

**ACCORDING TO ATLANTIC
EMPLOYERS SERIES**

#5

Retention of Skilled Workers

JANUARY 2021



ABOUT PPF

Good Policy. Better Canada. The Public Policy Forum builds bridges among diverse participants in the policy-making process and gives them a platform to examine issues, offer new perspectives and feed fresh ideas into critical policy discussions. We believe good policy is critical to making a better Canada—a country that’s cohesive, prosperous and secure. We contribute by:

Conducting research on critical issues

Convening candid dialogues on research subjects

Recognizing exceptional leaders

Our approach—called **Inclusion to Conclusion**—brings emerging and established voices to policy conversations, which informs conclusions that identify obstacles to success and pathways forward. PPF is an independent, non-partisan charity whose members are a diverse group of private, public and non-profit organizations.

© 2021, Public Policy Forum
1400 - 130 Albert Street
Ottawa, ON, Canada, K1P 5G4
613.238.7858

ISBN: 978-1-77452-041-3

ppforum.ca

[@ppforumca](https://www.instagram.com/ppforumca)

THIS PROJECT IS FUNDED BY

Canada 

THANK YOU TO OUR SURVEY PARTNERS



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique



Canada 



NL WORKFORCE
INNOVATION
CENTRE

Ideas. Innovation. Impact.

TABLE OF CONTENTS

About the Authors6

Introduction.....7

Analysis and Key Findings9

 Reasons for Lack of Retention.....9

 Differences by Type of Employer 11

 Accommodating Behaviours Among Employers 11

 Solutions For Recruitment and Retention 15

Conclusion17

ABOUT THE PROJECT

As Atlantic Canada faces demographic and labour market changes, retention is on everyone's minds. Keeping workers, immigrants, skills and talent in the four provinces over the medium and longer term is a complex and priority issue for economic growth and regional prosperity. [Atlantic Revitalization](#) is the Public Policy Forum's three-year project (2017-2020) addressing the challenge of retention and economic growth, with a focus on boosting long-term immigrant retention, deepening labour pools and improving employers' access to the skills they need. Through research reports, surveys, qualitative stories, provincial roundtables and regional summits, PPF is advancing regional and Canadian understanding and cross-sector networks around Atlantic Canada's most pressing immigration and economic policy priorities.

ACCORDING TO ATLANTIC EMPLOYERS SERIES

Perceptions on Hiring, Retention, Immigration and Growth

Employer projections and perceptions of issues affecting their business activities can represent a significant indicator of where these broader social and economic trends will go. Keeping the pulse of employers across industries in Atlantic Canada supports positive feedback loops with effective policymaking around economic growth priorities like retention, skills, hiring and immigrant integration. As part of the [Atlantic Revitalization](#) project, PPF partnered with Memorial University to survey over 800 Atlantic employers on their insights into the unique economic and labour market dynamics in Atlantic Canada and develop deeper understanding of how their perceptions of the economic climate impact the region's economic growth. The resulting [According to Atlantic Employers](#) series mobilizes these findings for wider discussion in five thematic reports:

- [#1 Business and employment growth](#)
- [#2 Skills shortages and hiring challenges](#)
- [#3 Attitudes towards immigrants and international students](#)
- [#4 Immigration policy effectiveness](#)
- [#5 Retention of skilled workers](#)

[ACCESS THE FULL SERIES](#)

ABOUT THE AUTHORS

Tony Fang, Stephen Jarislowsky Chair in Economics and Cultural Transformation, Memorial University

Dr. Tony Fang is the Stephen Jarislowsky Chair in Economic and Cultural Transformation at Memorial University. Currently he sits on a World Bank's Expert Advisory Committee on Migration and Development. He is dedicated to publishing cutting-edge research on the Canadian, and Newfoundland and Labrador economies. His areas of research interest encompass issues of high-performance workplace practices, retirement policy and the ageing workforce, education, immigration, innovation and firm growth.

