



# Toronto Workforce Innovation Group

## Immigrants and Newcomers: Working in Toronto's Downtown Neighbourhoods

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# Immigrants and Newcomers: Working in Toronto's Downtown Neighbourhoods

## **Executive Summary**

### *a. Background*

Newcomers are overrepresented in entry-level positions in Toronto, compared to the rest of Ontario and recent immigrants are more likely to be employed in middle-level jobs in spite of their qualifications, credentials and professional experience<sup>1</sup>. According to Vital Signs, unemployment more than doubled in the city among 25-44 year-old newcomers with college or university credentials, from 7.8% in 2008 to 16.2% in 2009. This represents a 107% increase.<sup>2</sup>

The Toronto Workforce Innovation Group (TWIG) was contracted in July 2010 by the West Downtown Toronto Local Immigration Partnership. The project was to examine the employment and training experiences of newcomers and immigrants in downtown west Toronto by interviewing employers in the significant employment sectors in downtown Toronto. The research was completed by conducting 18 one-on-one employer interviews in six (6) industry sectors including:

- Retail
- Financial Services
- Health Services
- Construction and Maintenance
- Information, Communications and Technology
- Self-employed agents and brokers

The research was intended to investigate the following questions:

1. Reasons that immigrants and newcomers have difficulty finding jobs that match their skills and experience;
2. How employers in various sectors make decisions about hiring;
3. Whether employers use or know about the services available to match prospective clients to employers;
4. Whether employers offer or would be prepared to support workplace-based training and/or education programs such as language training; and
5. What types of employer education & training that employers might support.

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<sup>1</sup> An Economy Out of Shape: Changing the Hourglass, the Toronto Workforce Innovation Group, 2010

<sup>2</sup> Vital Signs, Toronto Community Foundation, 2010

## b. Overview of Results

The following provides an overview of the results of the research interviews conducted:

- A. Methods of Hiring - The majority of employers contacted reported that they hire through advertising or word of mouth or have a constant supply of resumes, especially in small retail outlets.
- B. Hiring Immigrants and Youth - Immigrants, in the larger stores, account for between 5-20% of the workforce. Retailers have experience working with both immigrant and youth populations and know that these two groups are a significant source of workers.
- C. Using Agencies – Many employers don't use employment service agencies for hiring, but may use them for other services such as providing training programs. The majority of those interviewed did not know of the services available from employment service agencies.
- D. Hiring Challenges – Several employers identified hiring challenges related to newcomers, immigrants and youth. These included:
  - English language skills, including comprehension, literacy and numeracy.
  - Understanding and/or recognizing the equivalencies of off-shore training, education, experience and certification.
  - Familiarity with Canadian corporate culture and workplace norms.
  - Preparation for interviews and work – This included receiving resumes not written specifically for that workplace or written poorly, inadequate preparation for interviews such as not checking to see what the firm does or produces and not dressing appropriately for an interview.
- E. Training –
  - Employers said that the type of newcomer training/upgrading most required was English language training.
  - In the workplace – If there were sufficient government incentives, employers might consider providing English language training programs in the work place.
  - Sectoral – Large employers in hospitality and retail provide some training in customer service or industry culture, either in-house or in partnership with local agencies. Small employers don't have training resources or time.
  - Employer Education & Awareness – Large employers with an HR department are more likely to send managers or HR staff to training workshops in hiring and managing immigrants and newcomers.
  - Privacy concerns/stigma – English language training should be voluntary and should preferably be called business communication skills training.
  - Government programs/Incentives – Some of the interviewees recommended that the government develop policies or incentive programs for hiring newcomers, immigrants and youth.

## **A. BACKGROUND**

Toronto is one of the most diverse metropolitan regions in the world. Half of Toronto's population is foreign born and speaks English as a second language. The city is a magnet for newcomers to Canada and, from 2001-2006, Toronto welcomed 40% of all immigrants. However immigrants and newcomers have an increasingly difficult time finding proper employment, up to twice as long as only a decade ago. It now takes up to 10 years to find a job or position that matches a newcomer's skills, experience and professional credentials.<sup>3</sup>

Newcomers are overrepresented in entry-level positions in Toronto, compared to the rest of Ontario and recent immigrants are more likely to be employed in middle-level jobs despite spite of their qualifications, credentials and professional experience<sup>4</sup>. According to Vital Signs, unemployment more than doubled in the city among 25-44 year-old newcomers with college or university credentials, from 7.8% in 2008 to 16.2% in 2009. This represents a 107% increase.<sup>5</sup>

