



CERC Survey: Canada's Economic Immigration Programs

This report summarizes the findings of a survey conducted by the Canadian Employee Relocation Council to gather further information about how changes introduced to Canada's Economic Immigration programs by the federal government during the past three years have impacted organizations that access the programs.

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CERC SURVEY: CANADA'S ECONOMIC IMMIGRATION PROGRAMS

ABOUT THE SURVEY

The survey was conducted on-line by the Canadian Employee Relocation Council (CERC) from October 1 to November 15, 2015. The purpose of the survey was to gather further information about how the changes to the various economic immigration and mobility programs, introduced by the Government of Canada over the past several years, are impacting workforce planning and the recruitment of skilled international workers.

The survey also gathered valuable information about the quality of service levels in the delivery of these programs to the employer community by government departments that administer the programs.

The survey was sent to approximately 150 organizations and 45 organizations that access the programs responded.

At the time of the survey, Canada was in the middle of the federal election. With the election of a new Liberal government, names of the ministries responsible for administering Canada's economic immigration programs have been changed as follows: Ministry of Employment, Workforce Development and Labour, (formerly Employment and Skills Development Canada, ESDC) and the Ministry of Immigration, Refugees and Citizenship (formerly Citizenship and Immigration Canada CIC). For the purposes of this report these ministries may also be referred to as ESDC and CIC.

Written comments by respondents are noted in italics throughout the report.

