



From Newcomers to Game Changers

Immigrant Skill Utilization in the Construction Sector

The Future Skills Centre (FSC) is a forward-thinking centre for research and collaboration dedicated to driving innovation in skills development so that everyone in Canada can be prepared for the future of work. We partner with policymakers, researchers, practitioners, employers and labour, and post-secondary institutions to solve pressing labour market challenges and ensure that everyone can benefit from relevant lifelong learning opportunities. We are founded by a consortium whose members are Toronto Metropolitan University, Blueprint, and Signal49 Research, and are funded by the Government of Canada's Future Skills Program.

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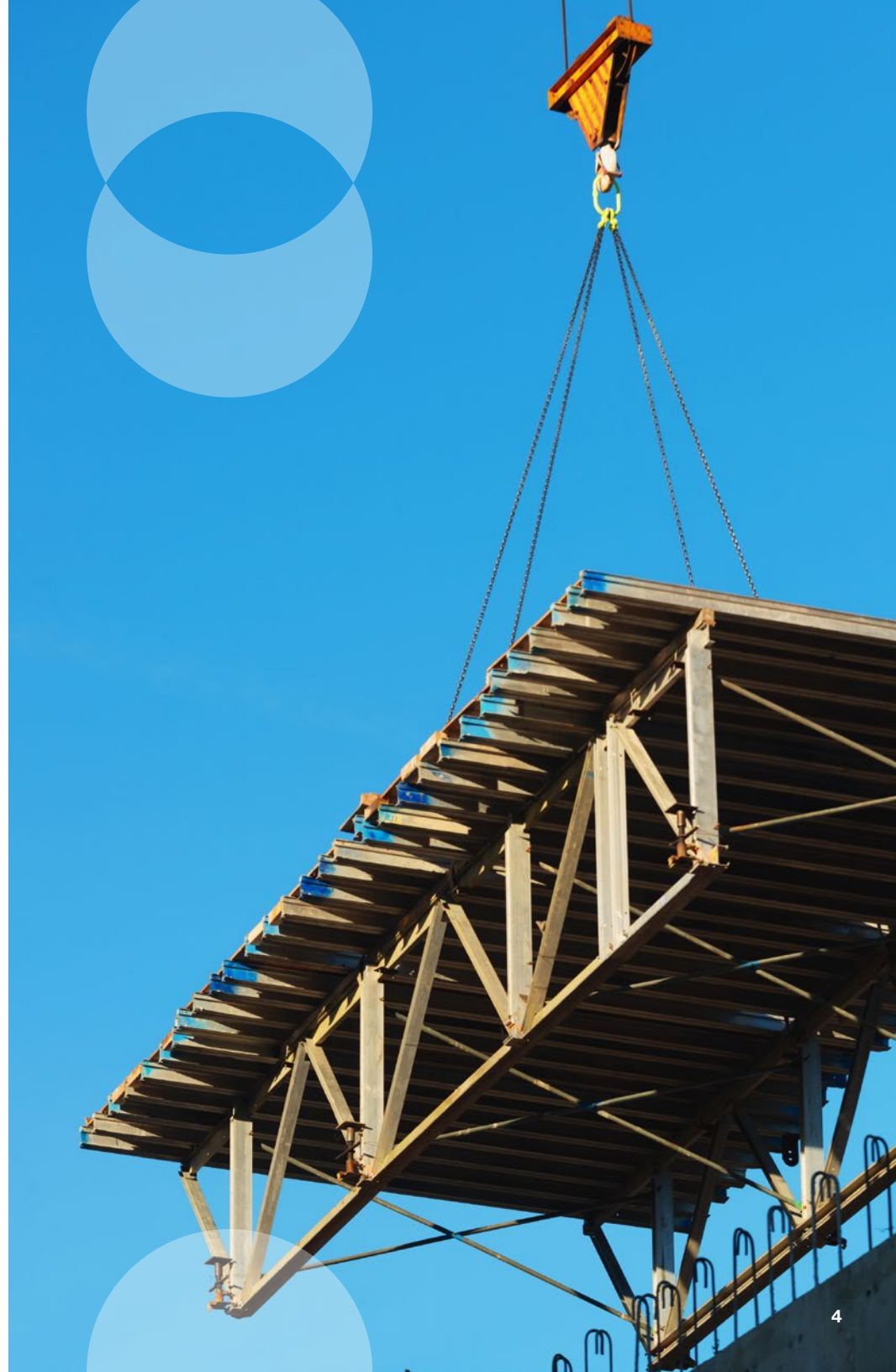
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Key findings

- Skill underutilization—being overeducated for one’s job, working in temporary or involuntary part-time roles, or being unemployed—affects immigrants and Canadian-born citizens in construction differently. Involuntary part-time work is the most pronounced form of underutilization for both groups, but immigrants experience this at 1.8 times the rate of Canadian-born citizens.
- Overeducation—having more education than needed for a job—is the second most pronounced type of skill underutilization in construction. However, immigrants experience this challenge at 2.6 times the rate seen for Canadian-born citizens.
- Immigrants working in construction are more likely to hold term and contract positions than Canadian-born citizens. Project-based employment limits workers’ ability to secure permanent employment and fully integrate into the construction sector.
- Trade certification processes (e.g., Red Seal) and Canadian experience requirements take time and prevent skilled immigrants from accessing construction jobs that match their qualifications.
- Language and communication skills are a common employment barrier for immigrant construction workers. Some employers are using language-matching strategies—pairing workers with shared language backgrounds and building crews from the same language communities—to hire immigrant workers while managing construction site safety risks.



