



Canadian Employee Relocation Council (CERC)

Survey Report:

Impact of Processing Delays of Work Permits and Business Visas on Canadian Employers

July 21, 2022

The Impact of Processing Delays of Work Permits and Business Visas on Canadian Business

The Corona Virus (COVID-19) created significant challenges for the Government of Canada in the processing of work permits and business visas since 2020. Visa offices have been closed, staff within the department of Immigration Refugees Citizenship Canada (IRCC) were redeployed, lockdowns required work from home without advance planning – all which have resulted in extensive delays for companies in accessing and on-boarding highly skilled international talent. These delays were further exacerbated by the refugee crisis in Afghanistan in 2021 and the refugee crisis created by the Russian invasion of Ukraine in 2022.

At the time this survey was conducted, the backlog of applications in the immigration system exceeded two million applicants. Of which approximately one million are for temporary resident visas and work permits.

This report, based on survey findings, outlines how those delays continue to negatively impact the operations of Canadian businesses and institutions. The online survey was conducted during the month of June 2022. A total of 33 organizations, representing a broad cross section of employers that regularly access international mobility programs participated in the survey.

The survey is the second edition of the inaugural survey published in January 2021. Where possible comparative results are provided.

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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Canadian Employee Relocation Council

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Leadership for Workforce Mobility

Participating Organizations

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Queen's University
Ryerson University
Saputo Inc
Simon Fraser University
The University of British Columbia
University of Guelph
University of Lethbridge
University of Saskatchewan
University of Victoria
Western University
WestJet
York U

Key Findings

“There is a real dichotomy between the government's message (i.e., efforts to attracting foreign workers to Canada) and the reality once candidates go through the process. It is not a good experience.”

Industry breakdown – Top 5 sectors

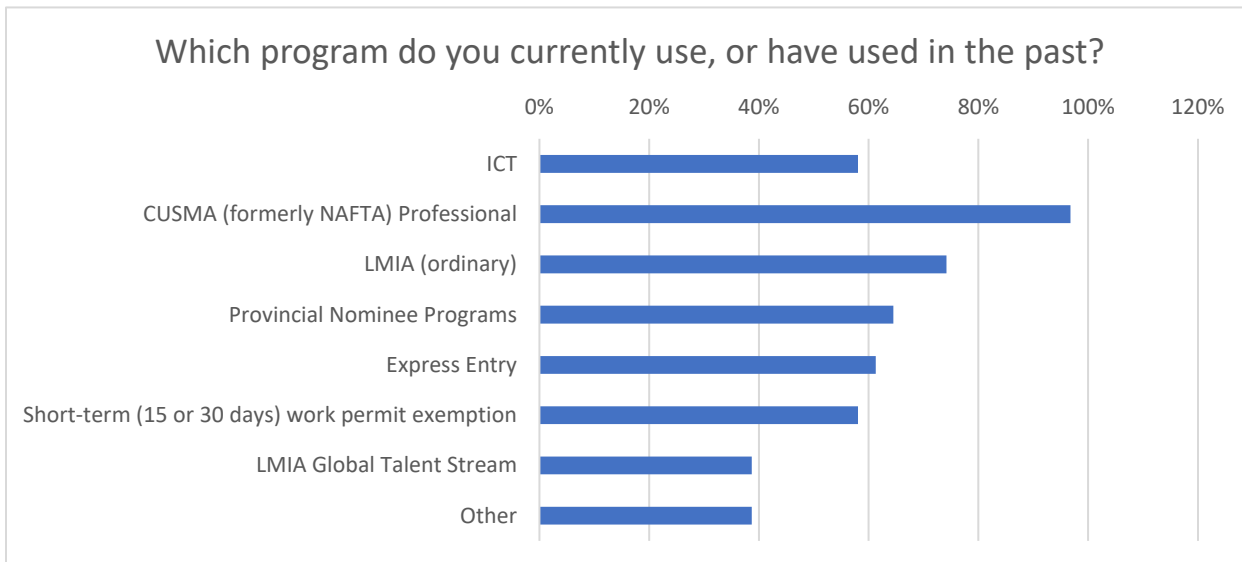
1. Government / Health Care / Education Services
2. Construction / Engineering Services
3. Financial Services
4. Technology
5. Transportation

Of those participating employers, 97 percent hire international talent via the temporary residence stream and just over half (53%) access economic immigration.