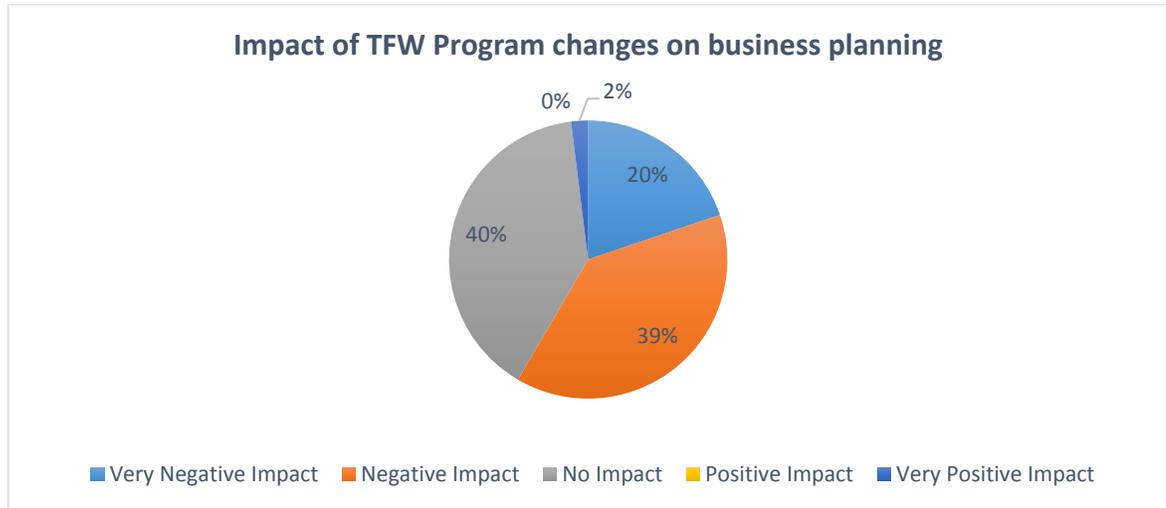
KEY FINDINGS

- The top three industry sectors represented in the survey are:
 - Professional Scientific and Technical Services – 17 per cent
 - Financial Services – 15 per cent
 - Mining, Quarrying and Oil and Gas extraction – 12 per cent
- Collectively, the participating organizations employ over 400,000 people.
- High skilled workers (NOC categories O, A and B) account for the majority of all foreign nationals hired by participating organizations.
- Over the past year, 59 per cent of the respondents have filed a Labour Market Impact Assessment (LMIA) for highly skilled workers.
- The majority of the organizations surveyed, at 59 per cent, say the changes made to the temporary foreign worker program have had a negative impact on their business planning strategies.
- In 59 per cent of the organizations surveyed, the changes to the temporary foreign worker program have had a negative impact on their ability to recruit skilled workers.
- In 69 per cent of the organizations, the changes to the Labour Market Impact Assessment (LMIA) have had a negative impact on the organization's ability to recruit skilled workers.
- In 16 per cent of the organizations surveyed, work has been outsourced outside of Canada as a consequence of the changes implemented.
- Over two thirds of the organizations surveyed say that *“Ambiguous and ongoing changes to immigration rules are the top challenge when transferring employees into Canada.”*
- In those organizations that have had interaction with the Express Entry System, 40 per cent say they are dissatisfied.
- Three quarters of the organizations surveyed (75%) say they do not have access to timely and accurate information about the programs managed by Employment and Skills Development Canada (ESDC).
- Two thirds of the organizations surveyed (67%) say they only “sometimes” have timely and accurate information about the economic immigration programs managed by Citizenship and Immigration Canada (CIC).
- Of the organizations surveyed, 77 per cent say they experience inconsistencies in decisions made between adjudicators and operating regions of CIC.

“Significant impact to the timeframe to onboard our very highly skilled foreign talent. The impact has been so significant that our Canada offices have changed hiring strategy, and positions are instead being moved to other countries with less immigration lead times (Germany, Ireland, UK, India).”

“The changes have led us to discourage the inclusion of Canada as a viable location in some of our staffing plans due to the timing required and difficulty in securing work authorization.”

Participants were asked the following question: “Have the changes to the Temporary Foreign Worker Program impacted your organization’s business planning strategies?”



Results of this survey indicate the changes that have been implemented to the Temporary Foreign Worker Program (TFWP) are having a negative impact on business planning for many organizations. In the majority of organizations, at 59 per cent, the impact has been negative, with 20 per cent of those citing the changes are having a very negative impact. As a consequence organizations are considering other options including the movement of projects to other jurisdictions. Those options include:

“Significant impact to the timeframe to onboard our very highly skilled foreign talent. The impact has been so significant that our Canada offices have changed hiring strategy, and positions are instead being moved to other countries with less immigration lead times (Germany, Ireland, UK, India).”

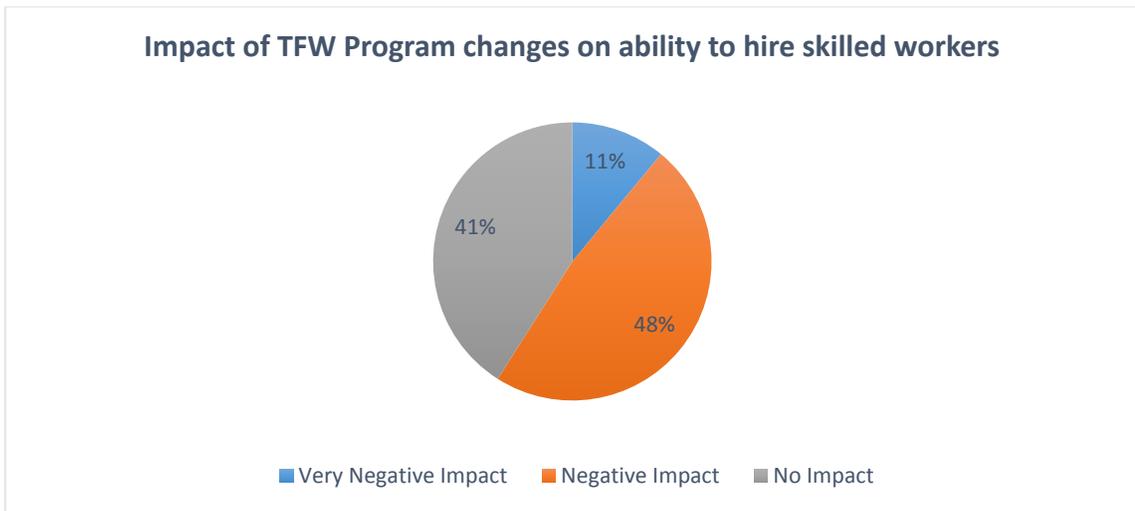
“...definitely caused concern about how we can possibly get the skilled workers we require to support our growth plans.”

