

CERC Survey: Temporary Foreign Worker Program

This report summarizes the findings of a survey conducted by the Canadian Employee Relocation Council to gather further information about the use of the Temporary Foreign Worker Program (TFWP) among companies that have operations in Canada, and in gauging how the program changes introduced by the Government of Canada in 2013 have impacted their business operations.



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Temporary Foreign Worker Program Survey

About the Survey

The survey was conducted on-line by the Canadian Employee Relocation Council (CERC) during the month of December 2013. The purpose of the survey was to gather further information about the use of the Temporary Foreign Worker Program (TFWP) among companies that have operations in Canada. We were also interested in gauging how the changes to the program introduced by the Government of Canada in 2013 are impacting their business operations.

The survey was sent to approximately one hundred companies; 35 organizations that access the program responded. *Verbatim comments of respondents are noted in italics.*

Key findings

- The top three industry sectors responding in the survey are:
 - Professional Scientific and Technical Services – 28 per cent
 - Mining, quarrying and oil and gas extraction – 9 per cent
 - Retail / wholesale trade – 8 per cent
- High skilled workers (NOC categories O, A and B) account for the majority of all TFWs hired by participating organizations. Almost 40 per cent of companies hire more than 50 high skilled workers during a typical year and an equal number (40%) hire fewer than 10.

“This program is a critical tool in the continued success of our Canada business operations.”

“Many companies that invest in Canada used the LMO process to facilitate entry of foreign workers to meet local labor needs where local labor supply was lacking. Many of these firms have requirements for specialised skill sets that are not readily met by local labor.”

- Before suspension of the Accelerated Labour Market Opinion (ALMO) processing stream earlier in 2013, according to participants, 71 per cent of applications were processed within four weeks of application.
- Since the ALMO process was suspended, 47 per cent of participants are waiting in excess of 12 weeks for a response. The majority of requests, 85 per cent, are taking in excess of eight weeks to process. In some cases the request for an opinion is delayed over six months.

“We are an International company. We work on very time sensitive projects that require specialized talent. We need to recruit more on an International scope to get the talent we need because we are not able to find qualified Canadians for the roles. We need an option to be able to bring in workers quickly. The ALMO process was working great for us.”

“LMO takes very long time. It is increasingly becoming difficult to anticipate the time lines. We are unable to provide any information to the customer about the expected start date of a resource. It takes above 6 months for sure. Client will not wait for 6 months or more once a project has been awarded.”

Impact of changes

Companies were invited to share their views about the impact the changes are having on their business operations. Participants were asked the following question: “Have the regulatory changes made to the Temporary Foreign Worker Program had any impact on your business operations?”

The majority of companies, 85 per cent, responded yes to this question, and cited the following outcomes:

- Additional costs: 62 per cent
- Delayed completion of contracts and projects: 55 per cent
- Loss of business opportunities: 35 per cent
- Movement of work / projects to locations outside Canada 30 per cent
- Other factors cited include; loss of talent, disruption to business planning and loss of credibility with clients.

Very clearly the changes are having a negative impact on business operations for those organizations that access the program to fill skills shortages. Specific comments included the following:

“It is difficult to deploy and commit timelines to client.”

“We have lost Credibility with our Client, there have been Major Escalations due to the changes”

“Loss of recruitment opportunities for talent because of the timelines to process LMOs”

“...beginning to see the movement of work to other locations to avoid dealing with the delay.”

Of the participating organizations, 53 per cent say that the program changes have affected global mobility programs in their organizations.

“We've had to build out a new policy to account for people who are in the period between signing and being approved”

“As timelines become unnecessarily long due to bureaucracy and lack of training, our business cannot be reactive to the changes in our needs which ultimately stalls our delivery.”

“Increase in costs; Increase in time required to deploy resources to client”

“We are a global staffing company and considering tough regulations in TFWP with recent changes it is very difficult and costly for us to mobilize programs and policies which has been very successful elsewhere.”

“It has its major impact on all our preplanned project schedules.”

“It is important for the Government to note that delayed LMO process has resulted in denial of Work Permit Extensions and we were forced to bring our Employees back to offshore as he was out of status. It was very challenging to mitigate these absurd situations.”

“We have some of our business units delaying the recruitment of TFWs because of how long it takes to process a work permit with an LMO. We are spending efforts recruiting, but sometimes lose the candidate because they want to relocate quicker. We have positions that remain vacant for much longer than we can afford, and it places stress on our Canadian workers that have to work harder to fill in for the vacancies.”

“The delays in the securing of LMO has forced a number of affected employees to resign and look for other jobs.”

“Forced us to require projects to identify needs far in advance of their potential need. Where that cannot be done, we are having the work executed outside of Canada, thus losing training opportunities for Canadians and spin off benefits of having the work done here.”