Jane Zhu, Postdoctoral Research Fellow, Department of Economics, Memorial University

Dr. Jane Zhu is Associate Professor of Economics and Management at Sichuan College of Architectural Technology. Her research interests include human capital investment efficiency, the development of the Human Resources service industry in Sichuan, China and linkages between workforce diversity and workplace productivity. With over 20 years of working experience in human resources and human capital research, Jane has developed a broad range of technical expertise in data collection, processing and analysis from existing research, survey, interview and other sources.

Paula Struk Jaia, Research Assistant, Memorial University

Paula Struk Jaia is a Master of Arts in Economics candidate at Memorial University of Newfoundland. Her research focuses on society and economics, combining economic theory and econometric analysis. Paula assists the Stephen Jarislowsky Chair in projects related to migration and labour market in Newfoundland and Labrador. Paula holds a Bachelors of Science majoring in economics from Memorial University.

Evan McCarthy, Research Assistant, Memorial University

Evan McCarthy is an undergraduate research assistant pursuing a B.A in Economics at Memorial University. He assists the Stephen Jarislowsky Chair in projects related to immigration and the labour market in Atlantic Canada. His research interests include economic growth strategies for Newfoundland and Labrador, labour market, immigration, natural resource, and environmental economics. He is hoping to pursue an MA in Economics.

Alex David Wells, Research Assistant, Memorial University

Alex David Wells is an undergraduate research assistant pursuing a joint Bachelor of Commerce and Bachelor of Arts in economics at memorial university. He assists the Stephen Jarislowsky chair in projects on immigration and labour research. His areas of interest include the economics of immigration and labour.

INTRODUCTION

Hiring difficulties occur at all levels of jobs across all industries and occupations, leading employers to shift their hiring activities to immigrants and international students to address the shortfalls. Immigration programs such as the Atlantic Immigration Pilot Program (AIPP) have boosted the number of immigrants and international students who come to Atlantic Canada to work, study, and live in recent years. These programs have helped to alleviate the labour and skill shortages in the region due to an aging population, low birthrates, outmigration of young workers and economic growth and diversification strategies.

However, the retention of immigrants and international students has been a major challenge in Atlantic Canada – the retention rate in Atlantic Canada is the lowest in the country. One of the key drivers of a lack of retention is the perception of a lack of suitable employment. According to our survey, approximately one-quarter of employers in the region are concerned that immigrant workers will leave for another part of the country within a short period. This is the case even though most employers hold positive attitudes towards hiring immigrants and international students because of their strong work ethic, high levels of skills and productivity and contributions in workplace innovation and creativity.

This report seeks to provide potential solutions to help employers better recruit, integrate and retain immigrant workers and international students in Atlantic Canada by addressing the following questions:

- What are the main reasons for immigrant workers to leave an organization?
- What barriers do employers experience in hiring immigrant workers and international students?
- How do employers' supportive behaviours and accommodating workplace practices affect turnover of immigrant employees?
- What are possible solutions to eliminate barriers for employers to hire more immigrants and international students?