The Toronto Workforce Innovation Group (TWIG) was contracted by the West Downtown Local Immigration Partnership to examine the employment and training experiences of newcomers and immigrants in these three areas by conducting 18 one-on-one employer interviews in six (6) industry sectors including:

- Retail
- Financial Services
- Health Services
- Construction and Maintenance
- Information, Communications and Technology
- Self-employed agents and brokers

The research was conducted in August 2010 by a researcher contracted to TWIG. It was difficult to find employers or employer representatives to participate in the research. Seventeen (17) interviews were conducted in the sectors noted above.

The research was intended to probe several questions:

1. Reasons that immigrants and newcomers have difficulty finding jobs that match their skills and experience;
2. How employers in various sectors make decisions about hiring;
3. Whether employers use or know about the services available to match newcomers to employers; and,
4. Whether employers offer or would be prepared to support workplace-based training and/or education programs such as language training; and
5. What types of employer education that employers might support.

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<sup>3</sup> Toronto's Opportunities and Priorities, Toronto Workforce Innovation Group, 2010

<sup>4</sup> An Economy Out of Shape: Changing the Hourglass, the Toronto Workforce Innovation Group, 2010

<sup>5</sup> Vital Signs, Toronto Community Foundation, 2010

## **B. RESEARCH RESULTS**

1. **Sources of hiring** – The results of the research are mixed. The majority of employers interviewed said that they either hire through advertising or use informal methods. In the retail sector, employers rely primarily on resumes that are dropped off at the stores. In Information Technology or Health organizations hiring is managed through referrals and/or online application processes, such as “Monster.ca”. In some instances, employers replied that “they have a “stock of resumes and applications” that they use for hiring when positions arise. Smaller businesses said that they do most of their recruiting through their business networks.
2. **Immigrants in the workplace** – most of the employers do hire immigrants and have immigrants in their workplace. In the larger workplaces immigrants account for between 5 -20% of the workforce. A few interviewees said that they had no problem with foreign credentials or experience as “long as people had some experience and were ready and willing to work and to learn the job”. The retailers in the downtown area are experienced working with newcomers and youth and understood that these groups were a significant part of their labour force.
3. **Accessing agencies**
  - a. Hiring - Many stated that “they would not go out of their way to find new employees by using employment/settlement services.” A few of the larger employers or associations knew that employment services existed, but didn’t usually access them for hiring. One employer, located in Kensington Market, said that they use agencies for other services than hiring, *“I actually work with some of them. However I do not access them for hiring, not because they are not useful to me, I’m sure they are very useful to other companies, but we are a small company and we do hiring based more on references and local networks. I know of them though.”*
  - b. Programming – Some other employers, including hotels, do work with the agencies to provide programs to prospective hires. They may use the agencies to post jobs or to partner with in programming. One works with several agencies to deliver training in hospitality, bridging programs into the hotel or hospitality sector.
  - c. Knowledge of the sector - Almost half of the respondents say they either have very little or no knowledge of these programs. These employers have no trouble recruiting, resumes are often dropped off or new employees are found through previous contacts and social networks.

4. **Challenges in hiring immigrants and/or newcomers** – most of those interviewed did not express any major challenges in hiring immigrants or newcomers. Many were small operations and had hiring limitations. The retail outlets interviewed acknowledged that they had a significant percentage of newcomers and/or immigrants in their workforce, particularly youth, as they make up the majority of the workers in these establishments. Challenges that were mentioned included:

- a. English – With few exceptions, employers stressed the necessity of good English language skills. Almost all those interviewed require employees to have competent English language skills, including comprehension, speaking, writing and numeracy. This was stressed in the retail sector, where many youth are hired and where newcomers often find “first jobs” and in which much of the work is related to customer service. *“Especially for retail, where performance depends on engaging with the customer and being able to communicate, so without English language proficiency it is really hard to work in retail. When immigrants seek retail jobs, many of them that do not have English proficiency are turned down, because they have to start working right away”.*

We heard the same comment from hospitality, *“I would say the primary challenge is the language barrier. People with English as their second language can find it difficult to communicate with their colleagues or customers in the hotel industry. Not knowing English properly hinders their performance that way and it creates a barrier for them as well, in terms of growth within the company.”* In hospitality, retail and maintenance employers will train new hires if their language skills are high enough to do the work. The training will be in specific work-related tasks or orientation to the position or sector.