“We had a couple of cases that were under compliance reviews and, because of these reviews, all our cases were on hold for almost 5 months.”

“The changes have led us to discourage the inclusion of Canada as a viable location in some of our staffing plans due to the timing required and difficulty in securing work authorization.”

“Problems with the completion of projects (timing), delays in projects, etc.”

Participants were asked the following question: *“Have the changes to the TFWP program impacted your organization’s ability to recruit skilled workers?”*



The majority of organizations, also at 59 per cent, report that the changes have had a negative impact on their ability to hire skilled workers. Comments received from participating employers included the following:

“We have always looked first to Canada to hire. Very often, though, we have no choice but to conduct a global search, as we need people with largescale deal experience and/or other very specialized experience that is not found in Canada. The new rules for the TFWP have made it even more difficult to find the kind of talent we need to maintain our investment returns.”

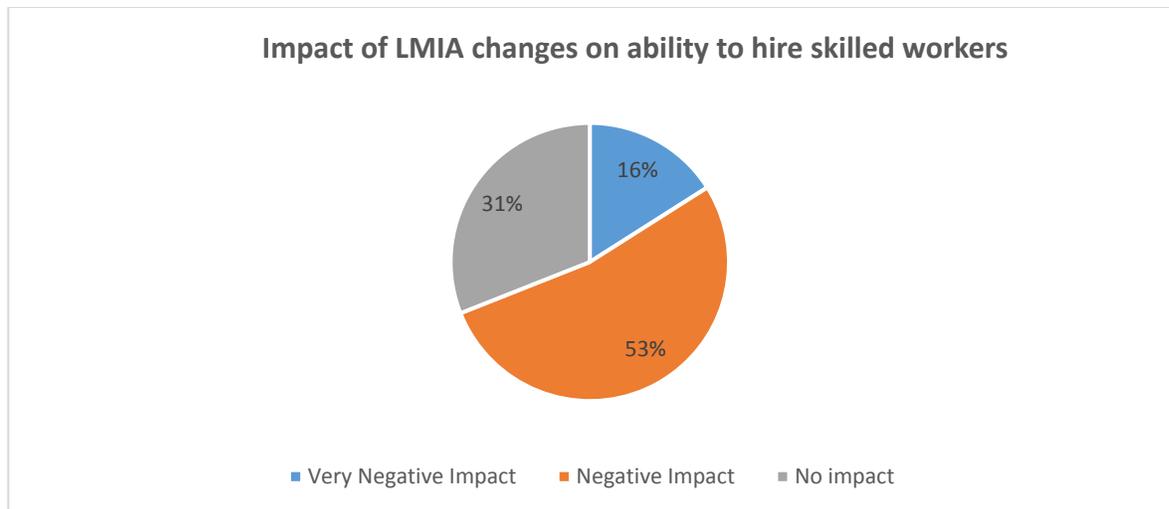
“Yes, we have lost candidates midstream, as a result of their frustration with the lead times. We have also had candidates decline offers when they learned of the process involved.”

“While we still hire the same people we would have, it takes longer and costs more. This impacts our ability to have a quick turnaround time when hiring new staff.”

“The extremely cumbersome and paperwork driven LMIA application has made it more difficult to recruit skilled workers from outside of Canada. Although the worker maybe be highly skilled and a big asset to the company, if the LMIA is required we may not bother with the candidate.”

“Lack of clarity and transparency with the program impacted our business. Having a trusted employer program and/or blanket approval in place will make it easier for (us) to bring in skilled workers.”

Participants were asked the following question: “Have the changes to the LMIA process impacted your organization’s ability to recruit skilled workers?”