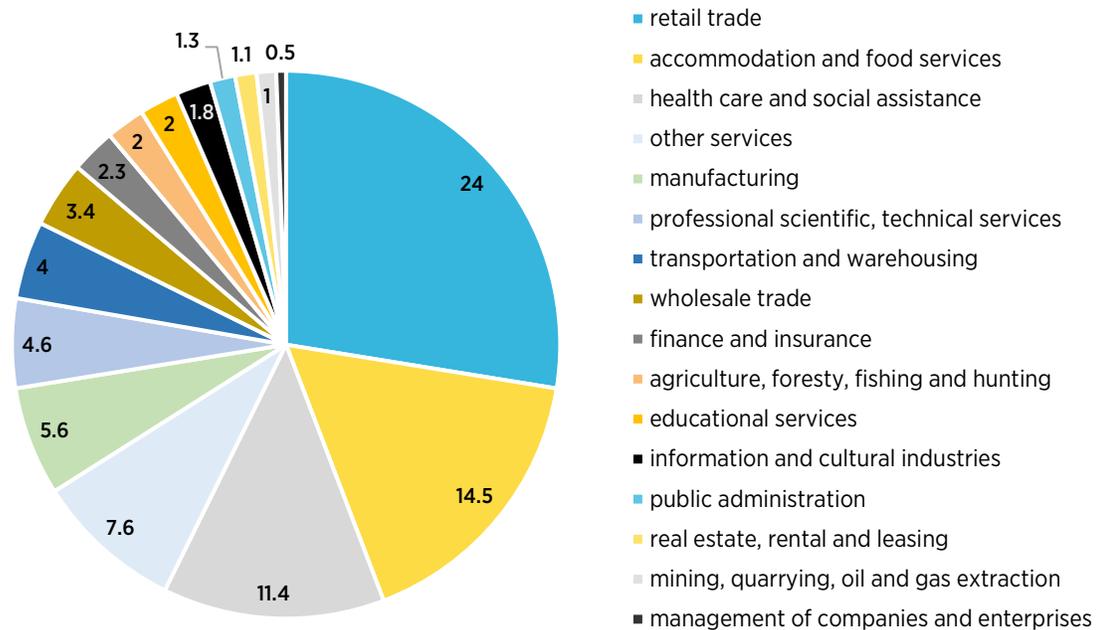
METHODS

In Fall 2019, Memorial University commissioned a telephone survey with over 800 employers across Atlantic Canada to understand their perceptions on the state of the economy and labour market, their projections for the next three years and how it impacts their business growth and activity. The 15-minute qualitative semi-structured telephone survey was conducted by Narrative Research (formerly Corporate Research Associates) between September and October 2019. The survey is based on business register information of Statistics Canada (2018). The target number of responses for each province was: 301 samples in NL; 100 samples in PEI; 200 samples in NS; and 200 in NB. It applied a stratified random sampling to employers by region, industry (North American Industry Classification System) and organizational size. Target respondents were owners/senior executives or Human Resources Managers where possible. The survey data was analyzed

using descriptive statistics as well as the logistic regression model and the ordinary least squares (OLS) regression model.

This report outlines the results from statistical analysis of this survey data pertaining to workforce retention and the policy implications for supporting immigration and economic growth in the four Atlantic provinces.

Figure 1: Distribution of survey participants by industry



Employers who participated in the survey reflected a diversity of Atlantic Canada’s key industries (Figure 1) and were divided into three size classifications for the analysis: small (5 to 9 employees), medium (10 to 49 employees) and large (50+ employees). Of those interviewed, 84.4% represented private sector employers, 13.5% represented non-profit organizations and 2.1% represented government employers.

ANALYSIS AND KEY FINDINGS

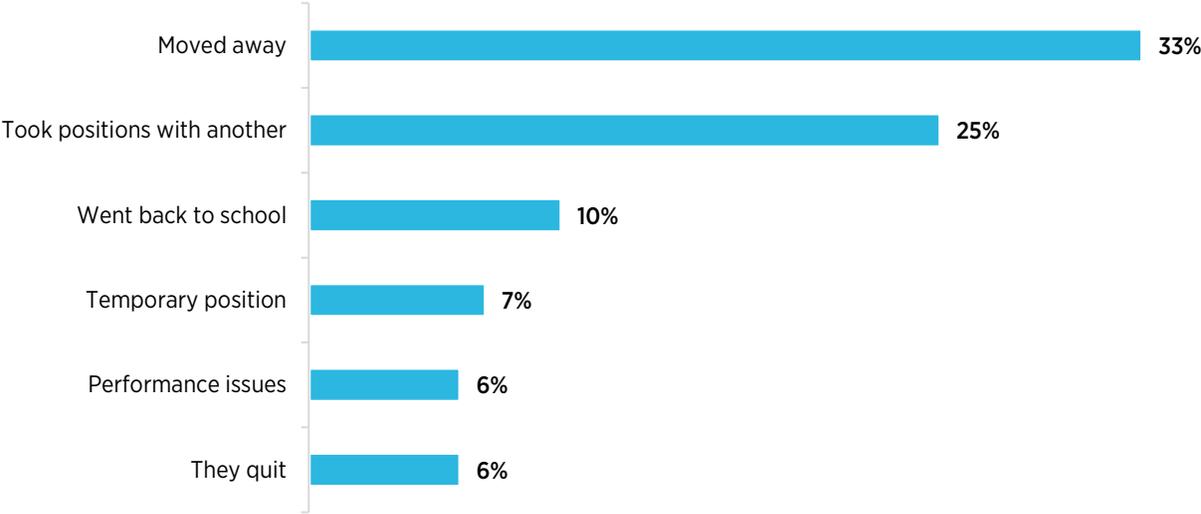
Our employer survey identified the following key findings on immigrant employee retention in Atlantic Canada:

1. The main reasons immigrant employees leave their workplace are moving away (33%), taking another job (25%) or going back school (10%). Approximately 60% of employers in Prince Edward Island reported the main reason immigrants leave the organization as moving away, while only 21% in Nova Scotia and 31% in Newfoundland and Labrador and New Brunswick reported the same reason.
2. The larger the employer is, the more likely the employee reported moving away as the main reason for immigrant employees' turnover. These employees were the least likely to report taking another job as the main reason.
3. Employers with hiring difficulties are more likely to demonstrate accommodating behaviors, such as helping employees to become a permanent resident of Canada and changing workplace practices to better accommodate immigrants. These accommodating behaviours are associated with a reduced likelihood of immigrant employees taking another job. However, helping employees to become a permanent resident is associated with high probability of moving away as the main reason for immigrant turnover. Changing workplace practices to better accommodate immigrants is associated with lower probability of moving away as the main reason for employee turnover.
4. When hiring immigrant workers, employers are concerned about their language proficiency, understanding of Canadian business culture and practices and whether immigrants will leave for another place after a short period of time.
5. Employers recommend that government departments, settlement agencies, NGOs, and education institutions work together to support social and economic integration of immigrants and international students to improve long-term retention.

REASONS FOR LACK OF RETENTION

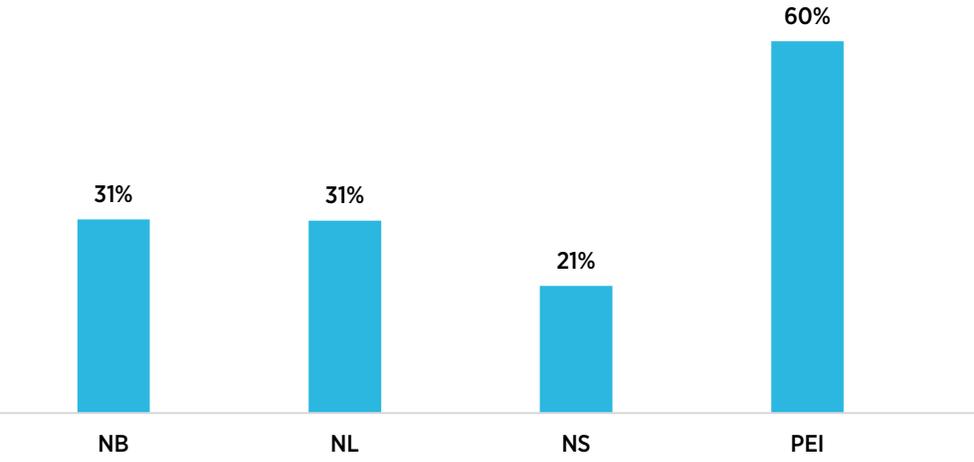
As reflected in Figure 2.0 (below), the main reasons immigrant employees left their employer include: moving away (33%), taking another job (25%), going back to school (10%), holding a temporary position (7%), performance issues (6%) and quitting the job (6%). This result is consistent with our survey findings that employers are concerned with immigrant mobility shortly after they are hired.