A few of those interviewed said that employees lacking English proficiency not only hinder a company’s productivity, but individual growth for the employee within the company as well. *“Without proper and relevant communication and language skills, a person will not be able to climb the corporate ladder, and will not be able to take advantage of opportunities involving promotion. This is true not only for immigrants but native speakers as well. There is a difference between regular communication and workplace communication; there are differences in the way the language is spoken along with the difference in culture around the language.”*

- b. Off-shore education and/or experience – a few of those interviewed said that as long as the experience was relevant it didn’t matter where it was acquired and all of the respondents recognized foreign credentials in some respects. For example, an interviewee at a New Media development firm stated that foreign credentials are not a barrier as long as that employer understands how to compare the credentials to Canadian credentials. *“Yes I do, as long as I*

know what institution we're talking about, so as long as that institution's proficiency and standard can be measured. Everything in Europe and everything in North America I'm pretty familiar with, but outside that I will have trouble. It's a matter of understanding what that university or school mean, we have to relate to it." He noted that publishing a list of equivalencies is helpful. *"I recently read a study in 'The Economist' that had a few Chinese universities listed as being exceptional, super hard to get into and very competitive and very high level. Those are the things that I need to know, I need a site where I can see and compare these universities to Canadian standards etc."* In some sectors, such as IT and New Media, foreign credentials and experience were seen as an advantage.

- c. Familiarity with Canadian culture (workplace culture) – For many employers *"The biggest challenge is the cultural challenge."* An interviewee in the retail sector noted, *"There is a cultural challenge, some are less outgoing, and we need outgoing people here. Different social norms prescribe different behaviour and that can be barriers when working in retail."* Misunderstanding or not completely understanding the particular context in which a phrase or sentence is used can become a problem and lead to low productivity according to one employer interviewed in the private college sector. *"Even if they do have English proficiency, the understanding of English in other languages may not be the same as what we are accustomed to. It's different. For instance, in some cultures English can be very black and white, and if you say something it may be interpreted by the individual not exactly how you intended. So words such as "should, much and maybe", are misinterpreted. For example, deadlines may have a different meaning in a different culture when using words like should and "has to."* Some employers noted that team work is essential and often new immigrants are not used to working closely and collaboratively with other employees.
- d. Lack of preparation – employers interviewed said that "the most common mistake is not being prepared for the job, not dressing appropriately or not submitting a resume that matches the job requirements. First impressions are important, in particular in retail, and hiring decisions are made quickly based on a short interview and resume.
- e. Presentation - Employers stressed the importance of showing up for an interview or employment appropriately dressed. This was of particular relevance in youth employment. *"When applying, when I look at someone it's the way they present themselves, I find it more so in younger people and immigrants, they don't appear that confident. It's kind of awkward for them sometimes, it's the way you present yourself that is important, so it's the way they present themselves that isn't attractive sometimes. Because [our retail clothing store] is a very fashion forward and image conscious company, if you can pull off the image and the confidence than you're set, but immigrants and youth sometimes can't really articulate themselves when they meet someone."*

- f. Resumes – a good number of the employers and businesses contacted stressed the importance of a good, well-organized, correctly spelled resumes. This was an issue particularly in regard to hiring youth. In the retail sector the mistakes or missteps made in relation to resumes included:
  - i. Coming to drop off a resume with a friend or family member
  - ii. Typographical errors or misspelled words on a resume or grammatical errors are a problem.
  - iii. Not paying attention to detail – *“If we see a typo then the resume goes in the garbage. The biggest mistake is not paying enough attention to detail.”*
  - iv. Fancy formatting – *“Very basic is what we look for. We don’t look for fillers, which people use a lot, and immigrants might use. They tend to over embellish their resumes thinking it will help. “*
  - v. Disorganized resumes or resumes with experience unrelated to the position the person is applying for.
  - vi. Not following up – a few employers stressed the importance of following up the resume submission with a phone call or visit.
  
- g. Youth-specific - most of those interviewed do hire youth. English-language skills or the lack of English-language skills was the most significant challenge. In retail, this is key and the same applies to hospitality. The comment about not being prepared was also heard in relation to youth employment.