Immigrant skills—not just numbers—key to closing gaps

Statistics Canada reports that since 2016, the Canadian construction sector's ability to fill vacant positions has deteriorated faster than that of other sectors.¹ In 2025, more construction businesses also cited labour shortages as their primary barrier to growth than businesses in any other sector.² Without action, Canada will be short 85,500 construction workers by 2033, forecasts from BuildForce Canada show.³

These shortages carry real consequences for Canada's economy, as construction accounts for nearly one-tenth of our GDP.⁴ Labour shortages in construction alone cost the economy \$2.4 billion in 2022 and 2023.⁵ The impact is visible across the country, with widespread project delays, higher construction costs, and increased housing prices.⁶

The federal government has responded by prioritizing skilled trades workers through economic immigration and pathways to permanent residency.⁷ But without effective skill utilization, attraction and retention efforts will continue to fall short.

Drawing on Labour Force Survey data from 2022 to 2024, we examined how well immigrants' skills are utilized in Canada's construction sector. We also spoke with five construction employers and 20 employment and settlement service providers to learn about the workforce integration barriers that immigrants face and how to address them.

1 Statistics Canada, *Labour shortage trends in Canada*.

2 Statistics Canada, "Table 33-10-0995-01 Primary factor limiting business' or organization's growth, second quarter of 2025."

3 BuildForce Canada, *Construction and maintenance industry*.

4 BuildForce Canada, *Immigration Report Update*.

5 Conference Board of Canada, *The Skills and Productivity*.

6 Hudes, "Construction workers shortage stands in the way of housing boost"; Paglinawan, "Labour shortages leading to cancelled projects in 'superheated' construction sector"; Gismondi, "Lost opportunities"; Saba, "Canada's economy lost nearly \$13B due to labour shortage, new report shows"; King, "More construction delays for north-end Halifax school, parents disappointed."

7 Immigration, Refugees and Citizenship Canada, "2025–2027 Immigration Levels Plan"; Immigration, Refugees and Citizenship Canada, "Speaking notes for the Honourable Marc Miller, Minister of Immigration, Refugees and Citizenship."

Part of a series

This issue briefing is one of three examining immigrant skill utilization in healthcare, construction, and hospitality.

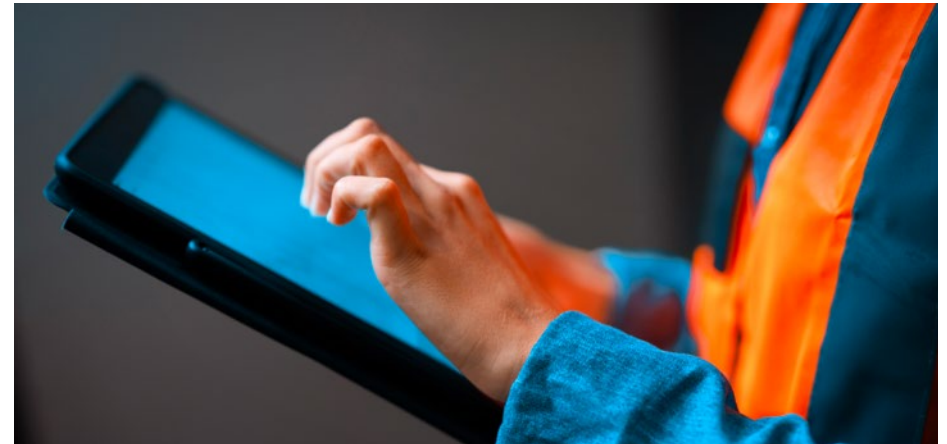
For a cross-sector view of immigrant skill utilization, see our online experience: [From Newcomers to Game Changers: A Scorecard for Immigrant Skill Utilization](#). Read our [healthcare](#) and [hospitality](#) issue briefings to learn about other sector-specific barriers and recommendations.

How we measured skill underutilization

Skill underutilization takes two forms: mismatch and wastage.

People experience skill *mismatch* when they're employed below their education level, such as a civil engineer working as a painter. We measured this as the share of workers who were overeducated for their jobs.

People experience skill *wastage* when they can't find employment, when they're in precarious jobs, or when they work fewer hours than they want to. We measured this as the share of working-age people who were unemployed, in temporary jobs, or worked part time involuntarily.



Measuring immigrant overeducation and unemployment in construction

Our construction data only includes people who worked in the construction sector at some point while in Canada. This creates gaps when measuring overeducation and unemployment among immigrants.