Ninety percent of participating organizations employ over 2,000 workers and 31 percent employ over 10,000 workers.

Program Access

All participating organizations access temporary workers, and 66 percent (44% in 2020) report using economic immigration programs to meet their talent needs. Two thirds (52 % in 2020) report they recruit 30 or more temporary residence workers in a normal year.



Several organizations report using the International Mobility Program, LMIA exempt streams (research award recipients/ clinical fellows), C-10 Significant Benefit Program and Trade Agreements that include temporary entry provisions to access needed international talent.

In 56 percent of respondents (78% for those employers in education, research and medical fields) report that the Short Term (15 -30 day) Work Permit (STWP) exemption, introduced in 2017, has provided a benefit to their organization. For 22 percent of respondents, the work permit exemption has provided no benefit and a further 22 percent report they have not used the work permit exemption.

Comments from participants indicate a range of experiences when using the STWPs. Overall sentiment is the 30 day limit is too short, and Canada would do well to emulate the arrangements in other jurisdictions allowing work permits for up to six months.

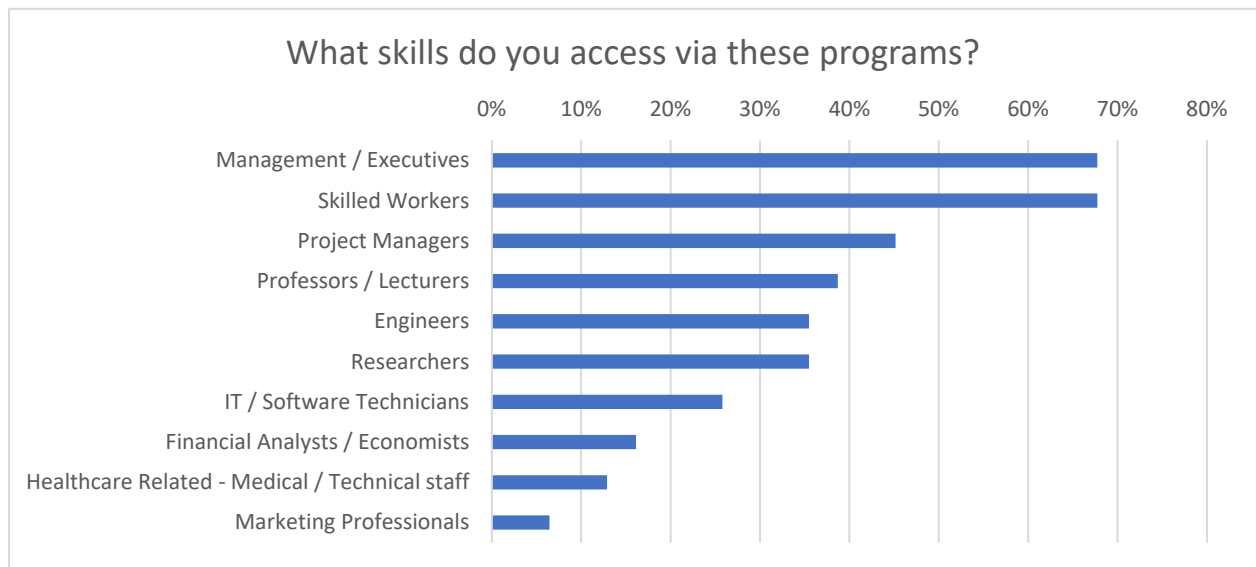
Other comments about the STWP include concerns about the CBSA officers not providing evidence or confirmation of the extension and, inconsistency in adjudicating STWP exemption applications.

Skills

Skills are in high demand within Canadian organizations and there are growing shortages of workers with the requisite skills across almost all sectors of the economy.

Of the top three skills accessed using immigration and international mobility programs by employers, executive management account for 69 percent, skilled workers account for 66 percent; and project managers account for 48 percent. Many of these occupations include personnel with IT skills.

Of note, University Faculty, Doctoral Fellows and Visiting Professors are also in high demand and transferred into Canada under these programs at 38 percent.



Other occupations in demand include creative designers, art directors and production managers and associates, together with technical occupations with specialized knowledge that do not require academic degrees.

Importance of International Talent to Business Operations

When asked about the importance of international talent to business, 100 percent agreed with the statement, “***The contributions of international talent are important to our business***” with 88 percent strongly agreeing with the statement.