## 5. **Providing Training**

- a. In the workplace – employers said that the training most required was English language training, either upgrading or communication skills. Some said that if there were government programs or other incentives to offset the cost of training, they would be willing to provide English language training programs in the workplace. Those interviewees working in retail noted that training in the workplace would “cut into productivity”. The majority of those interviewed said that if there were subsidies or incentives for training, they would consider making programs available to their employees.
  - i. Some employers are willing to work with the employee in developing workforce language skills. In some cultures *“English can be very black and white”* stated one respondent and the gap in cultural differences in English language skills can be addressed with training in language skills.
  
- b. Employer provided training – Some employers, in retail and hospitality especially, provide in-store or in-house training, usually in customer service or industry culture. In the hospitality and retail sectors, employers in large

organizations with HR managers or departments provide employee training, either in partnership with the Ontario Tourism Education Council (OTEC) or in partnership with local employment agencies. Many of the small employers emphasized that they had neither the resources nor time to provide employees with training. Others sectors, such as health care and education, provide some orientation to the sector or agency.

- c. Employer Education & Awareness – Those employers or associations with an HR department are more likely to send managers or HR staff to training workshops in hiring and managing immigrants and newcomers. However, this is not true for smaller employers or retail stores. *“Again, in retail everything is fast paced. The managers might not have time to go and attend workshops.”*
- d. Voluntary training, privacy concerns – One employer thought that English language training should only be offered if the employee was comfortable, that it be voluntary not mandatory. *“Both the company along with the employee should be at a consensus with regards to the free training, because the requirement might be a little degrading.”* One suggestion is that the English language training be called “business communication” to ensure that no stigma is attached.
- e. Other types of training included: customer service skills, accounting, basic computer skills, collaborative skills and cultural sensitivity training for managers was also mentioned.
- f. Government programs – some of the interviewees suggested that there ought to be government policies or incentive programs for hiring newcomers, immigrants and youth. *“Legislation to encourage and/or even mandate organizations and companies to hire a certain number of immigrants is needed.”* Others, for example the Retail Council, noted that if there was money available, their members might consider providing programs. The Certified General Accountants noted that they do work with government and agencies to find funding to provide programs.

## Appendix A – Interview Format

Thank you for making time to speak with me today.

1. Please tell me a little bit about yourself and your role within your organization.
  - Are you aware of resources such as immigrant settlement programs or employment & training centres that your organization could look to for new employees? Are they helpful?
2. Does your organization hire, or have you hired, recent immigrants (i.e., individuals in the country less than 5 years)?
3. Approximately what percentage of your employees are recent immigrants?
4. What challenges does your organization face in hiring recent immigrants?
5. Many employers see English language skills as important for their employees. Would you allow language training in the workplace for recent immigrants, if you didn't have to pay for it? Why or Why not?
6. If you didn't have to pay for it, what other types of workplace-based training and/or skills upgrading would you like to make available for your employees who are recent immigrants?
7. Do you as an employer recognize and accept foreign credentials?
8. What would help you to better understand and accept the equivalencies of foreign credentials to Canadian credentials?
9. How does your organization respond to applicants who only have foreign work experience? What happens if an applicant's work references are not local (i.e., not in Canada)?
10. As an employer, what kind of incentives or supports would encourage you to hire more recent immigrants, Organizational support? Additional information? Government programs and/or incentives?
11. Would your organization be open to sending your HR staff or Hiring Managers to workshops on effectively hiring and working with recent immigrants? Why or why not?
12. Do you employ youth (ages 16-29?) What about youth who are recent immigrants?
13. Would you hire youth who are recent immigrants if there were incentives in place to support their employment?
14. What are some common mistakes or errors that applicants make when applying for jobs with your organization?
15. Are there any common resume mistakes made by applicants or is there a preferred resume format for your organization?
16. What are some of the practices or approaches your organization uses to address or overcome some of the challenges of hiring recent immigrants?

## **Appendix B - Interviewees**

### **Education**

Canada Business College  
Ryerson University, Spanning the Gaps

### **Finance**

Certified General Accountants, Ontario  
Bennett March, IPC Investment Corp

### **Hospitality**

Annex Quest House  
Ontario Tourism Educational Council  
People and Resources Manager, Delta Chelsea Hotel

### **Professional and Technical Services**

Annex Health and Medical Services  
Winvolve Inc.  
Whimsical Productions  
Fresh Start Cleaning & Maintenance

### **Retail**

MEXX Clothing  
Black Market Clothing  
Manager, Le Chateau  
Softmoc  
Retail Council of Canada

### **Other**

Toronto Community Housing