Consider two examples: An internationally trained civil engineer who has only worked as a bartender in Canada would be counted in our hospitality data as overeducated, but they wouldn't appear in our construction data because they never worked in the sector. An internationally trained civil engineer who has been unemployed since arriving in Canada wouldn't appear in any of our sector-specific data because they never worked in Canada.

Both individuals, however, would be captured in our industry-wide [skill utilization results](#), which track employment outcomes across the full labour market rather than linking them to a specific sector.

This data limitation means we likely underestimate the number of internationally trained construction professionals who are either unemployed or overeducated for their job.

Skill utilization trends in Canada’s construction sector

In 2024, the primary ways immigrants’ skills were underutilized in construction were through involuntary part-time employment (a form of *skill wastage*) and overeducation (also called *skill mismatch*). (See Chart 1.)

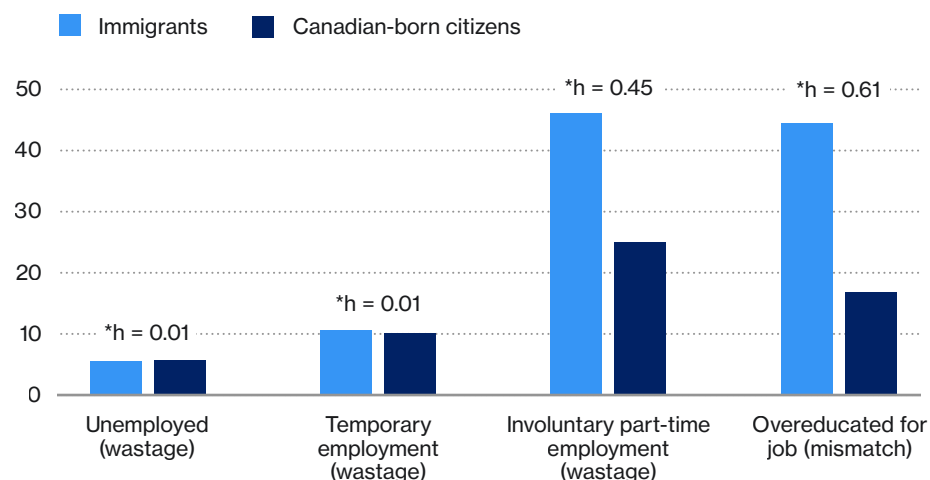
Canadian-born workers also faced these challenges, but to a lesser degree. Comparing the rates in Chart 1, immigrants were 2.6 times more likely to be overeducated for their construction jobs and 1.8 times more likely to work part-time involuntarily than Canadian-born workers.⁸

In 2024, involuntary part-time employment among immigrants was more pronounced in construction (46 per cent) than in the other sectors we examined, occurring at roughly double the rate found in healthcare (21 per cent) and hospitality (26 per cent). The disparity between immigrants and Canadian-born workers was also wider in construction – immigrants were 1.4 to 1.6 times more likely to face involuntary part-time employment in healthcare and hospitality compared to their Canadian-born counterparts.

Despite this trend, involuntary part-time work didn’t emerge as a barrier to immigrant skill utilization in our interviews with construction employers and employment and settlement service providers. Instead, these individuals highlighted overeducation and temporary employment as key challenges. We break these indicators down further in the next section.

Chart 1

In 2024, involuntary part-time work and overeducation were the biggest skill utilization challenges for immigrants in construction (percentage underutilized)



⁸ These differences between immigrants and Canadian-born citizens were statistically significant but varied in size. There was a medium difference in overeducation ($h = 0.61$), a small difference in involuntary part-time employment ($h = 0.45$), and trivial differences in unemployment and temporary employment ($h = 0.01$). See Appendix A for our methodology.

Note: Cohen’s h is an effect size metric that measures the magnitude of the difference between two proportions. Values below 0.20 represent trivial differences. Values between 0.20 and 0.49 represent small differences. Values between 0.50 and 0.79 represent medium differences. All differences were statistically significant (*). See our methodology for more details.
Sources: Statistics Canada; Signal49 Research .

Skill mismatch

Overeducation is highest among immigrants with bachelor's degrees

In 2024, overeducation was a primary way immigrants' skills were underutilized in the construction sector. (See Chart 1.) When we broke this down by educational attainment, we found that immigrants with bachelor's degrees had the highest overeducation rates in the sector. (See Chart 2.)

There were no statistically significant differences between immigrants and Canadian-born workers in any of the education groups. The largest difference appeared among those with some post-secondary education—16 per cent of Canadian-born citizens were overeducated for their job, but there were so few immigrants in this group that Statistics Canada suppressed the number. (See Chart 2.) We were therefore unable to perform any statistical analyses for this comparison. At the bachelor's level, immigrants were 1.2 times more likely to be overeducated for their job than their Canadian-born counterparts. This small difference may have reached statistical significance with a larger sample size (see our methodology in Appendix A for more details).