In more than two thirds of the organizations (69%) surveyed the changes to the LMIA process have had a negative impact on their ability to recruit skilled workers, with 16 per cent reporting the changes have had a very negative impact.

As one company noted, “*The changes have been drastic and draconian.*”

In response to these changes, organizations are taking various approaches to cope, including the delay and postponement of projects. In 16 per cent of the organizations surveyed, work has been outsourced to jurisdictions outside of Canada. Organizations report new procedures have been introduced around the hiring of foreign nationals, including not recruiting workers that would otherwise require a Labour Market Impact Assessment.

Participants were asked to share their suggestions about how the LMIA process could be improved. Over 30 organizations responded to this question. Overall themes for improvement were as follows:

- A separate stream is needed for highly skilled workers, (including senior managers, scientists, doctors and professors)
- Provide flexibility in requiring employers to post (high skilled positions) on the Canada job bank, with exemptions for senior executives
- Improve processing times of applications
- Improve consistency and predictability of decisions
- Expedited streams for trusted employers
- Flexibility in managing compensation, and employment related matters

“More flexibility over employment changes once the LMIA is issued. The current system is too rigid and potentially penalizes organizations looking to strengthen their, and Canada’s, labour talent pool by restricting companies’ ability to reward high potential performers.”

"The approach and the rules for high skilled and low skilled applications need to be significantly different. The transition plan does not even make sense for high skilled applications. We are not going to replace the position with a Canadian by having an Aboriginal Program in place, or by granting scholarships. The application process needs to make sense for the role. Also, forcing us to use the job bank for high skilled positions again serves no purpose in the application. That is not our target market for high skilled positions. The applicants are not looking on the job bank so why are we posting there?"

"The process seems to have been created without any input from employer stakeholders. It is extremely cumbersome in terms of the number of forms and fields that must be created and bears little to no resemblance to any employer's recruitment efforts and how we document/account for success of these efforts. The process by which these applications are adjudicated while variance exists provincially means numerous phone calls, emails, faxes, associated with a single filing."

"Employers, especially high volume program users, do not have the bandwidth to provide continual back and forth on every single filing."

"Provide greater flexibility to manage compensation (e.g. allow normal compensation progression without have to seek government approval in advance)."

"Allow greater flexibility to allow for job modifications (substantially the same vs same job) in response to normal organizational changes to meet evolving business requirements."

"Acceptable recruiting methods needs to be more clearly identified. We are unable to use our Company website to advertise for positions even though we put a strong case together for Service Canada showing our company is internationally known (15,000 employees internationally, 250 offices), and we get more candidates reviewing it directly for job opportunities rather than monster, and other big recruiting sites. Transition plan needs to be more clearly communicated."

"Restrictions on wages, needs to be addressed. If we can prove that all our other employees in that Region in that position are earning less than the prevailing wage, then we should be able to provide an hourly rate based on that (or at least go back to allowing a certain percentage below the prevailing wage). Paying a TFW more than a Canadian in the same position with the same experience...not sure how that is fair unless the position/experience warrants it."

"Post Graduate employees, who have worked for us during their studies and post graduate work, if they cannot qualify for Express Entry and get PR, then we risk sending some amazing talent back to their home country because we cannot get an LMIA for them. We have invested in that talent, and the government is basically sending that talent and skills back to their home Country rather than reinvesting it in the Canadian economy."

"The inspections or reviews of previous cases should not stop the processing of pending LMIA application, especially if the employers will be found compliant. It is against the rule of law. The employers are being "sentenced" before being found guilty."

INTRA-COMPANY TRANSFERS

In 90% of the organizations surveyed, employees are transferred into Canada under the intra-company transfer (ICT) program, which also creates challenges for employers. The top three challenges with the ICT program identified by employers are:

1. Ambiguous and ongoing changes to immigration rules
2. Lack of predictability of the ICT approval process
3. Complexity of immigration rules and regulations

Employers note that program guidelines are rigid and the difficulties of transitioning an employee on an ICT to permanent residency, is cumbersome, difficult and unpredictable.

