of reported employer satisfaction with all channels is low. In addition, employers who were interviewed commented that they are also interested in recruiting newcomers who are qualified for the role and facilitated through placement, training, or bridging programs; employers were also interested in taking on co-op placement students from colleges or universities, and to eventually hire them as full-time employees.

Chart 10: Employers’ satisfaction with various channels for recruiting newcomers



Retention of Newcomers

Employers were asked about turnover among newcomer employees and to rate their concerns about rate by occupational category. The options provided to the employers are shown in Chart 11. In this context, turnover includes “involuntary separation”, when an employee has been dismissed or laid-off as well as “voluntary separation” including resignation and retirement or taking medical or parental leave. Discussions of turnover do not include contract staff whose term has ended.

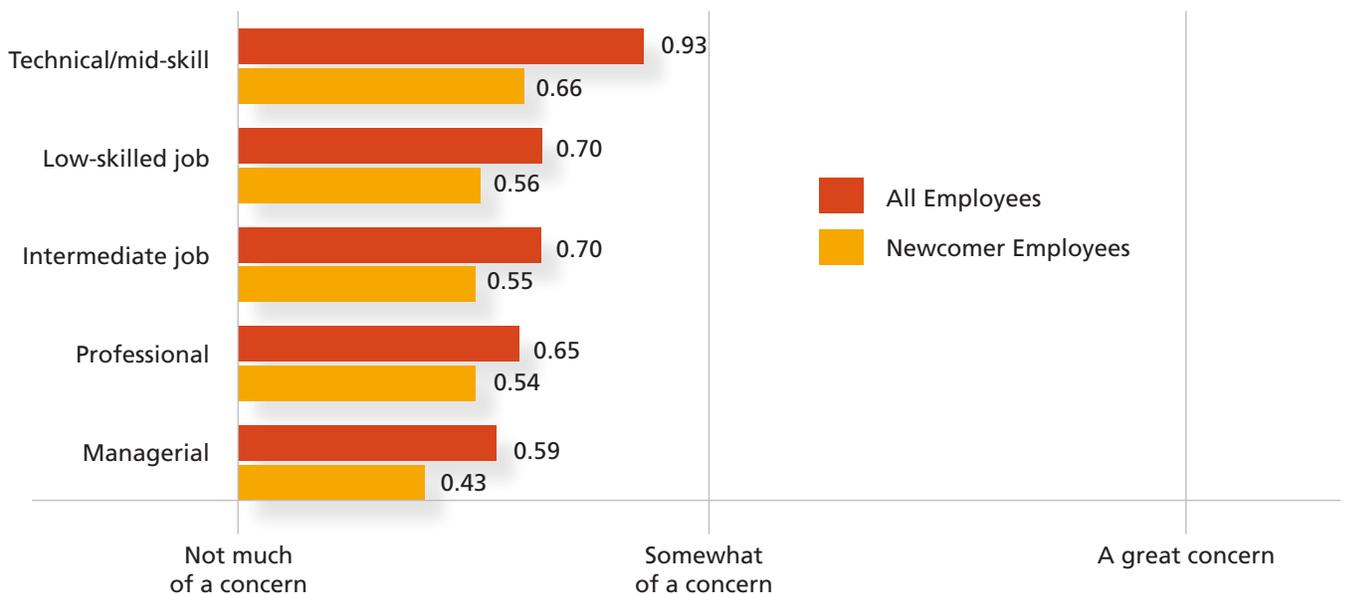
The level of concern was scored using the following rating:

- A Great Concern: 2
- Somewhat of a Concern: 1
- Not Much of a Concern: 0

The average score for each option was calculated by multiplying the number of individuals selecting each rating by the corresponding rating value (0, 1, 2), and adding the results of those calculations together and dividing that result by the total number of responses to the question.

As displayed in Chart 11, turnover among newcomer employees varies between somewhat of a concern and not a concern for employers. It is less of a concern than turnover among all employees, in all job categories. The highest level of concern for both newcomer and all employees was reported in the technical/mid-skill level, which usually requires a college diploma or apprenticeship certificate. Qualitative data from the interviews correspond to the trends demonstrated in the quantitative data.