Figure 2: Main reasons immigrant employees left their employer



As reflected in Figure 3.0 (below), there are regional differences in the prevalence of “moving away” as a key reason why immigrant employees leave their employer. Employers in PEI had the highest percentage (60%), almost doubling the number of employers in New Brunswick and Newfoundland (31%) and almost tripling the number of employers in Nova Scotia (21%). This is consistent with the fact that PEI has the lowest immigrant retention rate in the country, demonstrating that retention remains a significant challenge for the province. Employers in Nova Scotia reported the lowest percentage (21%), largely reflecting that the province has improved newcomer integration and retention in recent years.

Figure 3: Prevalence of immigrant employees moving away (by province)



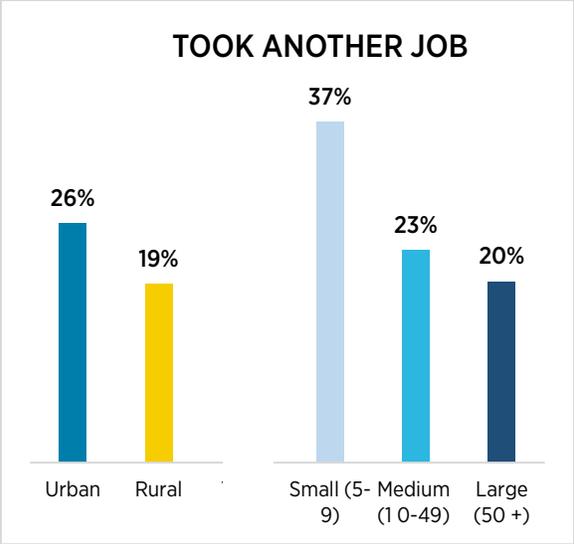
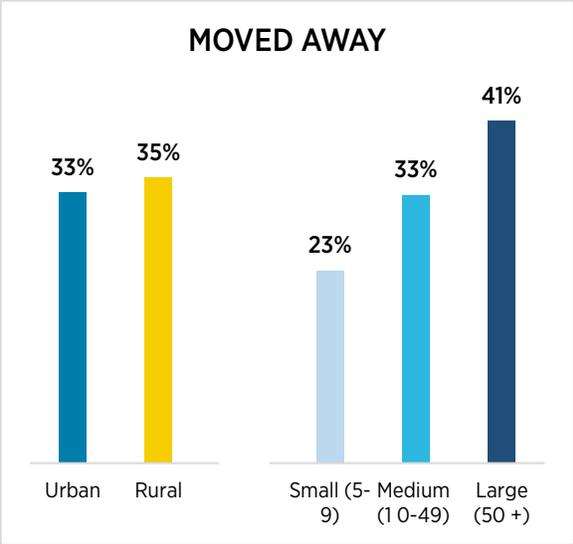
DIFFERENCES BY TYPE OF EMPLOYER

Figure 4 and 5 (below) show there is little difference between urban and rural employers who reported that immigrant employees left because they moved away. However, urban employers are more likely to report immigrant employees leave the organization because they took another job compared to rural employers. This is likely because there are more job opportunities and labour market information in urban areas.

Larger employers tend to report more immigrant workers leaving their organization because they moved away. In contrast, smaller employers are more likely to report that immigrant workers leave the organization because they took another job. Employees in large organizations typically have access to higher salary and more generous benefits and may instead leave the organization due to family reasons. Employees in smaller organizations who leave the organization for another job often seek better pay and benefits.

Figure 4: Reasons for taking positions with another (by location and employer size)

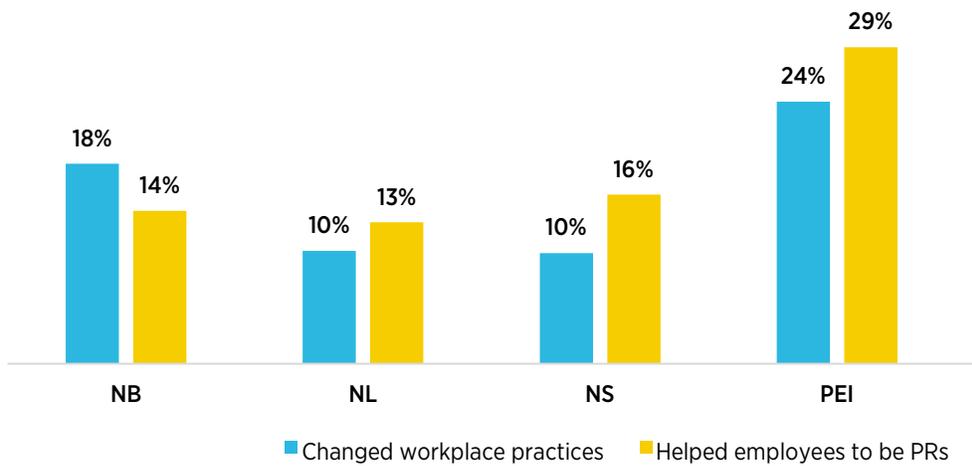
Figure 5: Reasons for moving away (by location and employer size)



