

Small Business, Big Impact

Immigrant Hiring and Integration in Five Canadian Cities





Centre for Business Insights on Immigration

Canada's immigration system currently underperforms in matching immigrants quickly with opportunities that correspond with their experience. This leads to inadequate economic outcomes for immigrants and fails to meet employers' skilled labour needs. That's why we've established the Centre for Business Insights on Immigration (CBII).

This leading research collective is designed to strengthen employer engagement in immigration and the effective management of immigrant talent. The Centre leverages employer and sector engagement in research to make immigration work better for both immigrants and the corporate sector.

CBII is the first research-based, non-partisan national platform that elevates employer and small business perspectives on immigration and immigrant talent. The Centre's research agenda focuses on building an immigration system that simultaneously benefits immigrants, businesses, and the Canadian economy. Members contribute to research that fosters an employer-responsive immigration system and helps meet labour shortages.

Our Research Centre is funded by multiple members united in their mission for progress who support and inform the Centre's research agenda. We are appreciative of the support from our funding members. Their passion and understanding of the urgent need for progress helps propel us forward and allows us to conduct research that matters into immigration.

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Key findings

- In fast-growing small and mid-sized Canadian cities, small and medium-sized enterprises (SMEs) in multiple sectors identified skill shortages as their most common employment challenge.
- SMEs are using practical and inclusive strategies to evaluate newcomers' education and experience, but they rarely intentionally reach out to newcomers or work with immigrant-serving agencies during recruitment and onboarding.
- SMEs prioritize English/French language skills, particularly spoken communication, when hiring immigrants. Language skills are particularly important in client-facing roles or those involving safety regulations.
- Negative experiences and limited understanding of immigration processes discourage SMEs from engaging with the immigration system.
- Affordable housing and access to public transit and child care compound labour market challenges for both job-seeking immigrants and SMEs looking to hire and retain talent.

Recommendations

For SMEs

- Build relationships with immigrant-serving agencies to access untapped support in immigrant recruitment and retention.
- Adapt workplace policies, such as working hours, to accommodate diverse employee needs.
- Facilitate workplace language training to help improve industry-specific language skills.

For SME-serving organizations

- Build comprehensive local knowledge-sharing networks to connect SMEs with immigrant talent.
- Showcase innovative hiring strategies, and their results, to local SMEs.
- Improve access to information about immigration processes.

Where are the skills?

Small and medium-sized enterprises (SMEs) – businesses with fewer than 500 employees – drive Canada’s economy. But SMEs across the country say they are grappling with substantial labour shortages.

Half of Canadian small firms say labour shortages are hurting the growth of their business,¹ and less than a quarter of SMEs think they have the right employees with the right skills to help grow their organizations.² The economic impact of constrained growth is considerable, given that SMEs make up 99 per cent of the employer businesses in Canada.³

Canada primarily relies on its immigration strategy to combat labour and skills shortages.⁴ In fact, immigrants already drive 80 per cent of Canada’s labour force growth.⁵ But many newcomers continue to struggle to break into the Canadian labour market and many employers are not making the most of the immigrant talent pool.⁶

We spoke to SME owners and senior leadership from nine different sectors; settlement staff with expertise in immigrant employment; leaders in SME-serving organizations, such as chambers of commerce, boards of trade, economic development organizations; and government policy-makers.

We wanted to better understand:

- the challenges SMEs face in recruiting and retaining labour and the impact of these issues on their businesses;
- how SMEs perceive the current immigration system;
- the skills SMEs prioritize among newcomer talent;
- how SMEs evaluate newcomers’ skills and experience.

Despite the higher numbers of newcomers settling outside of Canada’s major urban hubs⁷ and the unique challenges small and mid-sized cities face in attracting and retaining immigrants,⁸ research on immigrant employment mostly centres on Canada’s largest cities. To better understand the employment challenges outside of major urban areas, our research focused on five small and mid-sized cities (defined as having a population between 50,000 and 500,000) that experienced rapid growth in their immigrant populations between 2016 and 2021: Abbotsford-Mission, B.C., Halifax, N.S., Moncton, N.B., Oshawa, Ont., and Saskatoon, Sask. (see Appendix A).