The top three challenges experienced by employers when transferring specialized knowledge workers into Canada under the ICT program are:

1. Access to accurate and reliable information from government sources
2. Lack of clarity between compliance requirements for ICT and LMIA
3. Salary and rigidity of the National Occupation Code (NOC) system

These challenges and barriers result in project delays, a reduction in the number of ICTs transferred leaving unfilled skills gaps in organizations and potential loss of highly talented international workers to other countries.

PERMANENT RESIDENCY AND EXPRESS ENTRY

Of those organizations that have had experience with the Express Entry system, 40 per cent state that overall they are dissatisfied with the system. The top three challenges identified by employers in accessing the Express Entry system are:

1. Lack of predictability regarding scores required
2. Requirement to post positions for senior executives on the Canada job bank
3. Unreliability/instability of the "profile" system

Some of the specific problems employers encounter are described in the following comments from participating organizations:

"The lack of transparency within this program is unacceptable. I have a CFO application pending, his role is essential to our business, yet I have had absolutely no information in almost 6 months which creates incredible risk to the Company."

"Once application(s) are submitted they can be rejected for very simple things and there is no appeals process. This means applicants need to start all over again, even if they have a LMIA. This can be costly to the employer who needs the employee to work right away."

"Technical glitches with the system. Information must be added multiple times before the information is saved."

Obtaining permanent residency is also important for many foreign graduate students. Two thirds of the organizations surveyed hire foreign graduate students. And, over half of those (57%) report they have had situations where the work permit has expired during the application process forcing the graduate student to leave Canada. As a result Canada is losing very highly skilled and in demand talent because of processing delays and inflexible administrative rules.

“We have been very unhappy about this. We have a few that this is likely to happen with, in the next year now.”

“I personally think the situation they have put these new grads in is unconscionable. We’re happy to take their money into the school system but have no path for them to remain in Canada permanently anymore.... I cannot understand why they would not want to make it easy for them to obtain their PR. They are Canadian educated and trained and they would pay into our taxes for year(s) and years to come! A big miss on the government’s part here!”

“We have post-doctoral fellows who have worked in Canada for 5 years, have PhDs, great English and can’t get a work permit or PR. These are people who are highly educated and skilled and would contribute a lot to Canada and they can’t stay.”

“We have had high skilled graduates whom we have had to terminate as they were not able to qualify for points under the express entry before their current permit ran out.”