ACCOMMODATING BEHAVIOURS AMONG EMPLOYERS

As shown in Figure 6 (below), organizations in PEI who hired immigrants demonstrated the highest level of accommodating behaviour to immigrants by changing workplace practices (24%) and helping employees to become permanent residents (29%), which may lead to improved attraction and retention of immigrants relative to other Atlantic provinces. Employers in Newfoundland and Labrador who hired immigrants are least likely to change workplace practices (10%) to accommodate immigrant workers or help immigrant employees to become permanent residents (13%).

Figure 6: Employer accommodating behaviors (by province)



When employers experience hiring difficulties, they are also more likely to exhibit more accommodating behaviours, such as changing workplace to accommodate immigrants and international students or helping employees to become permanent residents.

Figure 7 (below) demonstrates how these behaviours differ between employers with hiring difficulties and employers without.

Figure 7: Employer helping behaviors in relation to hiring difficulties

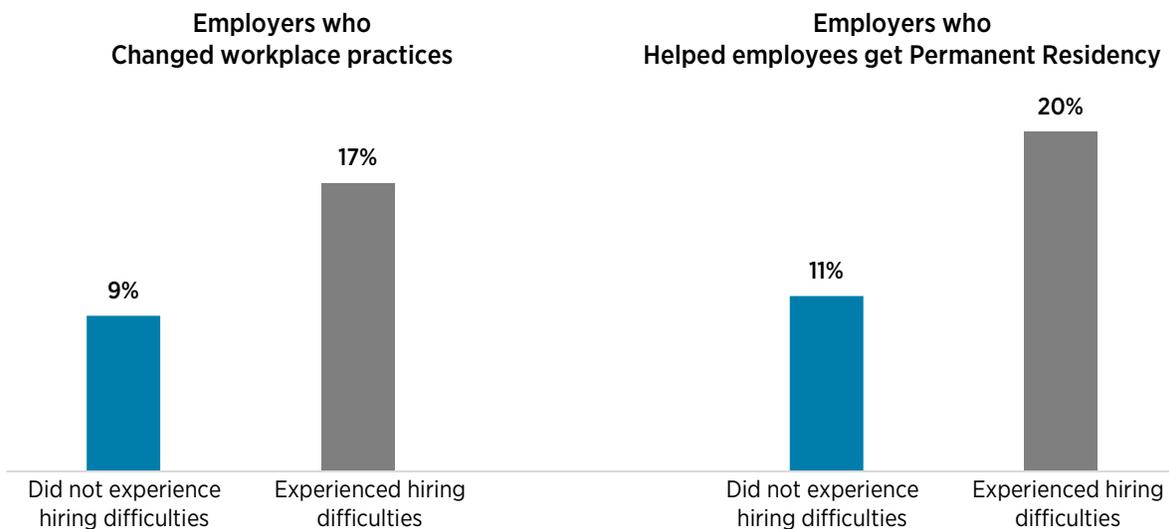


Figure 8 (below) shows if employers help employees to become permanent residents, the likelihood of employees moving away increases. This connection is likely because immigrant workers can move freely after they receive the permanent resident status. Under the AIP program, immigrant employees rely on employer support to apply for permanent resident status.

However, Figure 8 also shows that the probability of immigrant employees moving away is lower if the organization changed workplace practices to better accommodate immigrant workers. It appears that changing workplace practices could be a potential tool to retain immigrants and international students in the workplace.