1 Canadian Federation of Independent Business, *Small Businesses in Canada Hit Hard*.

2 Asthana and Desetti, *Enabling Upskilling at Scale*.

3 Innovation, Science and Economic Development Canada, Small Business Branch, “Key Small Business Statistics.”

4 Immigration, Refugees and Citizenship Canada, *2023 Annual Report to Parliament*.

5 Statistics Canada, *Labour Force Characteristics*.

6 Bouchard, *How to Adapt to the Labour Shortage Situation*; Statistics Canada, *Labour Force Characteristics*.

7 Crea-Arsenio and others, “A Few ‘Big Players’”; Statistics Canada, “Immigrants Make up the Largest Share.”

8 Krahn, Derwing, and Abu-Laban, *The Retention of Newcomers*; Dennler, *Making Rural Immigration Work*.

Skill gaps are the biggest perceived barrier to recruitment

We asked SMEs and SME-serving organizations across the five small and mid-sized cities we investigated to identify the most pressing challenge currently facing SMEs. In all five cities, SME-serving organizations told us that the primary problem is the lack of available labour. One SME-serving organization in Saskatoon told us that labour supply is “the single largest factor that is limiting companies’ growth.” In Halifax, Moncton, and Saskatoon, SME-serving organizations noted that labour shortages in their cities were no longer limited to a few sectors and skills, as was the case before 2020. SMEs’ current labour needs cross sectors, industries, and occupations.

“Trying to find the right employees with the right expertise ... is not industry-focused anymore. It’s everywhere.”

Representative of an SME-serving organization, Moncton

However, business owners and hiring managers added nuance to this picture. When hiring from the existing Canadian labour pool, SMEs reported specific skill shortages, rather than a shortage of people applying for available positions.

“I have not had challenges finding applicants in this day and age.... I will post a job and I’ll have 100 applicants.... The volume’s not lacking, it’s the skill set that’s lacking.”

Human resources professional working in manufacturing, Abbotsford-Mission

When filling vacant positions, SMEs in the manufacturing, construction, and repairs and maintenance industries reported persistent gaps in applicants’ technical skills.⁹ A small business owner in the manufacturing industry told us: “There’s way too much work and just not enough qualified people.”

In addition to technical skills, SMEs across industries are looking for social and emotional skills (SES). SMEs in multiple sectors told us that candidates are lacking key SES, also called soft, human, or people skills. SMEs across the nine sectors we spoke to told us they want all candidates to have strong SES, such as trustworthiness, reliability, and an awareness of workplace norms and culture.

⁹ This comment was specific to professions that are not regulated by the Canadian provinces and territories.

“The soft skills are the main kind of differentiator, assuming that the person has the required technical background.”

SME owner-operator in professional and scientific services, Saskatoon

“Soft, transferrable skills ... those are skills that every business requires from our newcomers to have before they enter the labour market, beside the technical or the hard skills they need for that specific job.”

Representative of an immigrant employment service provider, Moncton

When asked about skill requirements specifically for newcomer and immigrant candidates, all SMEs we spoke with prioritized English and French language skills, particularly spoken communication. Hiring managers were looking for industry-specific language skills as well as general official-language proficiency in prospective newcomer and immigrant employees. Unsurprisingly, language proficiency requirements are higher in occupations that are client-facing or involve safety regulations, such as those in customer service or the skilled trades. Language proficiency requirements are also higher in cities with significant francophone communities. Language barriers and additional training costs are well-known impediments to hiring immigrant candidates.¹⁰

¹⁰ Fang and others, “Employer Attitudes.”



Despite the perceived importance of official-language skills, most SMEs we spoke with evaluated candidates' language skills informally, as part of the interview process. Additionally, only a very small minority of the SMEs we spoke to described language skills, or industry-specific language skills, as something that could be further developed on the job. SME-serving organizations and immigrant-serving organizations also noted that the lack of industry-specific language skills coupled with limited access to language classes prevent some newcomers and immigrants from entering the labour market. Working newcomers may have difficulty attending language classes due to in-person working schedules or have limited time to attend as they hold multiple jobs.

"I've interviewed a number of very qualified immigrants and the only reason I would tell you that I didn't hire them was the language issue.... None of them were bilingual. It would have propelled them ahead of others based on their experience within their own countries."