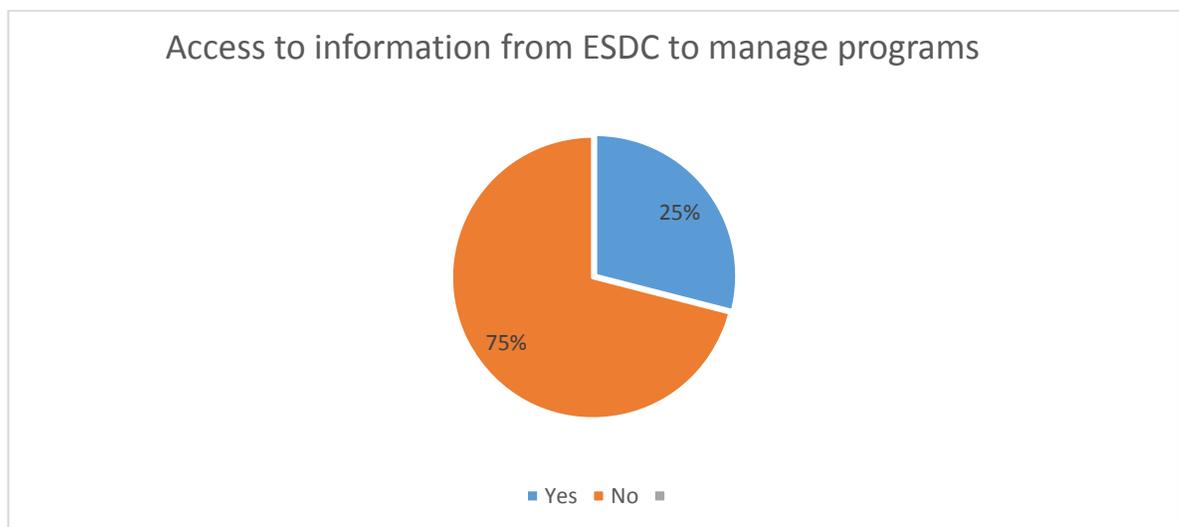


SERVICE LEVELS

The survey also gathered important information about the level of satisfaction with the services employers receive from both the Ministry of Employment, Workforce Development and Labour, (formerly ESDC) and the Ministry of Immigration, Refugees and Citizenship (formerly CIC).

Overall results indicate employers continue to experience challenges with service levels, processing times, inconsistent decision making, ongoing program changes and a lack of information in the services provided by both departments.

In response to the question: *In your opinion do you have access to timely and accurate information about the programs managed by ESCDC?* Over two thirds of respondents feel they don't have sufficient information to manage their mobility programs



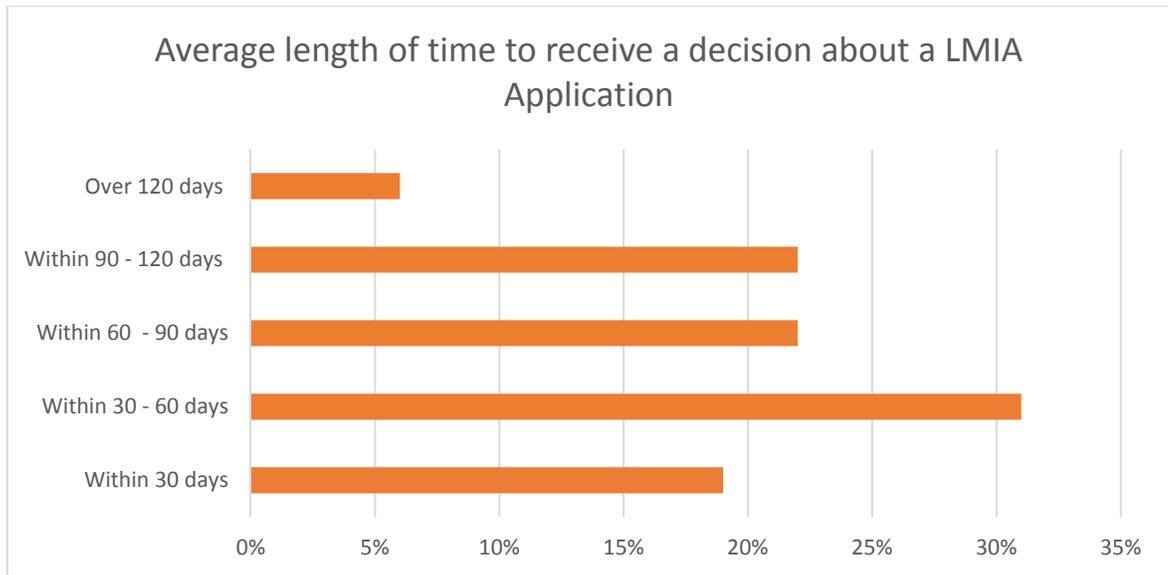
"It is very difficult to get a straight answer. One rep might say one thing while another says the opposite. You can almost never get anything in writing, so it is near impossible to know right from wrong."

"I am not that familiar with information/program details that may be modified by ESCDC until they reject something."

"The information received from ESDC is contradictory at times and the decision making process is discretionary."

"The LMIA process can be very uncertain, given the lack of detailed instructions, and the constantly changing rules of the LMIA program. Furthermore, the lack of a Program Manual makes it difficult to assess how ESDC officers are reviewing LMIA applications."