Transition to a Canadian Workforce

The use of the Temporary Foreign Worker Program in the recruitment of skilled workers is a channel of last recourse for most companies in Canada. Many of the companies surveyed indicated they have a ‘hire Canadians first’ policy in place, but those skills are in short supply.

When it comes to implementing steps to transition to a Canadian workforce for the positions recruited under the TFWP, 65 per cent of respondents indicate they are trying to comply with this requirement although that is challenging, as illustrated by the following comments:

“When a company like ours hires a TFW, it is for a position that we are not able to fill domestically. How would we transition a Canadian into the role when we don't have one? If we did have one available to transition into the role, we would not have to look outside the country.”

“...ongoing long term training of Canadian workers in the areas of skill shortage is our goal.”
“Constantly promoting Permanent Residency. All foreign employees share their knowledge with our local team members therefore Canadians or PR can develop their expertise and be promoted to the next level.”

“We are continually looking for Canadian workers, unfortunately they are very hard to find for our type of positions.”

“We use the TFW program to engage highly specialized skills from our international offices which are not available locally. As a result, we have had very limited opportunity to transition the work to the Canadian workforce.”

“We have always had steps in place to use the Canadian workforce for all of our positions. “We have no option but to look outside of Canada given our specialized skillset requirements.”

"We always try to hire Canadian's first, however with many specialized roles we must compete internationally for talent."

"We have always utilized a "Canadians first" policy, and only use TFW's where we cannot meet the project requirements due to staff experience or availability, and/or where we cannot bring the employee in under the ICT category."

General Comments

Participants were invited to share their additional comments about how the changes to the TFWP are impacting their business operations.

"We are really struggling to fit the new program requirements with our needs as a fast paced global organization. These delays are having a huge impact for us to be able to hire the right people on time."

"This program continues to penalize trusted employers for both the mistakes made by Service Canada, and ultimately CIC, as well as those companies who have no business participating in these programs."

*"1. There should be some reasonable and realistic time lines by which the law, regulation will allow to bring in foreign workers. ALMO was a good step in this regard.
2. Follow a 'Trusted sponsor' program like UK and conduct audits at regular intervals.
3. Increase of advertisement period to 30 calendar days and to hold the advertisement until LMO is issued is unreasonable. 14 days was appropriate."*

"The changes have the potential to severely impact our business. Clients contract work with us due to our global expertise, and our ability to attract specific global skills on short notice. The resulting impact of changes, in particular any proposed restriction on quota or deployment to client sites, would result in revenue loss, and a major disruption or disabling of our operations within Canada."

"Most companies in our industry are not big users of the program but when we do need it, it is for high skilled or important executive level roles. The changes have made the process very difficult and cumbersome for us and do not support the needs of Canadian companies that require global skills to compete."

"The advertising requirements are putting a lot of pressure on us since it adds a few weeks to a process that is already very long. The display of wages/salary scales on the postings is a great nuisance for us. It creates an escalation of wages in our highly competitive industry (entertainment) and deeply harm our competitiveness and ability to attract the best talents. It also creates undue pressure on our internal equity."

"More and more Canadian employers are growing their business and operations internationally, expanding their client base beyond our borders. It should therefore be anticipated that the need for Temporary Foreign Workers will only continue to increase. Further restrictions to TFWs could significantly impact our overall ability to improve Canada's economic growth and leverage experts from abroad to improve our productivity."

Conclusion

Very clearly employers feel that the changes introduced by the government to the Temporary Foreign Worker Program have had a negative impact on their business operations. That impact includes additional costs, project delays, lack of skilled talent and in some cases the movement of work to locations outside Canada.

When the TFWP changes were introduced earlier in 2013 CERC voiced these very concerns to government 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 clearly show the changes are hurting business and will damage our ability compete globally.

While the fundamental principles and objectives of the regulatory requirement to transition to a Canadian workforce change are aligned with those of employers to hire Canadian workers first, employers are encountering challenges in doing so.

Employers agree that hiring Canadians is the preferred route before resorting to the costly and cumbersome process of hiring temporary foreign workers. Reality is that skilled workers are in short supply within the domestic labour force. Canada’s workforce, not unlike many other developed nations, is aging and it is not mobile.

When consulting with government earlier in 2013 CERC proposed the following changes:

- Reinststitute the Accelerated Labour Market Opinion (ALMO) program for employers that meet prescribed requirements of HRSDC (now ESDC).
- Provide a process to develop a ‘Trusted Employer Program’ in key industry sectors that have proven skilled worker shortages. (CERC has proposed such a model under the Beyond The Border Action Plan consultations).
- Trusted employers should receive Labour Market Opinion (LMO) approvals for four years duration.

The results of this survey clearly demonstrate the need for the government to act quickly and reverse the changes to the TFWP that are damaging to the Canadian economy.

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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