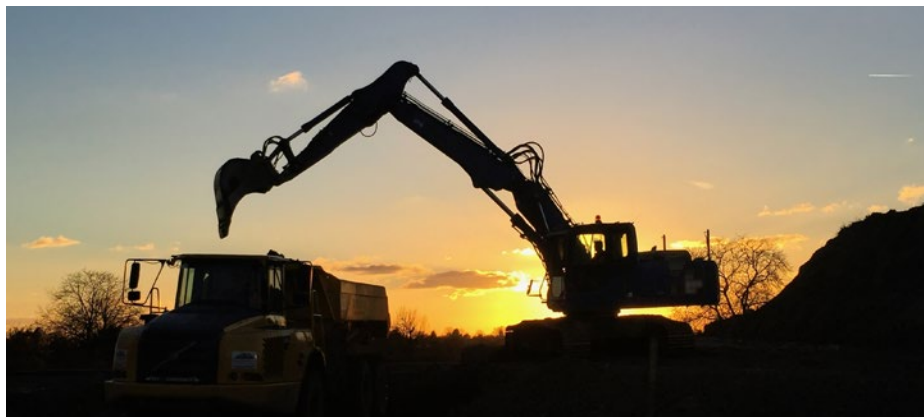
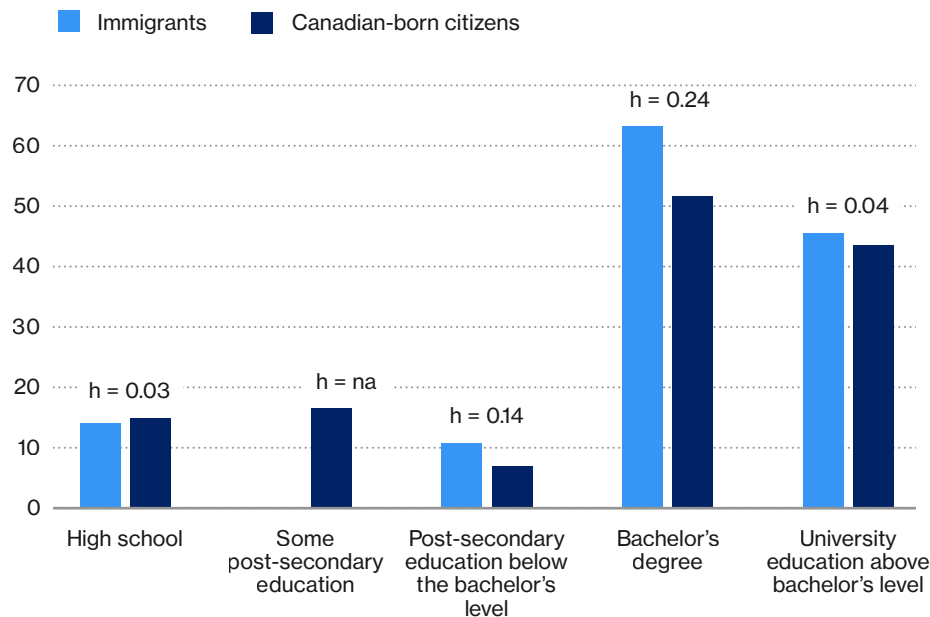


Chart 2

In 2024, overeducation in construction was highest among immigrants with a bachelor's degree (percentage overeducated)



Note: Cohen's *h* is an effect size metric that measures the magnitude of the difference between two proportions. Values below 0.20 represent trivial differences. Values between 0.20 and 0.49 represent small differences. None of these differences were statistically significant. See our methodology for more details.
Sources: Statistics Canada; Signal49 Research.

Skill wastage

Groups diverged in term and contract jobs and seasonal jobs

We saw earlier that immigrants and Canadian-born citizens experienced similar rates of temporary employment in the construction sector in 2024. (See Chart 1.)