SME owner-operator, Moncton

"I've been told that ... 'we can't hire them because their English level is not good enough.'"

Representative of an immigrant-serving organization, Abbotsford-Mission

"There's a big, big lack of these language classes."

Representative of an SME-serving organization, Moncton

Overall, SMEs are looking for employees who require minimal training and investment after hiring, who can "hit the ground running," in the words of an immigrant service provider in Oshawa. However, SMEs must adapt hiring attitudes and methods to address their perceived labour market needs. As part of this, they may need to consider adjusting their approach to hiring. This could involve distinguishing essential skills from those that are "nice to have" or can be learned on the job.¹¹ Since immigration is a key source of labour, SMEs may also benefit from investments in workplace training to support new immigrant employees and enhance their skills.



11 Craft, *By Employers, for Employers*.

Complicated immigration systems hinder SME engagement

According to SME-serving organizations and SMEs, business owners and operators do not see immigration as a solution to labour market challenges in part due to negative perceptions and experiences, but also because they lack clear information on the processes and outcomes.

Of the SMEs we interviewed, 76 per cent had experience hiring immigrants. The majority had hired from the immigrant talent pool within Canada, but SMEs shared experiences engaging with a wide range of immigration programs and streams, including the Provincial Nominee Program (PNP), the Atlantic Immigration Program (AIP), Temporary Foreign Worker Program (TFWP) and Express Entry. They spoke of overwhelmingly negative experiences with the immigration system. Resources were hard to navigate, and the administration was cumbersome.

Most SMEs said they avoid hiring using the TFWP, which requires employers to submit a Labour Market Impact Assessment (LMIA). Only three employers had experience using the TFWP, and those who considered using it were dissuaded by prohibitive costs, found the system unclear, and suggested that the lag time between application and approval made the process unsuitable for fulfilling short-term labour needs.

SMEs that supported immigrant employees through temporary-to-permanent visa transition or PNP applications described the process as “extremely frustrating,” “time-consuming,” “counterintuitive,” and “painful.”

Four participants used the AIP. Those who recruited permanent skilled immigrants directly from abroad using the AIP described the process as “stressful,” “uncertain,” and involving “a lot of red tape.” Two SMEs said they hired immigration lawyers or consultants to seek clarity and help with paperwork requirements for the AIP, which came at a significant cost.



“SMEs in this region are afraid
of what they don’t know.”

**SME owner-operator in the professional
services sector, Moncton**



Improving SME experiences of the immigration system requires proactive relationship-building. SME-serving organizations told us they would like to be more intentional about sharing helpful resources, implementing business-to-business mentorship and information-sharing schemes, and connect the businesses they work with to immigrant-serving organizations to improve SME experiences of immigration programs.

“SMEs in this region are afraid of what they don’t know.”

SME owner-operator in the professional services sector, Moncton

“We need to do more in a planned and coordinated way to support employers, to find newcomers to attach to the labour market ... to bring in somebody at that hyperlocal level that says, ‘Here’s the deal: This is what happened to me when I brought somebody in.’ ... And whether that is in their own sector or not could really make it for an employer so that they feel that they could take that risk to hire somebody.”

Representative of an SME-serving organization, Oshawa

“We have wonderful organizations that work in this space, but I do think there’s a bit of a gap in making those direct connections, connecting employers with [immigrant] employees.”

Representative of an SME-serving organization, Saskatoon

“Supporting employers in terms of how to deal, to share best practices.... There is no connection between employers to share their experience and what they can do to support each other.”

Representative of an immigrant-serving organization, Saskatoon

SME-serving organizations can help SMEs build their knowledge of the immigration system and navigate administrative hurdles by developing an employer outreach strategy that can showcase hyperlocal success stories, and guide employers to local immigrant-serving agencies that can provide SMEs with support to navigate immigration processes.



Inclusive outreach and onboarding strategies are needed

SMEs told us they use hands-on skills evaluation during interviews as well as inclusive strategies, such as anonymizing candidates, to remove bias when hiring for vacant positions. Many SME owners were confident in their ability to evaluate immigrants' skills and international experience in an interview setting by asking candidates to demonstrate skills in the interview, requesting examples of prior work, and using working interviews or trials. Employers said that these practices helped them verify immigrants' skills and experience at the hiring stage.