In terms of the timeliness of decisions rendered on LMIA's, 81 per cent of employers report they wait over 30 days on average to receive a decision. In many instances the response time is dependent on the location of the ESDC office processing the LMIA. A further complication for employers is that all pending applications are held where a compliance review or audit is under way.



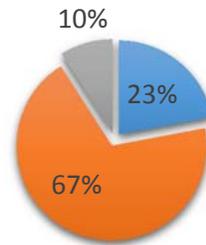
In filing LMIA applications, employers must provide details regarding comparable positions and wages. The National Occupation Codes (NOC) published by ESDC are used as the guide for providing this information.

Over one third of the companies surveyed said the NOC was not at all reliable, and 40 per cent said the NOC was reliable only on occasion. *“The data is more than a decade old and not reliable for evolving tech roles.”*

A key issue for employers with the NOC is the regularity of updates, and as one company noted, *“They are not flexible enough to address the roles/jobs that we have in reality.”*

There have been several complex changes to the programs over the past several years. Employers struggle to cope with those changes, and particularly where changes are introduced by CIC with little notice or consultation with employers. Employers complain that access to timely and accurate information is difficult to obtain from CIC.

Access to information from CIC to manage programs



■ Rarely have access ■ Sometimes have access ■ Always have access

Comments received from employer about access to information from CIC included:

“The programs change with little heads up.”

“The CIC call centre gives wrong information out to applicants all the time.”

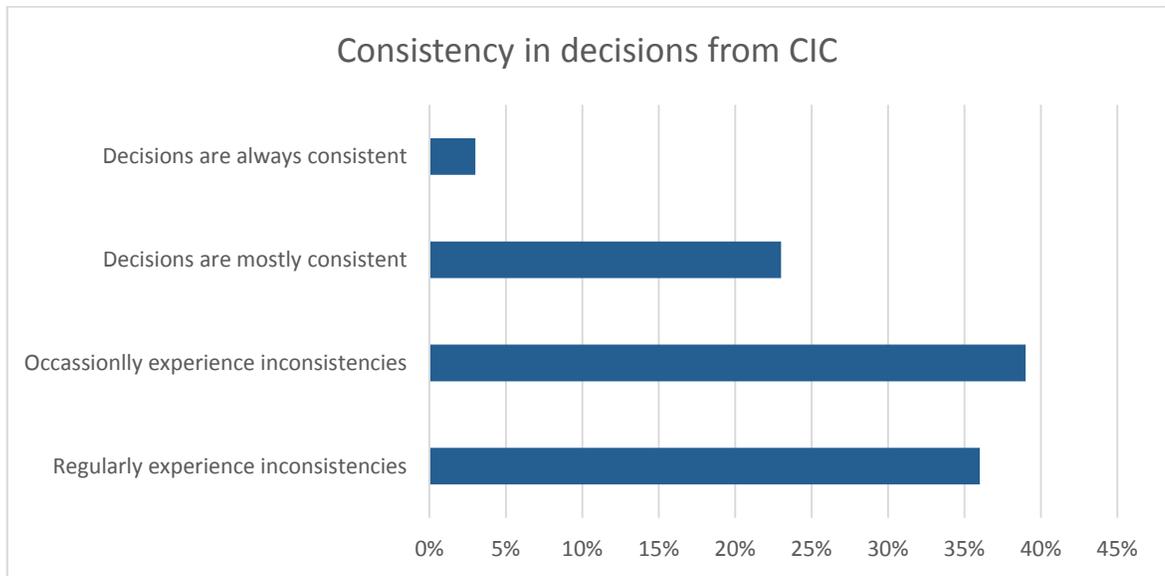
“The CIC took away program manuals which was vital to navigating the immigration system.”

“Businesses should be given a lengthier grace period to adapt its processes with the changes implemented.”

“Projects typically last 6- 12months. If it takes 6 months + to bring in staff then opportunities are lost.”