Figure 8: The relationship between organizations’ helping behaviors towards immigrant employees and immigrant decisions to move away

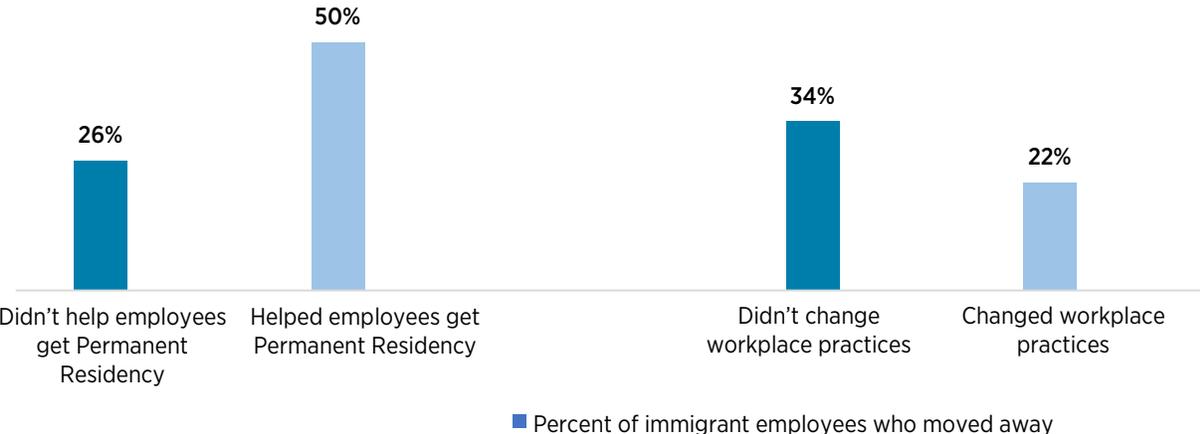


Figure 9: The relationship between organizations helping behaviors and immigrant employees taking another job