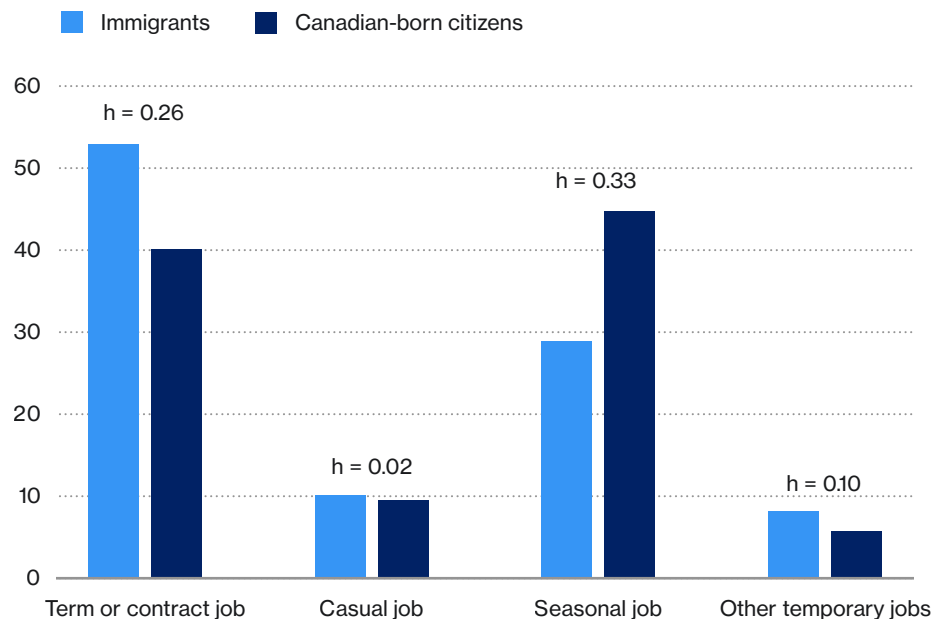
There were no statistically significant differences between immigrants and Canadian-born workers in any of the temporary employment groups. The two groups diverged in term and contract jobs and seasonal jobs. (See Chart 3.) Immigrants were 1.3 times more likely to hold term and contract positions, whereas Canadian-born citizens were 1.6 times more likely to work in seasonal jobs. Immigrants' overrepresentation in term and contract jobs shows that they face barriers to stable employment. These small differences may have reached statistical significance with a larger sample size (see our methodology in Appendix A for more details).

The lower rate of seasonal employment among immigrants might suggest that they face less-precarious work than Canadian-born citizens. Unlike seasonal roles, term and contract jobs sometimes offer a clearer pathway to permanent employment. However, an alternate explanation for the lower rate may be appropriate. Our analysis excludes temporary residents, who comprise a large portion of Canada's seasonal workforce. For example, between 2018 and 2023, the construction sector had the third-highest increase in temporary foreign worker approvals.⁹

Chart 3

Immigrants in temporary employment were most likely to hold term or contract jobs in 2024

(percentage in temporary employment)



Note: Cohen's *h* is an effect size metric that measures the magnitude of the difference between two proportions. Values below 0.20 represent trivial differences. Values between 0.20 and 0.49 represent small differences. None of these differences were statistically significant. See our methodology for more details.

Sources: Statistics Canada; Signal49 Research.

⁹ Duhatschek, "From fast food to construction, employers turn more and more to temporary foreign workers."

Barriers to immigrant skill utilization

Interviews with employers and employment and settlement service providers revealed four key barriers to immigrant skill utilization:

- Immigrant construction workers experience delays entering the industry and career setbacks due to Red Seal and other trade certification processes, often restarting at the entry level or as apprentices.
- Workforce integration is slowed by seasonal projects and short-term contracts, limiting immigrant journey persons' job security and immigration pathways.
- Language and communication barriers affect newcomers' ability to get hired and integrate into construction workplaces—though employers are developing strategies, such as pairing workers by shared language, to hire and onboard workers whose language skills are still developing.
- Canadian experience expectations prevent many immigrants with only foreign construction experience from finding commensurate work in the sector.

Trade certification processes create integration challenges

Paths to construction certification vary widely in Canada. Some trades require apprenticeships or qualifying exams—regulated by provinces and territories—while others fall under the national Red Seal Program.¹⁰ We heard from participants that these certification processes can create barriers for immigrants in the construction sector.

¹⁰ Banerjee and others, *The Apprenticeship Pathway*.

¹¹ Banerjee and others.

For example, an employment services manager in Yukon explained that “someone who has years, and years, and years of experience outside of Canada cannot really access any trade at all because of the Red Seal process ... the cost of [living] means that they cannot accept entry-level jobs and start the apprenticeship program all over again, simply because they wouldn't be able to afford rent.”

According to an employment services manager in Newfoundland and Labrador, some immigrants find it “easier or more realistic to really forget about their credentials and start over [rather] than going through the process because of the time and the cost.” A career services director in British Columbia said this helps them place engineers:

“[Construction workers] are the hardest clients to get credential recognition and to really find employment for. We have a lot of engineers that come through our programs. If they're willing to start again at labour positions, that type of thing, it's a little bit easier.”

Career services director, British Columbia

Trade qualifying examinations, while faster than re-credentialing, typically require work experience.¹¹ This means that accepting apprenticeships or lower-level positions might be the only way for immigrant construction workers to accumulate qualifying hours.

Short-term contracts and precarious work hinder workforce integration

The construction sector's project-based work model creates barriers for immigrants trying to establish themselves in Canada.¹² Workers get hired for specific projects, then face layoffs when those projects end, creating what a Manitoba employer called “a very transient type of workforce.” While this is a sector-wide issue, we found that immigrants were somewhat more likely to hold term and contract jobs than Canadian-born citizens. (See Chart 3.)

Another issue is the alignment between immigrant selection criteria and industry labour needs. The prioritization of higher education in the immigration system limits access for skilled trades workers.¹³

“[The] government needs to do a better job of working with employers to better understand where skill gaps are in order to impact our immigration targets.”

