

WHO IS SUCCEEDING IN THE CANADIAN LABOUR MARKET?

Predictors of Career Success for Skilled Immigrants



EXECUTIVE SUMMARY

To promote Canada's economic well-being in light of the country's aging population and decreasing birth rates, the Canadian government has made considerable efforts to attract and retain skilled immigrants. Over the past two decades, the federal government has shifted its immigration policy away from specific labour market shortages to focus on the country's overall human capital needs and the recruitment of highly skilled, well-educated immigrants.

As an organization whose mission is to advance global mobility and the integration of people into academic and professional settings, World Education Services (WES) has a deep interest both in the labour market outcomes of skilled immigrants, and in the specific human capital assets that contribute to their professional success.

In 2018, WES conducted a survey-based study. We examined the demographic characteristics of skilled immigrants as well as their experience and education, and studied how these factors affect their labour market outcomes. This report is based on that study. The study does not look at employer or demand side factors. It is intended to inform Canadian policy and practice with respect to skilled immigrants, and to increase awareness among prospective immigrants of the factors that are associated with labour force success.

The report comprises three sections:

Section one profiles the respondents' age, gender, country of origin, entry class, province of residence, years of study, and pre- and post-migration work sector.

Section two examines respondents' employment outcomes from two perspectives:

- First, it examines employment rates and analyzes key factors that affect employment rates, including age, gender, prior experience and sector, education, and the country where respondents earned their highest degree.
- Second, it explores the extent to which employed respondents are doing work that is broadly commensurate with their previous education and experience. It also looks at related questions such as whether respondents have been able to find work in the same sector and at the same level they had prior to immigrating.

Section three explores the implications of these findings for various audiences—policy makers, service providers, and prospective skilled immigrants—and identifies information gaps where further research is needed.

The findings in this report are based on data collected from a sample of people who had applied to WES between 2013 and 2015 for an Educational Credential Assessment (ECA—see below) and who were subsequently admitted to Canada as permanent residents. The data reflect the responses of 6,402 participants who resided in Canada at the time of the survey, all of whom had been admitted through one of the economic immigration categories now included under the Express Entry system.



Educational Credential Assessment (ECA) is an assessment of the equivalency of a degree obtained outside of Canada; used by Immigration, Refugees and Citizenship Canada to verify that a degree, diploma, or certificate is valid and equal to a Canadian credential.

RESULTS

The survey results confirmed many of the trends in skilled immigrant employment outcomes that other research has revealed. However, our study went further, exploring in greater depth those results that related to employment commensurate with skills, experience, and education.

We saw both encouraging outcomes and persistent challenges for immigrants who arrive in Canada seeking work that leverages their skills, education, and experience.

On the positive side, more than 80 percent of survey respondents reported that they were employed, most of them in permanent jobs. This result aligns with Statistics Canada data, which show that the unemployment rate for newcomers in 2017 was at its lowest since 2006.¹

At the same time, we saw that many immigrants encountered challenges that prevented them from securing employment which fully leverages their skills, education, and experience. Only 39.1 percent of survey respondents had jobs with duties mainly similar in type and complexity to their pre-immigration jobs. Demographics, skills, education, and experience are among the predictors of both employment status and the extent to which respondents had obtained commensurate employment.

KEY FINDINGS

Predictors of employment:

- Gender: Men were 1.6 times more likely to be employed than women
- Age: Older respondents were significantly less likely to be employed; younger (age 20–29) survey respondents were most likely to be employed
- Canadian experience: Those who immigrated under Canadian Experience Class (skilled workers who have Canadian work experience) were 2.4 times more likely to be employed than those who immigrated through other economic immigration categories
- Education level: Employment rates declined at each successive degree level
- International work experience: Employment rates declined as years of international work experience increased

1 Yssaad, L., & Fields, A. (2018). The Canadian Immigrant Labour Market: Recent Trends from 2006 to 2017. Statistics Canada=Statistique Canada (Catalogue no. 71-606-X). Retrieved from: <https://www150.statcan.gc.ca/n1/pub/71-606-x/71-606-x2018001-eng.htm>

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- Sector prior to immigrating: Respondents who previously worked in food services were eight times more likely to be employed than those in other sectors; those in manufacturing two times more likely, those in the professional/technical sector 1.6 times more likely, and those in IT 1.5 times more likely.