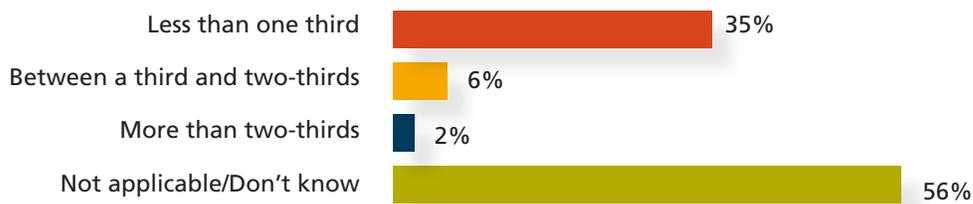
Chart 11: Employers’ concerns regarding the turnover of newcomers versus all employees by job categories



During the interview discussions, the employers were asked about retention of newcomer employees. Employers said that highly educated newcomers often take on positions that are not commensurate with their education level or work experience, and once they gain enough Canadian work experience, they tend to look for positions in their own fields. For example, newcomers with educational backgrounds in engineering and with many years of experience often work as technicians until they obtain their professional designations in engineering. This creates an issue for smaller employers since it is difficult for them to find technicians in the engineering field.

Employers were asked to estimate the rate of involuntary separation among their newcomer employees. As shown in Chart 12, the majority of the employers believed the question was either not applicable or they didn't know the answer. About a third of employers reported that they had fired or laid off between 1% and 33% of their newcomer staff. A total of 8% of respondent employers had fired or laid off "between a third and two-thirds" (6%) and "more than two-thirds" (2%) of newcomer employees. These results indicate that less than half of the employers reported laying off newcomer employees. Moreover, during the employer interviews, many employers stated that they rarely let go of any individuals, unless the employee has significant behavioural issues and is not willing to change despite several warnings.

Chart 12: Involuntary separation rate of newcomer employees

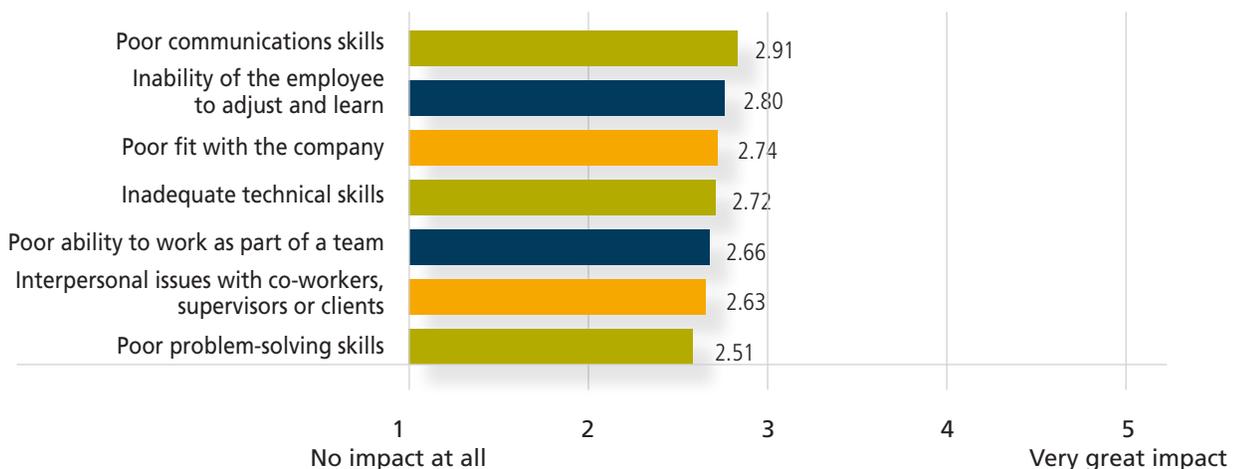


Employers were asked to rate the factors that influenced their decision to terminate (or involuntarily separate) a newcomer employee based on a scale of one to five, where one is "no impact at all" and five is "very great impact".

The average score for each option was calculated by multiplying the number of individuals selecting each rating by the corresponding rating value (1-5), and adding the results of those calculations together and dividing that result by the total number of responses to the question.

Chart 13 shows that employers rated all the factors between 2.5 and 3. According to the survey results, employers seemed to rate the options similarly suggesting that there was no one reason that explained why an employer would terminate a newcomer employee. Such trend in selecting suggests that if a newcomer staff was let go of, it could be because of a combination of the given reasons rather than any one reason in particular. During the interview discussions, employers clarified that they try to hire people who they believe will be successful in the role and then try to not easily dismiss individuals. The employers stated that in very few instances where they did let go of an employee, it was because the employers had concerns with a number of issues regarding that individual.