Engineering employer, Ontario

Language skills are key for construction sector integration

Employers and service providers mentioned language as a key challenge across industries. In construction, English or French language proficiency is often a prerequisite for being hired at all, sometimes eclipsing technical skills. Safety communication is central to this concern: As one construction employment specialist in Manitoba explained, it's important that “when a supervisor or a colleague yells, ‘Get out of the way,’ [the employees] know the signs and signals that they have to get out of the way and not be a deer in headlights.”

However, labour shortages in construction are encouraging some employers to find strategies to hire immigrants whose language skills are still developing. A construction employer in the Northwest Territories explained their approach: “When we've been able to hire somebody who's a majority French speaker, we ensure that they're paired up to make sure that they understand the safety process and how we run safety on sites.”

Once a crew includes workers with shared language skills, employers can build on this to hire additional workers from that community. A construction employer in Manitoba explained that companies will “[hire] somebody with a good mix of English and Ukrainian [language] skills and then [bring] other workers in to work under that person to have a Ukrainian training crew, for example, to use those skills.”

Beyond safety concerns, language gaps affect how immigrant workers are perceived in the hiring process and on the job. | Industry-specific vocabulary can mark workers as outsiders even when their technical skills are strong.

“[Immigrants] still lack a lot of that local market understanding and the lingo of our industry. So, they'll still be talking in square meters from the country that [they] come from, instead of converting it to feet, which is a funny thing in construction, where we do both. But it just makes them stand out as ‘other’ from a hiring manager standpoint. Those are the cues that we pick up on that say, ‘Oh, maybe they don't really understand what we do here quite as well.’ So, it's a hard [challenge] to overcome.”

Construction employer, Manitoba

¹² Statistics Canada, “The construction sector is not operating at full capacity—here are some data that could explain why.”

¹³ Banerjee and others, *The Apprenticeship Pathway*.



Language gaps further impact the ability of immigrant workers to advance in their construction careers. As a construction employment specialist in Manitoba explained, “English is one of the big factors that’s required to run [project management] positions and roles.” They shared that they typically advise newcomer clients to enhance their communication skills and gain more local experience to work their way back up into positions that are equivalent to their previous experience outside of Canada.

Canadian experience requirements facilitate skill mismatch

A well-documented challenge for immigrants is that employers regularly require Canadian experience—shorthand for local work experience and near-natural knowledge of Canadian cultural contexts.¹⁴ For the construction employers we interviewed, Canadian experience primarily means knowledge of cold weather construction techniques and local building practices.

While there have been some recent policy interventions to prohibit employers from requiring Canadian work experience—such as Bill 149 in Ontario, which came into effect in January 2026¹⁵—employers nonetheless regard such knowledge as a legitimate occupational requirement. An employment specialist in Nova Scotia shared how they work with employers to identify the construction experience they look for.

“We have clients who have some construction experience, but they don’t have the Canadian construction experience. So, we work with employers, and we ask them ... ‘What kind of skills do you look for?’ And they tell us ... concrete formworks or dry wall finishing, et cetera.... So, [our clients] get the training required by the employers through the [local] community college.... By the time they graduated, they knew all the terminology, all the safety rules, et cetera. And employers came to the campus, and they interviewed people and recruited them from there.”

Employment specialist, Nova Scotia

Partnerships between settlement services, employers, and training institutions, such as the one described above, can prepare immigrants for Canadian construction roles, creating a larger pool of workforce-ready talent.

¹⁴ Bernhard, “Doing Migration in Adulthood.”

¹⁵ Bill 149, Working for Workers Four Act, 2024; Jung and Howard, “Looking for new employees?”

Actionable insights

Employers, service providers, training institutions, and policy-makers seeking to leverage immigrant skills in the construction sector can consider the following recommendations.

Sector associations and regulatory bodies

Expand certification programs focused on local and regional high-demand construction skills.

Offering fast, flexible, and low-cost training options helps immigrant construction workers without Red Seal or other trade certifications gain new in-demand competencies. This will ease their entry into construction occupations while they are waiting to be licensed. This also benefits employers who may not have the resources to train new hires in-house. Sector associations and regulatory bodies can coordinate with employers to ensure these certifications align with local and regional skill gaps (e.g., climate-specific construction techniques or materials, equipment handling).

Construction employers, service providers, training institutions, and government

Form strategic partnerships to train immigrant construction talent so they can hone their transferrable skills.

Cross-sectoral collaboration can help address challenges related to a lack of Canadian experience. Developing training-to-job pipelines for immigrants can ease their entry into the construction sector and give employers more assurance that a new hire will be able to work in a Canadian context with regional or local construction techniques and building materials.

Training institutions can work with employers to identify in-demand skills and training gaps. The government and service providers can play a role in funding and facilitating such initiatives and in aligning them with immigration and settlement programs.

Develop sector-specific language and communication training.