"I think it's fantastic to be able to give someone an assignment and then evaluate them based on that. And I was able to remove any personal data for the hiring team and then give them just the work, and it changed their opinion...."

Human resources professional in the professional and scientific services sector, Moncton

"It's nice to be like, 'OK, can we actually see that you can do this?' So, you can give them some tools, put them kind of in a lab setting so they can actually show the skill sets that they are saying that they do possess."

SME owner-operator in the information and cultural industries sector, Saskatoon

However, inclusive hiring techniques need to be supported by purposeful selection and retention strategies. Finding the candidate with the right skills to interview is a barrier to filling vacant positions.

Failing to tailor recruitment efforts toward newcomers may result in persistent difficulties in meeting labour market needs. Using intentional strategies to reach out to new Canadians can help SMEs more successfully attract immigrant applicants. We found that employers rarely adapted their recruitment strategies to actively reach out to newcomers and very few had worked with immigrant-serving agencies.

SME- and immigrant-serving organizations agreed that one of the most effective steps SMEs can take is working with local immigrant-serving organizations, which are already set up to help immigrants integrate into local labour markets. SMEs we spoke to that had higher numbers of immigrant employees reported success leveraging existing employee referrals and immigrant social networks to effectively tap into the immigrant labour pool, both local and international. Other effective strategies include writing inclusive, plain-language job postings and advertising in non-traditional venues, such as social media platforms.¹²

"There's [a] website we use—a [newcomer] Facebook page.... [I] post a note that we're looking for someone and then there's a flood.... If one of my staff has been with me for a time, that I trust, and I say, you know, 'Are they gonna be good? Can I trust them?' [If] they said yes, I know it's going to be fine."

SME owner-operator in the accommodation and food services sector, Halifax

¹² Ministry of Economic Development, Government of British Columbia, *The WorkBC Employer's Tool Kit*.

Retaining immigrant workers also requires intentional efforts on the part of SMEs. Immigrant-serving agencies emphasized that their organizations play a crucial role in easing newcomers' transitions into the workplace by helping to address post-hiring issues, such as those that stem from differences in workplace norms between Canada and an employee's home country. SME engagement with these organizations is key.

"Because we're helping to facilitate that [work] placement, the employers often ... provid[e] us some feedback as to, you know, whether they're too slow, too fast.... And we're able to provide that feedback kind of in real time."

Representative of an immigrant-serving organization, Halifax

Immigrant-serving organizations also suggested that proactive measures by SMEs, such as providing office space for on-site language classes during the lunch hour or aligning work shifts with transit and child care schedules, can help retain immigrant employees.



Understanding immigrant talent needs

SMEs, immigrant- and SME-serving organizations identified affordable housing, robust public transport systems, and accessible child care as three critical factors that compound labour market challenges for both job-seeking immigrants and SMEs looking to hire and retain talent. We found that by nature of their fast-paced growth, the communities we investigated had overstretched public infrastructure services, which new Canadians rely on to enter and remain in the labour market. Our findings echo Conference Board research that shows developing city infrastructure is crucial for attracting and retaining immigrants in communities outside of major urban centres.¹³

Immigrant-serving agencies, SME-serving organizations, and SMEs all told us that skyrocketing housing and rental costs and the lack of available units make it difficult for SMEs to attract and retain employees. Some businesses have gone to great lengths, building their own housing or renting entire apartment buildings to guarantee housing for their employees. Others have started to look for rental units for immigrant employees before they arrive in Canada.

Inadequate transit infrastructure also contributes to the labour market challenges of both newcomers and businesses. Participants told us that the need for high quality public transit has intensified as their communities have grown and development has extended to new areas. One participant from an SME-serving organization highlighted the barrier in Moncton: “You can’t necessarily get around [here] easily without a vehicle. And we’re not a city where public transportation is where it should be.... So that makes it very, very difficult for a lot of SMEs—especially the ones that are maybe not necessarily in the downtown core—to find workers.”

¹³ Dennler, *Making Rural Immigration Work*.