Chart 13: Factors that influenced employers' decision to not retain a newcomer employee

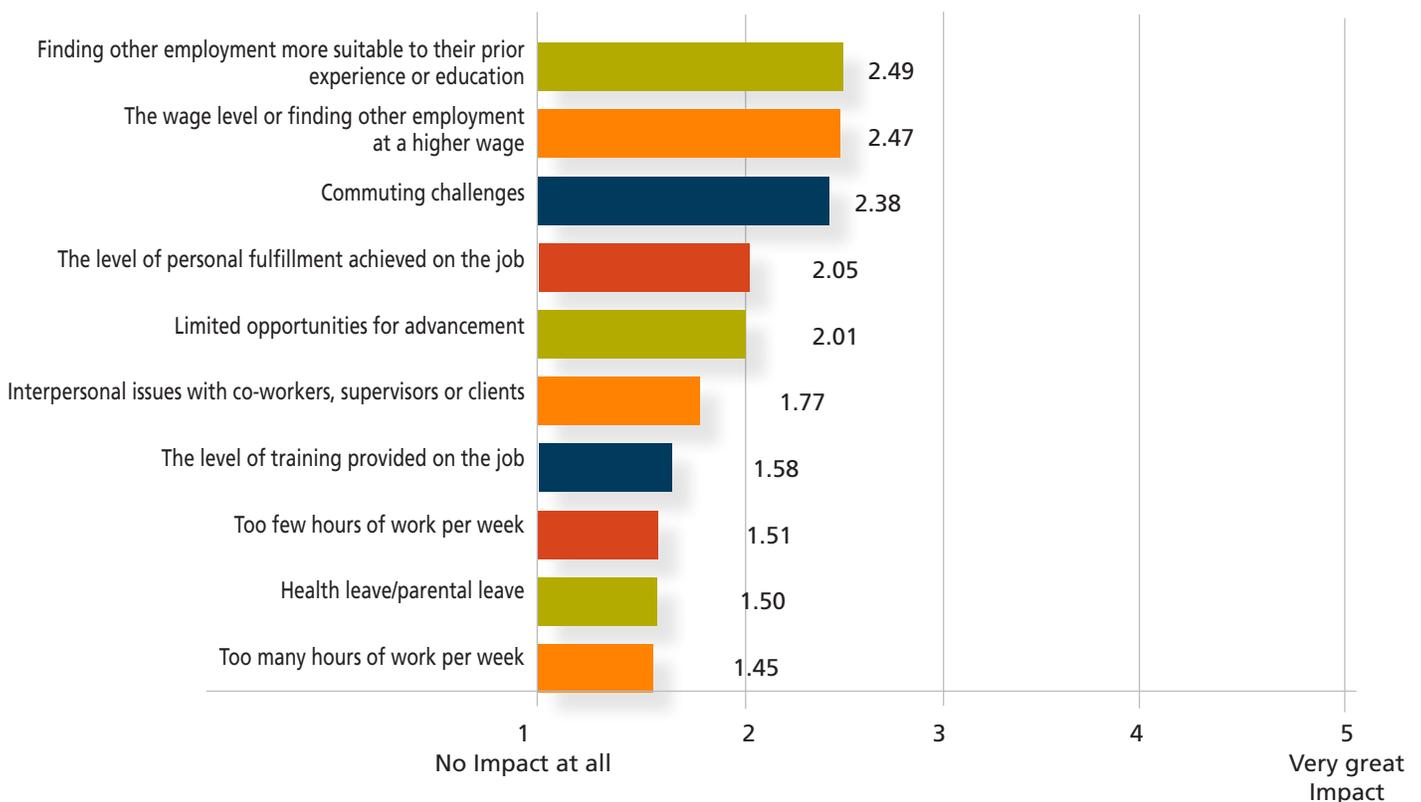


Employers were also asked to rate possible factors that influenced their newcomer employees to voluntarily leave their positions. Employers rated each factor on a scale of one to five, where one is “no impact at all” and five is “Very great impact.” The employers were given a list of factors to rate as shown in chart 14.

The average score for each option was calculated by multiplying the number of individuals selecting each rating by the corresponding rating value (1-5), and adding the results of those calculations together and dividing that result by the total number of responses to the question.

Chart 14 presents the findings. Half the factors listed were scored at 2 or above, suggesting some, limited impact. Employers reported that they believe these factors had some impact on a newcomers’ decisions to resign/leave the employer. Based on the conversations with employers during the interviews, newcomers often start with positions that require significantly lower skills levels and knowledge bases than their educational levels and work experience. Therefore, once they obtain enough Canadian work experience, the newcomer employees move onto positions commensurate with their prior work experience and education, and offer higher wages.