Stakeholders across sectors can also work together to create language learning modules that are relevant to skill demand in construction, allowing immigrant construction workers to gain language competencies and industry knowledge simultaneously. To increase employer confidence in hiring skilled newcomers, these initiatives can go beyond general English or French language courses and focus on technical vocabulary in construction, Canadian workplace communication, and construction site safety procedures. The Manitoba Construction Sector Council's course on English for Construction Purposes¹⁶ is an example of such training. On the job pairing of workers with shared language backgrounds can facilitate communication and knowledge transfer during onboarding periods and accelerate hiring through employee referrals.

¹⁶ Manitoba Construction Sector Council, "English for Construction Purposes."

Appendix A

Methodology

About the research

We conducted this research to better understand the extent of immigrant skill utilization in three in-demand sectors: healthcare, hospitality, and construction. We used a mix of quantitative and qualitative methods to explore three research questions in each of these sectors:

1. At what rates do immigrants versus Canadian-born citizens experience skill underutilization?
2. What barriers prevent employers from utilizing immigrants' skills?
3. How can municipalities, employers, and settlement service providers improve the utilization of immigrants' skills?

Literature review

The first phase of this research involved a literature review to inform the quantitative study design and qualitative interview questions. To be included in our review, publications had to be from 2015 onwards and be related to immigrant employment and immigrant skill utilization in the Canadian labour market.

We identified and reviewed 14 publications, produced by academic journals, research institutes, and Statistics Canada, that provided broad insights on the definitions and implications of immigrant skill utilization, employment and settlement supports that enhance immigrant skill utilization, and barriers to the labour market integration of immigrant workers.

We also consulted sector-specific sources to understand industry challenges and the extent of labour shortages. We found four publications on labour shortages in the construction sector produced by Signal49 Research, news agencies, and an industry association. For the healthcare sector, we consulted a news release by Employment and Social Development Canada that provided an estimate of labour shortages. At the time of the literature review, we identified no sector-specific studies on the hospitality sector that projected labour shortages in accommodation and food services.

We identified and consulted additional sources over the course of the project, as the initial literature review was not meant to be an exhaustive list.

1 Statistics Canada, "Guide to the Labour Force Survey."

2 Statistics Canada, "Dictionary, Census of Population, 2021 – Census Subdivision (CSD)."

Quantitative data analysis

Data

We used custom tabulations of Statistics Canada's Labour Force Survey for the quantitative component of this study.¹ Our analysis spanned 2022 to 2024 survey years and covered the 38 census subdivisions with relevant data. *Census subdivision* is the general term for municipalities or areas treated as municipal equivalents for statistical purposes.²

The following five tables were requested from Statistics Canada:

1. Labour force characteristics by immigrant status, educational attainment, selected industries, and North American Industry Classification System (NAICS) 2022, Canada, provinces, territories and selected census subdivisions, annual average (persons x 1,000)
2. Employed employees by job permanence, immigrant status, selected industries, NAICS 2022, and type of work, Canada, provinces, territories and selected census subdivisions, annual average (persons x 1,000)
3. Persons employed part time by main reason for part-time employment at their main job, immigrant status, selected industries, and NAICS 2022, Canada, provinces, territories and selected census subdivisions, annual average (persons x 1,000)
4. Persons not in the labour force by reason for not looking for work, immigrant status, selected industries, and NAICS 2022, Canada, provinces, territories and selected census subdivisions, annual average (persons x 1,000)
5. Employed population by TEER category, National Occupational Classification (NOC) 2021, educational attainment, immigrant status, selected industries, and NAICS 2022, Canada, provinces, territories and selected census subdivisions, annual average (persons x 1,000)

Our analysis focused on working-age individuals (15–64 years) who were Canadian-born citizens, permanent residents, or naturalized citizens. We excluded temporary residents because the Labour Force Survey does not disaggregate temporary foreign workers and international students. These groups are too distinct from each other to make valid inferences when treated as a single category. In addition, not all underutilization indicators we used capture temporary foreign workers' labour market experience. Many of these individuals can only enter Canada with a full-time job offer, which is likely to be time-limited given the nature of work permits.

Skill utilization indicators

We measured two dimensions of skill utilization separately for immigrants and Canadian-born citizens: skill mismatch (one indicator) and skill wastage (three indicators).

We used all available skill underutilization indicators from the Labour Force Survey except *worker discouragement*—another form of skill wastage. This captures people who want to work but who don't seek employment because they're discouraged by the reality or their perception of the labour market.³ We excluded this indicator because Statistics Canada had flagged much of it as unreliable.

Skill mismatch: overeducation

Overeducation represents the share of workers whose primary job requires less education than they hold.

We measured overeducation by comparing an individual's highest education level (foreign or Canadian) to the Training, Education, Experience and Responsibilities (TEER) classification of their job.⁴ For instance, a bachelor's degree holder working in a position requiring only a high school diploma would be considered overeducated for their job.

The overeducation rate represents the number of overeducated workers as a percentage of all individuals employed in the sector.