“When we can’t find the talent within Canada to grow our business globally, we heavily rely on the various work permit/PR options to fill the skill gaps within Canada.”

“We are a Global organization and attract highly skilled, sought after talent including foreign workers. While we try to fulfil the role by local hiring but for some roles (mainly senior executives and specific tech & data) we need to look beyond local market.”

In 80 percent of organizations employees normally apply at the port of entry, with 20 percent applying at a diplomatic mission. For visa required employees the delays at diplomatic missions create added business disruptions.

“Visa-exempt nationals will be guided to apply at the port of entry (due to increased processing times at the visa offices). However, a large number of our incoming foreign workers are visa-required and thus required to apply via visa office. The increased processing times have made it close to impossible to know when the skilled worker will be available to us which can have a tremendous impact on our operations.”

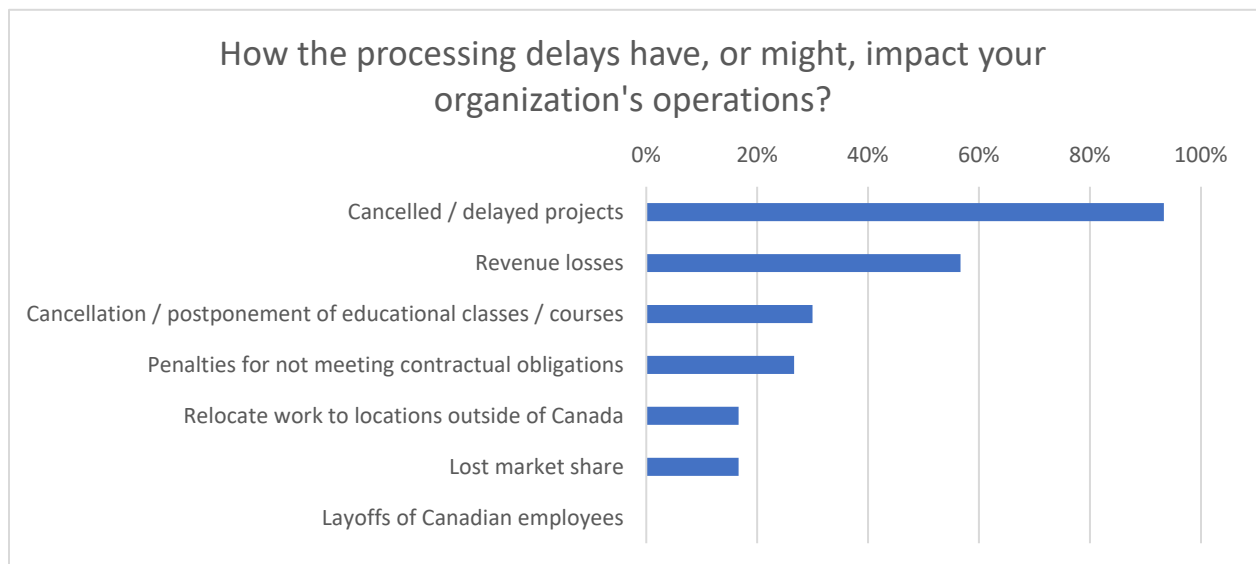
In 47 percent of respondents over 50% of all work permits are issued outside of Canada. Ongoing staffing challenges at diplomatic missions are increasingly causing processing delays.

Impact on Business Operations

For 97 percent of respondents, ongoing delays are likely to have a negative impact on operations within the next year.

In 94 percent of organizations, cancelled or delayed projects are the most commonly cited consequence of the processing delays.

For 55 percent of organizations the delays are resulting revenue losses.



Several comments were received from Canadian universities that participated in the survey, with 29 percent reporting cancellation / postponement of educational programs, and delays in research projects.

“Long processing times can delay important projects and activities bringing financial impact to the company. Additionally, it felt the hiring of local candidates as the foreign workers will bring specialized knowledge.”

“The processing delays have huge impacts on travel and social services including OHIP. While on implied status, FNs are unable to travel for work or family commitments. Processing times impact our ability to get physicians into the hospitals because even priority applications are taking months for processing.”

“The processing times are increasing negativity towards international hires of those possessing missing skillsets on the Canadian market. The inability to bring in project workers in a timely manner gravely impact deliverables to our clients. Escalations of urgent applications nearly impossible these days, especially with many visa applications being processed in Canada by CPCs.”