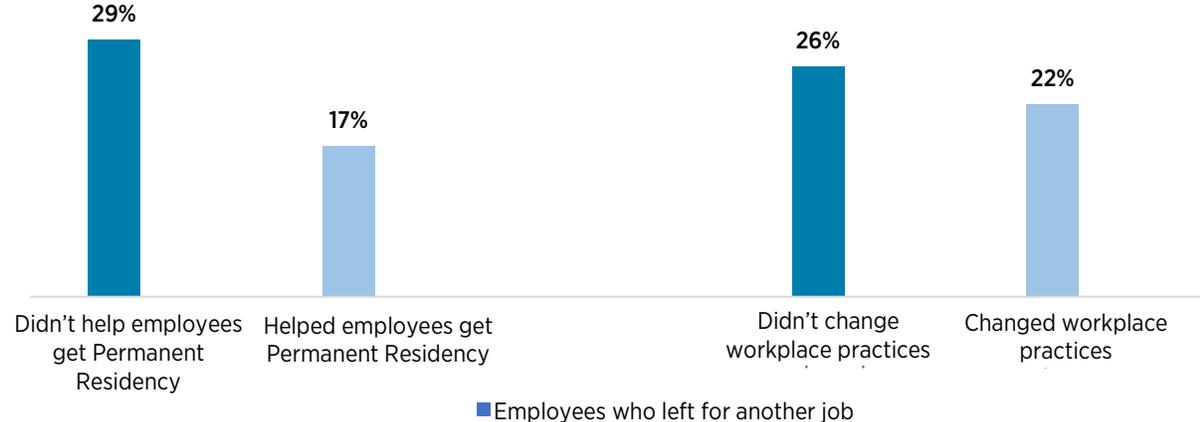


Table 1 (below) shows the differences in perceptions of barriers when hiring immigrants between employers who hire immigrants and employers who do not. When asked whether they were concerned that language differences make it difficult to communicate, organizations that had already hired immigrants were split down the middle (31% agreed, 31% disagreed), while most organizations that did not have immigrant employees agreed or strongly agreed with the concern. About one quarter of both employers who hired immigrants and employers who do not have any immigrant employees (23% each) think immigrants are unfamiliar with Canadian business and workplace practices. More organizations who have hired immigrants are not concerned about business and workplace practices being an issue for immigrants (35% compared to 22%). The majority of organizations with immigrants (61%) disagreed or strongly disagreed that hiring immigrants would lead to increases in training costs with only a few (15%) thinking it would. Organizations that had not hired immigrants were a bit more evenly split with 36% thinking increases in training costs were not something to be concerned about and 28% feeling concerned about it. When asked whether they thought immigrants would leave for another part of the country within a short period of time after being hired, about a third (33%) of organizations that already had immigrant employees did not think this was something to be concerned about, compared to 26% that felt the concern. Organizations without immigrant employees were pretty evenly split on whether they were concerned about immigrants leaving quickly (19% were not concerned, 21% were).

Table 1. Concerns about hiring immigrants: Organizations with vs. without immigrant employees

Possible concerns	Organizations with immigrants		Organizations without immigrants	
	Disagree & Strongly disagree	Agree & Strongly agree	Disagree & Strongly disagree	Agree & Strongly agree
Language differences make it difficult to communicate	31%	31%	17%	47%
Immigrants are unfamiliar with Canadian business and workplace practices	35%	23%	22%	23%
Hiring immigrants will incur additional training costs	61%	15%	36%	28%
Immigrants will leave for another part of the country within a short period of time	33%	26%	19%	21%

SOLUTIONS FOR RECRUITMENT AND RETENTION

When organizations hire immigrant employees, they better understand the challenges of immigrant recruitment and retention. Table 2 (below) shows that most employers surveyed believe that more work should be done in language and culture training, skill bridging and employment related information services to improve the immigration process.

Employers surveyed also reported that government, settlement agencies, NGOs and education institutions should do more to support immigrants' work and family lives, such as providing more training programs to both adult immigrants and their children, offering more affordable housing and childcare and more accessible public transportation. Employers also identified social/community connection activities as a gap for immigrants and international students.

These potential solutions will better facilitate immigrant retention in Atlantic Canada. Improving language training and cultural understanding will benefit immigrants in their workplace and in the community at large. Providing opportunities for social/community connections will help immigrants to find a job more easily and quickly and help employers to find appropriate job candidates. Improving credential recognition services and immigration processes will reduce time and costs to both employers and immigrant workers and keep immigrants and international students in the Atlantic region.

Table 2. Potential strategies to facilitate integration and retention of immigrants

Potential strategies	Perception of effectiveness by organizations who have helped employees get Permanent Residency				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Improve language training for immigrants	3%	5%	26%	32%	35%
Develop programs to encourage cultural understanding	2%	5%	26%	37%	30%
Implement programs to bridge the skill gaps for immigrants	3%	6%	28%	35%	27%
Provide more labour market and occupational information and services to immigrants	2%	5%	28%	36%	24%
Enhance credential recognition services for immigrants	2%	6%	28%	35%	25%
Make the immigration process easier and faster	4%	8%	25%	27%	30%

CONCLUSION

Canada's immigration system is ranked as one of the most successful systems in the world because it promotes population growth while meeting the needs of employers and the broader community (OECD, 2019). However, retaining immigrants in the region has been a major challenge in Atlantic Canada. Our survey of over 800 employers in the region shows changing workforce practices to better accommodate the needs of the immigrants could be a useful retention tool. Providing occupational training, labour market information and networking opportunities would assist immigrants in better integrating with their employer and the broader community. In addition, providing necessary work and family support to the immigrants, including employment opportunities for spouses, affordable childcare, housing, education and accessible public transportation have also been identified as effective strategies to retain immigrants in Atlantic Canada. Therefore, it is essential for all stakeholders to work together and take concerted efforts facilitate long-term integration and retention of international immigrants and their families. Retaining immigrants in the region will help develop a sense of belonging and inclusion while also making a valuable contribution to the local economy.