Chart 14: Factors influenced newcomer staff to leave voluntarily



Commuting challenges are also an influence on newcomers’ decisions to leave a job. Discussions from the employer interviews revealed that it is challenging for newcomers to get their driver’s licenses or obtain vehicles immediately after their arrival. Thus, they often rely on public transit; however, if a workplace is located outside of a public transit zone or requires multiple transits, newcomers often feel they have no choice but to leave their jobs. In addition, newcomers often have difficulty finding affordable housing close to where they find employment. Initially they take on jobs despite the long commute but after a while, the long commute becomes unbearable and because they often cannot afford to move closer, they choose to leave their positions.

Employers were asked to rate their organization's human resource policies and their implementation. The employers were given the following options (with abbreviations used in the chart):

- Providing training to fill gaps in experience/training
"Fill gaps in experience/training"
- On-boarding/orientation training for new staff
"On-boarding/orientation training"
- Getting employees to understand the corporation's mission, culture and values
"Corporation's mission, culture and values"
- Cultural awareness/Canadian work practices training for newcomer talent
"Cultural awareness/Canadian work practices"
- Cross-cultural competency training for employers and employees
"Cross-cultural competency training"
- Workplace mentoring
- Support for relocating
- Support for commuting/ridesharing
"Commuting/ridesharing"
- Formal exit interviews for departing staff
"Formal exit interviews"
- Regular review of turnover statistics and identification of issues
"Turnover statistics and identification of issues"

The given options are illustrated on Chart 15, and the rating was scored using the following:

- Excellent: 4
- Satisfactory: 3
- Could Use Some Improvement: 2
- Could Use a Lot of Improvement: 1

The average score for each option was calculated by multiplying the number of individuals selecting each rating by the corresponding rating value (1-4), and adding the results of those calculations together and dividing that result by the total number of responses to the question.

According to the survey responses displayed in Chart 15, most employers are satisfied with the following three HR policies and their implementation:

- Getting employees to understand the corporation’s mission, culture and values
- On-boarding/orientation training for new staff
- Providing training to fill gaps in experience/training

Other options fall closer to “satisfactory”, except for “support for relocation” and “commuting/ ridesharing”, which are closer to “could use some improvement”. Employers were asked during the interviews if they provide newcomer specific orientation, and all of them have indicated that they do not provide any kind of special orientation for newcomer employees.

Chart 15: Rating human resource policies and their implementations



Additional Findings from the Employer Interviews

The employers addressed several key points that are significant to the subject matter during the interviews. Employer representatives interviewed for this study, especially those who hold positions in HR or recruiting stated that in many instances newcomer job candidates had careless attitudes toward phone interviews. They were often unprepared for the questions or in noisy locations during the phone interviews. Employers suggested that newcomer job seekers should be informed about the importance of phone interviews in order to move forward in the job interview process.

Employers generally did not have any specific orientation or on-boarding policies for newly hired newcomer employees. This is mainly because smaller businesses simply lack the resources to provide longer-term training for newcomer employees to familiarized them with Canadian work culture and practices. Some employers, especially those who have a strong demand for individuals with specific technical skills, are considering comprehensive on-boarding programs to help them hire from overseas.

Moreover, interviewed employers with a diverse work environment noticed that more recently hired newcomer employees tend to immerse themselves into the workplace faster. Newcomers adjust better to their new jobs if the workplace includes some established employees who share their cultural or linguistic background. All the employers that participated in individual interviews stated that they evaluate newcomers the same way as other candidates, based on merit. While newcomer candidates often have the necessary technical skills, the employers believe a proper orientation or training is necessary before they enter into the workforce.

The employers were asked in the survey and during individual interviews to provide their personal advice for newcomers who wish to be successfully hired and retained. Their advice is as follows:

- It is important that newcomers receive proper orientation and training about Canadian work culture before entering the work force.
- Newcomers need to have strong oral and written English skills in order to properly convey experience and knowledge in the hiring process.
- Newcomers would benefit from training focused on job interviews, such as, how to research the employer, how to behave, and how to answer questions.
- From an employer perspective, newcomers need to have the right attitudes, improve their soft skills, and have the enthusiasm and willingness to learn.

“Remember you will have a lot to learn, it is going to be difficult to come into an organization and be at the same level you were at in your home country. Be prepared to prove yourself and you will reap the benefits” - EMPLOYER

“Research the company you are applying for. Know their work, their culture, their practices, their opportunities, and where you can fit in. Don’t waste your time trying to fit into a culture you don’t like. Work hard, be honest, practice manners and respect and don’t oversell or undersell your value. Know your weaknesses, acknowledge them and work to overcome them. Be open to new challenges. Be proactive. Communicate” - EMPLOYER