Poor transit infrastructure disproportionately affects job-seeking newcomers, many of whom rely on public transit due to the high cost of car ownership and the difficulty leasing a vehicle because of their limited Canadian credit history.¹⁴ A settlement service provider working in Halifax told us that employers could do more to address newcomers’ transportation challenges. As they explain, SMEs may be “used to people showing up 8 [a.m.] to 4 [p.m.], Monday to Friday, right? And [when a newcomer says] I can’t get there because I’m relying on [public] transportation and the bus doesn’t get me there till 8:20 [a.m.] ... a lot of times, you know, [an employer could] kind of adjust things ... in the workplace, just to make it a little bit more accommodating.”



¹⁴ Esses and Carter, *Beyond the Big City*.

SMEs can also help their employees navigate child care challenges. Making small adjustments to working hours is a proactive step business leaders can take to better support working parents, particularly women, who are at an especially high risk of detaching from the labour market. The immigrant-serving organizations we spoke with underscored the negative impact inadequate child care has on immigrant women. They told us that in the absence of affordable child care, some newcomer women are forced to forgo career opportunities or leave the workforce altogether. They may be Canadian citizens by the time they can re-enter the workforce, and therefore no longer have access to critical settlement and employment services available to newcomers, further hindering their workforce integration. Immigrant-serving organizations also told us that employers can do more to try to accommodate child care schedules. Although these issues aren't unique to immigrants, service providers noted that immigrant women are disproportionately affected, as they are often the primary caregivers in their families.

SMEs can't fix these broad infrastructure issues, but they can adjust their workplace policies to better support employees. Even small shifts can make a significant difference for newcomers and immigrants navigating challenges like limited public transit and child care responsibilities. Addressing these issues also demands considerable public investment and comprehensive policy measures. Employers are important stakeholders at the municipal level and can play an important role in advocating for broader systemic changes.



Key recommendations for SMEs

Build relationships with immigrant-serving agencies to access support in immigrant recruitment and retention

We heard that the costs of recruitment and training weigh heavily on SMEs. Many of the employers we spoke with lacked dedicated human resources (HR) staff. They told us hiring is both time- and cost-intensive, including paying for job ads and/or recruiters, and training and onboarding new hires. Immigrant settlement organizations are often an untapped resource for SMEs. They offer valuable support for recruiting immigrant talent, such as organizing job fairs, matching candidates to job postings, and pre-screening applications. Immigrant-serving agencies can also provide newcomers with additional post-hire support, something that immigrant-serving organizations stressed is crucial for both employees and employers. Proactive relationship-building by both SMEs and immigrant-serving agencies can support key hiring and onboarding functions.

Adapt workplace policies to accommodate diverse employee needs

Wherever possible, SMEs should implement flexible workplace policies to help accommodate diverse employee needs, such as adjusting working hours to align with transit and child care schedules. Affordable housing, accessible public transit, and child care are essential services that help newcomers join and remain in the workforce. SMEs should advocate for strong public infrastructure in their local communities, which is critical to ensure better outcomes for both businesses with labour needs and immigrants with in-demand skills.

Facilitate workplace language training to help improve industry-specific language skills

More immigrants are coming to Canada with official-language skills,¹⁵ but these aren't necessarily industry-specific. Immigrant-serving organizations told us that integrating language programs into the workplace is an ideal option, since "often newcomers, in order to survive here, have to work two jobs. So they don't have time to ... attend other ESL classes." SMEs should work alongside government agencies, educational institutions, and immigrant-serving agencies to advise on the content of language training. SMEs could also provide space and time for on-site language training (for example, during a lunch hour), in order to expand the capacity of service providers to offer language training and deliver critical services to newcomer and immigrant employees.

¹⁵ Statistics Canada, Population by Knowledge of Official Languages.

Key recommendations for SME-serving organizations

Build comprehensive local knowledge-sharing networks to connect SMEs with immigrant talent

Growing collaboration between local businesses, SME-serving organizations, and immigrant-serving organizations can help foster an ecosystem that efficiently serves both employers, who need labour and specific skill sets, and newcomers, who want to work and offer their valuable skills. This collaboration requires effort from all parties. To understand and meet the specific skill and labour needs of SMEs, it's critical for SME-serving organizations and businesses to actively build and maintain relationships with immigrant-serving organizations. A key objective of immigrant-serving organizations is to make it easy to connect SMEs with local job-seeking immigrants with highly valued skills. Immigrant-serving agencies also need to continue outreach efforts with local SMEs and SME-serving organizations to understand the suite of sought-after skills so they can guide workforce readiness training for new Canadians hoping to enter the labour market.

