



INFORMATION TECHNOLOGY
ASSOCIATION OF CANADA



ASSOCIATION CANADIENNE
DE LA TECHNOLOGIE DE L'INFORMATION

The Issue: The Importance of Global Workers in Canada's ICT Industry

The primary input for production in the information and communications technology industry is the brainpower – the skill and experience – of its workforce. ICT is one of the fastest growing sectors of the Canadian economy. The industry's unemployment rate hovers between 2% and 3%, which is statistically viewed as full employment. And, as one would expect in a tight labour market, our workforce is well-compensated with an average wage 52% higher than the national average. Our workforce is also highly educated – 44% of our employees have a university degree compared with the national average of 25%.

ICT is also one of the fast growing sectors in the Canadian economy. Access to a rich supply of skilled people to fuel our growth and drive our innovation is a critical concern for our industry.

There are essentially three sources of supply for the ICT labour market: Canadian employees graduating from primarily post-secondary institutions; permanent or temporary immigrant employees either trained in Canada or abroad; and retrained workers from within the ICT sector or elsewhere in the economy.

Industry Canada recently conducted a study of supply/demand projections of university

educated professionals. The study forecasts a very tight labour market. The demographic crunch anticipated by many nations as baby boomers exit the workforce will exacerbate the pressures on the domestic supply of ICT employees.

This in turn underscores the importance of immigrant workers in the ICT labour pool. A study prepared by Nordicity for Industry Canada in 2012 notes:

“Most Canadian ICT firms hire foreign trained professionals although not all use the same techniques. Two-thirds of them use foreign recruitment for a significant number of hires ... while the remainder use foreign recruitment to address specific gaps. However, about half of the firms interviewed generally only hire landed immigrants to avoid the challenges and perceived delays in the immigration process.”¹

¹ “Labour Supply/Demand Dynamics of Canada's Information and Communications Technology (ICT) Sector,” Nordicity, March 2012, page 15.

Clearly, in a very tight labour market, success in recruiting and retraining foreign trained professionals is key to business health. Many ICT companies work closely with immigrant organizations to develop workplace programs to help acclimate foreign trained professionals and their families to the Canadian workforce. And they generously share best practice information in this aspect of human resource management as a means of making the whole ICT talent pool stronger.

ICT companies hire foreign trained professionals to address labour gaps the domestic market cannot fill. These may be for specific jobs that are in particularly hot demand or short supply. But frequently they are for a specific set of strategic skills that simply cannot be found in Canada. In an innovation-driven industry that depends upon the rapid internalization and commercialization of new knowledge, it is not uncommon, particularly for research and development positions, for employers to seek individuals with very esoteric technical expertise. Similarly in a global business market, specific skills in customer knowledge and care may be impossible to find in the Canadian marketplace. For example, building and implementing a security solution for the Canadian operations of an airline based in Hong Kong may require recruiting (temporarily or permanently) a resource from that jurisdiction. In both cases, securing the needed resource from the global labour market can be business-critical – even enterprise-critical.

ICT companies will frequently use Canada's Temporary Foreign Worker Program to fill gaps of this nature especially in cases where the permanent process may be cumbersome or work is time-sensitive. During the period from 1998 to 2011, the ICT industry participated in the facilitated processing for Information Technology Workers program which expedited the process of admitting temporary foreign IT workers after ensuring that there were no available resources in Canada to fill the position. Since this pilot ended, ICT employers

must now also obtain a labour market opinion in addition to verifying the lack of availability of resources in Canada to fill the position before proceeding with recruitment. In many cases, this has proven to be an exceeding time-consuming process with many companies reporting frustration with the length of time it takes to complete. Sometimes the process is so protracted that the prospective employee abandons hope and accepts another offer and the Canadian economy loses a high value resource. The cancellation of the Accelerated Labour Market Opinion process announced on April 29th by HRSDC will only compound this frustration.

Foreign workers with strategically vital skills or customer knowledge can have a catalytic impact on Canadian colleagues. They can anchor a major research and development project and in the process transfer knowledge acquired in academic or industrial organizations in other jurisdictions thus enriching the Canadian knowledge pool. Similarly, foreign workers with specific client knowledge can provide knowledge that is critical to client satisfaction and the success of a project and the ongoing client relationship. In large organizations, the ability to access resources like these in a timely fashion can be business critical. In smaller organizations, the opportunity cost from long delays can threaten the whole enterprise.

Canada's ICT industry was quick to grasp the imperative of competitiveness in global markets. Canada's relatively small domestic market is simply insufficient to drive success and return on investment in information and communications technology innovation and excellence. So virtually from its inception ICT in Canada has been a leading export sector. Sixty percent of all ICT goods and services created in Canada are exported.

The pursuit of export business, the quest for smart customers all around the world has made the ICT industry particularly adept in global

markets. It has also taught us that no country has a monopoly on creativity and innovation. So we have developed an acute appreciation for highly qualified talent found in markets throughout the world. We believe that while it is important to safeguard Canadian jobs from abuses such as labour arbitrage, it is also important to begin to see the virtues of the global labour market for the growth of an innovative and competitive national economy.

Many new innovations in Citizenship and Immigration and HRSDC policy clearly reflect the value of foreign work experience to the Canadian labour pool. The new Start-up Visa pilot program begun on April 1, 2013, which is aimed at attracting immigrant entrepreneurs to build their business in Canada, is an excellent example of this kind of thinking in action and clear indications that Canada was advancing toward a more global view of the labour market that strengthens Canada's talent pool. The systemic loopholes in the Temporary Foreign Worker Program should be addressed so that it does not impact the ability of the Canadian skilled workforce to stay engaged in the labour market. On the other hand the program should not be over-hauled in such a way as to prevent trusted employers with no track record of abuse, who are building high value jobs in Canada for Canadians from accessing key resources who are critical to that process.

Currently, the need for highly-skilled, highly-paid strategic employees from foreign jurisdictions and the need to protect workers generally from wage arbitrage and other

workplace abuses are seen as polarities in the current discussion about the Temporary Foreign Worker Program. We believe that uncoupling the two issues provides a clearer path to solutions in both cases. Recognition of the ongoing need of trusted employers of highly skilled Canadians and foreign workers for strategic, highly leveragable resources can lead to governable solutions (such as those provided in the former Facilitated Processing for IT Workers program) while still providing protection to Canadian employees in our sector and elsewhere in the economy. We encourage CIC and HRSDC to see the distinctions between these two challenges and to adopt measures to address the critical need for access to temporary foreign workers in knowledge-based sectors such as ICT. **Given the competitiveness and the dynamic nature of the industry, the ICT sector needs processes that speed up recruitment of temporary and permanent foreign workers and make the processes of attracting them less cumbersome than they currently are.**



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