Many thoughtful comments were shared by respondents about the need to reduce processing times and return to pre-pandemic service standards. Here is a selection of those comments:

“This would be very beneficial to us however in some instances (non visa exempt countries) processing times were too long even before the pandemic. IRCC needs to align with practices in other countries as candidates in some fields have multiple offers from employers from various countries and processing time to land will influence their decision to join us or not. There is a real dichotomy between the government's message (i.e., efforts to attracting foreign workers to Canada) and the reality once candidates go through the process. It is not a good experience.”

“Would keep capital projects/infrastructure on track, maintain production line runnability efficiencies and stabilize the companies' competitiveness in the pulp, paper, and tissue product marketplace.”

“We will be able to hire more local people faster and avoid delays in important projects.”

“It would allow us to continue hiring skilled foreign workers and continue working on our projects. With processing times the way they are currently, we are not able to fulfil urgent project requirements.”

“In addition to processing times, the other major hurdle is the lack of communication between provincial and federal governments. An example of this is the Non Resident Speculation Tax (NRST). The NRST is applied to workers whose primary home is in Ontario (not buying up condo blocks) and relief is only provided when they obtain permanent residence. “

“The CEC program has been paused by the Federal government for the past year. This has huge impacts on Ontario Educational Institutions recruiting top talent. We would be able to secure more talent and meet our capital project commitments and increase job opportunities for additional Canadians.”

“Much greater clarity for the purpose of planning and meeting deadlines for seasonal launches, especially given the worldwide supply chain issues and manufacturing delays. Greater company growth with the ability to secure talent for leadership positions and new product lines. Fewer losses as a result of having to cancel and rebook relocation costs due to immigration delays.”

Expedited Processing

For many years, the payment of an additional processing fee by employers, or the development of a Trusted Employer Program, to ensure employers receive efficient processing that meets business needs have been discussed with government.

When asked if they would be willing to pay an additional fee for expedited processing of applications, ranging between 10% and 25% above current processing fees (e.g., to cover additional governments costs) 73 percent of respondents answered favourably.

Recommendations to improve processing times

Participants were asked to share their recommendations for improving processing times. The key themes are summarised below.

- Provide large employers in Canada that access the international mobility streams with efficient and predictable processing times.
- Employers that recruit highly skilled international talent want to see a program that provides LMIA exemptions, and fast tracks applicants in high demand occupations.
- Hiring and training of staff and implementation of new technology platforms to modernize the outdated processing systems currently in place
- Implement a Trusted Employer Program that meets the needs of employers that hire skilled international talent.

Conclusion

The ongoing delays in the processing of work visas and temporary residence applications continues to negatively impact business operations for companies, academic institutions and government funded organizations that access immigration and international mobility programs to meet their needs.

The mandate letter provided to IRCC Minister Fraser in December 2021, set out a number of important commitments including:

- Reduce application processing times, including to address delays that have been impacted by COVID-19.#
- With the Minister of Employment, Workforce Development and Disability Inclusion, establish a Trusted Employer system for Canadian companies hiring temporary foreign workers and, as part of improving the Global Talent Stream of the Temporary Foreign Worker Program, simplify permit renewals, uphold the two-week processing time and establish an employer hotline.

While there have been announced changes to the system, much work remains to be done and progress has been slow – particularly as it pertains to reducing delays and establishing a Trusted Employer system.

During the time the survey was conducted (June- July 2022) the overall backlog of applicants in the system ballooned from 2.4 m to 2.7m – a 12% increase. Over that same time the backlog for temporary foreign workers grew by 21%, from 408,733 to 493,746 applicants.

As noted in our 2021 survey, the need for Canadian employers to access international talent on an expedited basis will be vitally important in rebuilding the Canadian economy in a post pandemic world.

As vaccination rates increase and serious COVID infections decrease, mobility and travel are increasing and Canada's ability to manage the increased rates of travel/visas applications etc. will be critical for the Canadian economy.

In the face of growing concerns about a recession Canada, economists and policy experts agree that a key strategy to recovering from the pandemic and surviving a recession is an infusion of immigrants.

Reallocation of resources, modernization of systems through better use of technology, and consideration of expedited processing channels, such as a Trusted Employer Program, are measures that should be adopted with urgency.