Showcase innovative hiring strategies, and their results, to local SMEs

Knowledge-sharing between SMEs is a powerful tool. SME-serving organizations should actively utilize SME networks to share valuable resources about recruiting immigrants. These networks can be used to help signpost employers to the available supports. SME-serving organizations should direct SMEs to networking opportunities and knowledge-sharing platforms, business-to-business mentorship programs, webinars, or workshops to enable the exchange of insights and experiences about successfully hiring and integrating newcomers into the workplace.

Improve access to information about immigration processes

SMEs consistently told us that immigration processes are cumbersome and confusing. SME-serving organizations should work in conjunction with immigrant-serving organizations to promote pre-existing support services for business owners navigating the immigration system and develop further resources where needed. Equally, SMEs need to provide feedback and engage in consultation processes to enhance support services.

Appendix A

Methodology

This research involved a literature review and 29 semi-structured interviews. Veritas, a third-party ethics review organization, approved the research design and protocols.

Literature review

The initial phase of this research involved a literature review of academic and grey literature. This review was designed to ensure that our research questions were focused on producing relevant and useful insights in the field. We designed the literature review to determine the existing knowledge relating to the following research questions:

- What are the primary challenges SMEs face in recruiting and retaining labour, and how do these challenges impact their operations?
- How do SMEs perceive the current immigration process, and what barriers do they encounter when attempting to hire newcomers?
- How do SMEs evaluate newcomers' skills and experience?
- What skills do SMEs prioritize in potential newcomer hires?

Sources were selected for inclusion based on their topical relation to the research questions, as well as their sample size and type. Relevancy was also determined by the date of publication. In order to focus on current issues, only literature published from 2000 to 2023 was included in the review. Selected literature focused specifically on SMEs in small and mid-sized cities and on immigrants' labour market experiences. Sources included peer-reviewed journal articles, news articles, research reports, blog posts, and government press releases. Fifty-three sources were included in the final literature review.

Interviews

The semi-structured interview guides used with SMEs, SME-serving organizations, and immigrant-serving agencies focused on the following topics: interviewee demographics, business challenges and strategies between March 2019 and March 2020 (before the COVID-19 pandemic and related restrictions began in Canada), business challenges and strategies between March 2020 and December 2021 (during the most intensive period of COVID-19), business challenges and strategies in the 12 months prior to the interview, experience and knowledge of immigration, and immigrants' labour market experiences. The topics were built into an

interview guide that was approved by an independent ethics review board.

The semi-structured interview guides used with federal policy-makers focused on the following topics: interviewee demographics, SME programming needs and experiences, and immigration and labour market programming needs and experiences. We were interested in the experience of government representatives as knowledge holders and program coordinators, as opposed to actors that experience labour market conditions.

Sample interview questions

The interviews were semi-structured. Interviewers used the interview guide and inductive questioning based on the topics described above.

[A sample of the interview questions for SMEs owners and senior leaders:](#)

- What challenges is your business currently facing?
- How are you addressing these challenges?
- How do you go about evaluating immigrant candidates' education and skills?

[A sample of the interview questions for SME-serving organizations:](#)

- What challenges are your members currently facing?
- What strategies are your members using to address these issues?
- What barriers do SMEs face when hiring immigrants?

[A sample of the interview questions for settlement service providers:](#)

- What factors would you say facilitate or hinder the entrance of immigrants into the labour market?
- What needs to be done for SMEs to hire more immigrants?

[A sample of the interview questions for government representatives:](#)

- What are the current needs of SMEs in relation to labour availability in Canada?
- How do you evaluate whether newcomers are filling labour market gaps?

Interview population

We sought 32 interviews: 20 participants who owned or held a senior leadership position in an SME, made up of four participants per small and mid-sized city; five settlement service providers who offer employment related services, one per city; five participants from SME-serving organizations, one per city; one participant who worked for Immigration, Refugees and Citizenship Canada; and one participant who worked for Employment and Social Development Canada. Potential interview participants were defined by their job role primarily and their geography (excluding the representatives from IRCC and ESDC). Other interview prerequisites for SME owners/ senior leadership included number of employees (between 1 and 499), and a minimum period of business operation (12 months).