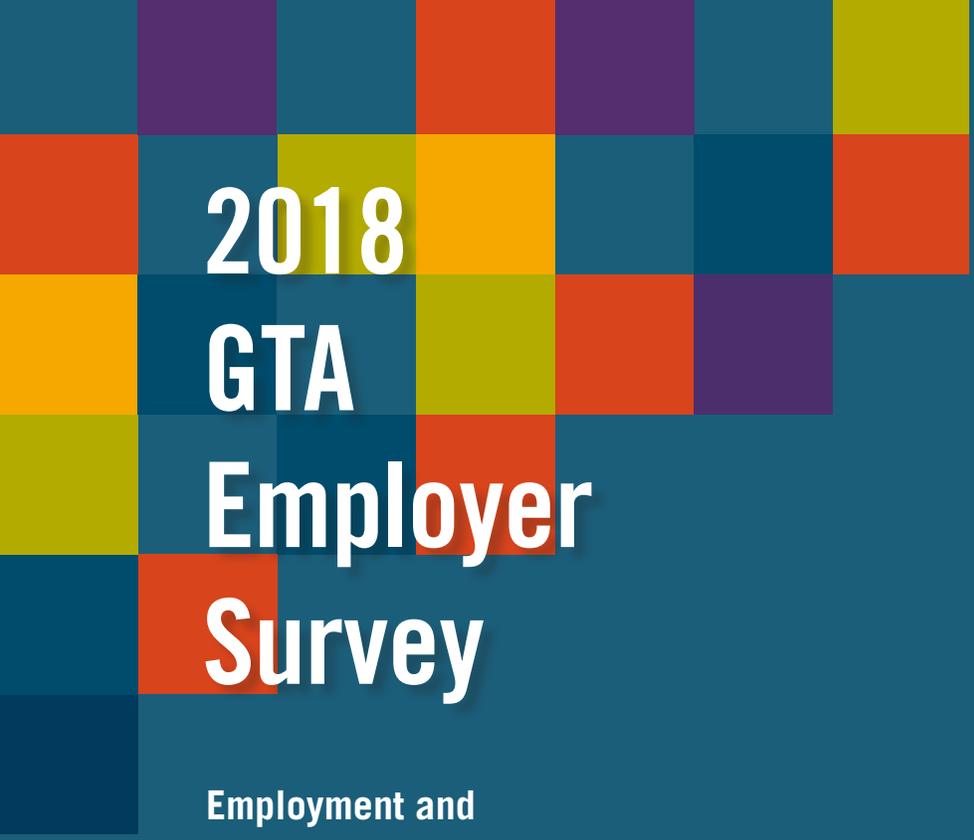
Conclusion

In conclusion, the following is a summary of findings from the 2018 employer survey and related employer interviews undertaken as part of this report:

- The majority of employers surveyed believe that newcomers have already become or will become an important and necessary part of the labour force.
- A significant number of newcomers are being hired for technical/mid-level skills positions that often require a college diploma or apprenticeship certificate. GTA employers identified these positions as strongly in demand.
- Fifteen percent of employers hired from abroad, this might be because the skill sets they need were difficult to secure domestically.
- About a third of employers have worked with international students with a work permit; however, some employers are concerned about the decreasing quality of international students.
- English language skills and familiarity with Canadian work culture are concerns of employers as they assess newcomer candidacies.
- Employers view foreign work experience as being more important than foreign education. Type of industry, number of years of experience, and the level of position held are more important to employers when evaluating work experience from abroad.
- Once employers hire a newcomer, they reported that they try to make it a successful employment relationship. However, if termination is necessary, employers reported that it was for reasons including poor communication skills, inability to adjust and learn, or poor fit.
- Employers reported that in their experience newcomer employees chose to leave their positions because they found positions that better use their experience and education, offer higher wages or because of commuting challenges.

The realities about Canada's labour force, such as decreasing fertility rate and retiring baby boomers, suggest the need for newcomer skills and experience in the labour market in order to ensure continued economic prosperity. The insights from literature review, employer survey and interview results demonstrate that newcomer job seekers lack the necessary English language skills and understanding of Canadian work culture, which could hinder their access to the labour market. At the same time, employers do not have the capacity or resources to provide special supports to newcomer employees to help them be successful in the workplace. Such insights provide basis for the following policy directions:

1. **Strengthen employment services for newcomers**, especially in the areas of understanding Canadian work culture and improving English language skills.
2. **Promote frequent dialogue between employers and employment service providers**, especially those who work with newcomers, to understand the current demands of the labour market from the industry perspective. Encourage employers' input for employment program design and enhancement in order to meet employer expectation and needs.
3. **Service providers should undertake more intensive outreach** to ensure newcomers entering the labour market make use of employment services so they have better understanding of employer expectations.



2018 GTA Employer Survey

Employment and
Retention of Newcomers



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