In terms of consistency of administrative decisions made between adjudicators and operating regions of CIC, three quarters of employers say they experience inconsistencies in decisions, and 36% of employers say they regularly experience inconsistencies in decisions.

The inconsistencies result in further delays in bringing employees into Canada, which in turn negatively impacts business operations.



“I get the feeling we are not the only ones confused. Those on the front lines honestly do not seem to know the answers any better than we do.”

“Depending on the situation and case manager we often are denied (we then questions this) and then are approved with little explanation.”

“Work permits have been approved for one person and refused for another when the applications were exactly the same. It seems like the officers don't have clear enough guidelines for approvals and are just making decisions ad hoc.”

“Broader education to border officials regarding immigration law may also help consistency at the border. Sometimes we have employees rejected because I am sure the border official had a bad day. Their reasoning is completely against NAFTA rules, but because they made the decision, that is what stands.”

CONCLUSION

Very clearly employers are of the view that the changes introduced by the federal government to the Economic Immigration Programs over the past several years have had a negative impact on their business operations. That impact includes additional costs, delays and complications in workforce planning processes, project delays, loss of access to internationally experienced skilled talent and in some cases the movement of work to locations outside Canada.

When the program changes were introduced earlier in 2013 CERC voiced these very concerns to the government of the day, noting that *“These changes have the potential to jeopardize major projects and make it harder for Canadian companies to compete in global markets”*

The results of this survey very clearly indicate there is a need for the new government to act quickly and address the problems in the Economic Immigration Programs that are creating unnecessary barriers for employers in hiring international skilled workers and in turn negatively impacting the Canadian economy.

CERC has developed a 13 point plan containing meaningful, realistic, targeted, and well-managed adjustments that can improve Canada's Economic Immigration Programs and address many of the issues identified by this survey. These recommendations are outlined in a detailed paper which has been presented to the new Liberal government. Highlights are below:

1. **Trusted Employer Program:** Implement a Trusted Employer Program (TEP) modelled after successful programs currently in use in Ireland, the UK and Australia.
2. **Immigration Advisory Committee:** An Advisory Committee on Economic Immigration should be enlisted to offer advice and input to the Minister(s) and government officials in a formal and structured manner.
3. **Industries experiencing rapid growth and high demand for skilled workers:** Create industry or sector based immigration pathways or programs.
4. **Labour Market Impact Assessments (LMIA):** Expedited processing for high skilled in demand workers, relax market testing and job advertising for executives and other high pay occupations
5. **Express Entry: Bridge work permits; Age restrictions:** Provide bridge work permits: Relax age factors for senior and skilled workers; allocate more points for employed applicants.
6. **Expedited processing stream to PR for graduate students:** Provide more flexible pathways to permanent residency for international students studying full time in Canada.
7. **Clarify rules around the International Mobility Program for Significant Benefit:** Develop clearer guidelines that expand and clarify the rules for significant cultural or social benefit to Canada.
8. **International Mobility Program: Clarification regarding who is the employer?**
9. **International Mobility Program: Employer Portal:** Improve access for employers
10. **Compliance reviews:** These random STS compliance reviews should not be triggered at the time of re-application for an LMIA.
11. **Compliance and Administrative Monetary Penalties (AMP):** improve program management, directed to education and develop an independent appeals body
12. **Address inconsistent processing in regions and provinces:** Improve staff training; implement a case review process and modernize the National Occupation Codes ,
13. **Access to training manuals and open publication of program changes / policy updates:** Provide more open access to documentation on both the ESDC and CIC websites. Establish employer portals that can provide online access to common questions.

ABOUT THE CANADIAN EMPLOYEE RELOCATION COUNCIL

The Canadian Employee Relocation Council (CERC) is a not-for-profit organization dedicated to removing barriers that restrict mobility and deployment of human capital, which are vitally important to Canada's future prosperity. Established in 1982, the Council represents the interests of its members on workforce mobility matters. Many of the Council's members are listed in Canada's Financial Post Top 500.



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BDO Canada Immigration Services
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Bombardier Inc.
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