Purposeful and snowball sampling methods were used to identify potential participants to interview from September 2023 to May 2024. We used internal Conference Board mailing lists to identify potential participants. We also posted on social media (LinkedIn) to identify potential participants. Finally, we sought the assistance of SME-serving organizations (national, provincial, and municipal chambers of commerce, boards of trade, economic development groups, and business development districts) to identify potential participants. We produced a list of 180 potential participants across SMEs, SME-serving organizations, immigrant-serving organizations, and government representatives. The list included five possibilities per participant group, allowing for a 17 per cent response rate.

Invitations to interview were sent to potential participants via email up to three times between September 2023 and March 2024. Unresponsive emails were followed up via phone between January and May 2024.

Of the 180 approached, 29 participants accepted invitations to interview: 17 participants who owned or held a senior leadership position in an SME; five settlement service providers; five participants from SME-serving organizations; one participant who worked for Immigration, Refugees and Citizenship Canada; and one participant who worked for Employment and Social Development Canada (see Table 1). All interviews were conducted virtually via video conferencing software and lasted approximately 45 minutes. All responses were anonymized.

The 17 employers we spoke with represented nine different sectors:

- accommodation and food services (2)
- arts, entertainment, and recreation (1)
- construction (2)
- healthcare and social assistance (1)
- information and cultural industries (1)
- manufacturing (2)
- other services (2)
- professional and scientific services (5)
- wholesale trade (1)

Table 1

Summary of participants

City	Immigrant-serving organizations	SME owners	SME-serving organizations	Government	Total
Abbotsford-Mission, B.C.	1	3	1	–	5
Halifax, N.S.	1	4	1	–	6
Moncton, N.B.	1	3	1	–	5
Oshawa, Ont.	1	4	1	–	6
Saskatoon, Sask.	1	3	1	–	5
Canada	–	–	–	2	2
Total	5	17	5	2	29

Source: The Conference Board of Canada.

City selection

Participants were located in five Canadian small and medium-sized cities, as defined by the OECD's urban population measurements.¹ The city-size definition allowed us to include three medium-sized cities and two small cities. To determine population size and select our cities, we used Statistics Canada's definition of a Census Metropolitan Areas (CMA): at least 50,000 people need to live in the core of the conurbation, and adjacent municipalities must have a high degree of integration with the core, as measured by commuting flows.²

The selected cities all experienced an increase in their immigrant population between 2016 and 2021.³ We prioritized representation from across the country, rather than selecting cities from only one province or region. Because of the qualitative nature of the project, we did not look for a representative sample. Instead, we focused on obtaining substantive experiences among SMEs to shed light on our research questions and allow us to offer practical recommendations for SMEs and community-level actors to address labour market issues.

Table 2

Cities selected for analysis

City	Immigrant population change (percentage change, 2016 to 2021)	Immigrant population (2021)	Total population (2021)	Immigrant population (2016)	Total population (2016)
Moncton, N.B.	35.69	13,345	154,245	9,835	141,525
Oshawa, Ont.	29.71	91,815	411,405	70,785	375,605
Saskatoon, Sask.	10.33	56,070	311,515	50,820	288,900
Halifax, N.S.	7.44	51,485	461,140	47,920	397,630
Abbotsford-Mission, B.C.	6.25	50,085	192,115	47,140	176,330

Source: Statistics Canada, The Conference Board of Canada.

Analyses

Twenty-nine interviews were recorded via video conferencing software and transcribed into text. A total of 1,561 minutes of interviews generated 408 pages of transcripts, totalling 189,129 words.

Interview transcripts were analyzed using NVivo software. Coding themes were developed based on the research questions and literature review, followed by an exploratory examination within interviews. Themes were examined based on how frequently they were noted, as well as the intensity of the observation.

Limitations

All population groups for the interviews had a small sample. Given this, we cannot generalize from these populations to a larger group. Additionally, this research was limited to occupations that do not require credential assessments. Findings cannot be applied to occupations that require credential assessments.

1 OECD, "Urban Population by City Size."

2 Statistics Canada, "Census Metropolitan Area."

3 Statistics Canada, Immigrant Status and Period of Immigration.

Appendix B

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