Predictors of employment commensurate with prior skills, education, experience:

- Gender: Female survey respondents were less likely to be in commensurate employment
- English proficiency: Higher levels of English proficiency were associated with commensurate employment
- Canadian experience: Survey respondents with previous Canadian experience were more likely to be working in commensurate employment
- Sector: Survey respondents who worked in the IT and professional sectors prior to immigrating were more likely to be working in commensurate employment than those previously employed in other sectors
- Regulated profession: Survey respondents who reported working previously in a profession that is regulated in Canada were significantly less likely to be working in commensurate employment
- Country of education: Where respondents completed their degree was significant: U.S.-educated respondents were more likely to be in commensurate work than those who earned degrees in other countries

It was notable that both level of degree and years of international experience were not significantly associated with commensurate employment.

Pre- and post-migration shifts in sector and seniority:

- A high proportion of respondents had to change work sectors post-migration. Less than half were working in the same sector as they were pre-migration (though most preferred to stay in the same sector).
- There was a substantial decline in the proportion of survey respondents who were in management positions, from nearly half of respondents pre-migration, to approximately one-quarter post-migration.

The survey explores several key indicators related to **commensurate employment**:

- Duties: Similar in type and complexity
 - Education: Requires a university degree in their subject area
 - Experience: Leverages previous work experience
 - Seniority retention
 - Sector retention
 - Overqualification (those with a university degree or higher who were working at jobs that required only a high school degree or on-the-job training)
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IMPLICATIONS

While the gap between unemployment rates of immigrants and those of the Canadian-born has narrowed considerably, the study results indicate that many immigrants still encounter persistent barriers to commensurate employment in the Canadian labour market.

A 2019 RBC Economics report states that “even as the balance of immigrants has shifted towards those with more skills and education, immigrants aren’t being fully rewarded by the labour market for the attributes that got them accepted in the first place. They earn around 10% less on average than Canadian-born peers” (Agopsowicz & Billy-Ochieng, 2019, p. 1). According to RBC, the immigrant earnings gap spans occupation, age, gender, and region, and is even wider (18 percent) for university-educated immigrants aged 45 to 54. At the same time, while recent data show that gains have been made in narrowing the gap in unemployment rates between immigrants and the Canadian-born, the gap remains.

More research evidence is needed to identify what specific policies and practices lead to better outcomes. Comparative research on the employment outcomes of skilled immigrants in other immigrant-receiving countries may shed new light. We need to build new (or scale existing) evidence-based policy interventions to improve opportunities for immigrants to obtain commensurate employment. The country benefits when immigrants can fully participate in the Canadian economy.

The results of this research point to many opportunities to further refine policies and practices so that skilled immigrants can more fully contribute their skills and education to the Canadian workforce. Specifically, policy makers and practitioners need to gather information and data that will allow stakeholders to effectively address several key concerns:

- **Employer confidence in international experience:** Respondents’ employment outcomes showed that their international work and academic experience was undervalued; providing evidence of the potential for competency-informed assessments to help elucidate the relevant skills, knowledge, experience, and judgment of immigrant job seekers may help to remedy this situation.
- **Information:** Immigrants continue to need more effective information about employment in Canada. There is an ongoing need to identify how to deliver realistic, specific, targeted, accurate, and timely employment information to prospective and recent immigrants.
- **Access to regulated professions and trades:** Despite successful interventions in this area such as profession-specific bridging programs, challenges persist. More evidence is needed to identify which

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specific interventions, resources, and employer or regulatory practices enable immigrants to successfully navigate all the steps required to re-enter a regulated occupation in Canada.

- **Services and interventions:** All those working toward the integration of skilled immigrants need to collectively identify which specific employment services and service delivery models lead to the best results for skilled immigrant job seekers, and focus on services that help immigrants develop social capital and professional connections.

To further inform policy and practice, WES will continue to leverage its expertise and access to data to expand the evidence on skilled immigrant labour market outcomes. And we will advance the conversation around the role of competency-informed assessments to ensure that immigrants' prior experience, education, and skills can be fully recognized in the Canadian labour market.

WES advances the global mobility and integration of people into academic and professional settings, and will continue to engage in the development of solutions that drive that mission.

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