Skill wastage: unemployment

People were considered unemployed if, during the reference week of the Labour Force Survey, they were without work, had actively looked for work in the past four weeks, and were available for work.⁵ This included individuals on temporary layoff and those set to start a new job within four weeks.

The unemployment rate was only measured for people who worked in the sector at some point while in Canada, either as a temporary or permanent resident. It represents the number of unemployed individuals who used to work in the sector as a percentage of the sector's labour force (employed plus unemployed individuals).

Skill wastage: temporary employment

A temporary job has a predetermined end date or will end once a specified project is completed.⁶ This includes seasonal jobs, term or contract jobs (including those done through temporary help agencies), casual jobs, and other temporary work arrangements.

Seasonal jobs have specified hours and a predetermined end date but recur on an annual basis. Term and contract jobs have specified hours and a predetermined end date. Casual jobs have no specified hours or set work periods. Other temporary work arrangements include jobs outside these categories but of a similar nature.

The temporary employment rate represents the number of temporary sector workers as a percentage of all individuals employed in the sector.

Skill wastage: involuntary part-time employment

Involuntary part-time workers are those who work fewer than 30 hours per week due to poor business conditions or because they couldn't find full-time work (this includes those who actively searched for full-time work in the past four weeks and those who did not).⁷ In contrast, voluntary part-time workers cite other reasons for their reduced hours, though these may include situational constraints that aren't truly voluntary, such as caring for children, attending school, or managing a personal illness.

The involuntary part-time employment rate was only measured for people whose part-time job was their main job in the sector. It represents the number of involuntary part-time sector workers as a percentage of all part-time sector workers.

3 Banerjee and others, "Use it or lose it."

4 Immigration, Refugees and Citizenship Canada, "Find your National Occupational Classification (NOC)."

5 Statistics Canada, "Guide to the Labour Force Survey."

6 Statistics Canada.

7 Statistics Canada.

Data analysis

Skill utilization in immigrants vs. Canadian-born citizens

To determine whether immigrants experienced significantly worse skill underutilization than Canadian-born citizens, we used two-proportion z-tests. Statistically significant differences are marked with an asterisk (*). This indicates there is less than a 5 per cent probability that the group difference occurred by chance.

The number of people in an analysis can impact statistical significance.⁸ If the sample is too small, meaningful differences can be missed. If the sample is sufficiently large, trivial differences can be statistically significant.

While the Labour Force Survey estimates are representative at granular geographic scales, this is not the case within each analytic cell. When we narrow analyses to specific sectors and further split by immigration status, cell sizes (sample size used in the z-tests) can become small. Constructing skill-utilization indicators within each sector can further reduce the number of available cases and increase the sampling variability.

We therefore present Cohen's *h* alongside our significance tests. Cohen's *h* is an effect size metric that measures the magnitude of the difference between two proportions.⁹ Values of 0.20, 0.50, and 0.80 represent small, medium, and large differences, respectively. Values below 0.20 represent trivial differences.

Qualitative data analysis

We interviewed 36 individuals for the qualitative component of this study. This included:

- 20 employment and settlement service providers
- 16 employers (five in hospitality, five in construction, six in healthcare)

Interviews

All participants were granted confidentiality. We developed an interview guide based on the reviewed literature and in conjunction with the Research Advisory Board (members listed in Acknowledgments). To answer the research questions, the interview guide focused on understanding the following:

- Challenges in hiring immigrants to fill specific skill gaps or roles
- Barriers to effective immigrant skill utilization (with further prompts aimed at identifying barriers in each sector)
- Motivations for improving immigrant skill utilization (e.g., economic contribution of immigrants, workforce diversity, talent retention)
- Implemented programs and practices to improve immigrant skill utilization
- Success stories for effective utilization of immigrants' skills
- Collaboration with stakeholders to improve immigrant skill utilization (e.g., governments, employers, sector associations, community organizations)
- Opportunities to improve immigrant skill utilization broadly and in the three study sectors

To qualify as an employment or settlement service provider, participants had to be an employee of an immigrant-serving organization that runs employment programs and counselling or offers settlement services with an employment component. Employers had to be professionals in a human resources, hiring management, or training or development capacity at an organization under one of the three sectors.

We recruited participants both indirectly and directly. Indirect recruitment involved asking the relevant parties to disseminate our research invitation letter. These parties included members of our research centres, councils, and Research Advisory Board members, as well as sector associations and immigrant employment councils. Direct recruitment involved identifying potential participants and emailing them. This strategy was reserved for employers because we exceeded our participant targets for employment and settlement service providers, using the indirect approach.

We conducted our interviews via Microsoft Teams from July 7 to November 20, 2025. Participants lived and worked in all provinces and territories except Quebec and Nunavut.

Interviews were transcribed by ScribeWire, a third-party transcription service. Interviews ranged from 28 to 66 minutes long, for a total of 26.3 hours. This resulted in 430 pages of transcripts that totaled 224,843 words.

⁸ Sullivan and Feinn, *Using Effect Size—or Why the P Value Is Not Enough*.

⁹ Lee, "Alternatives to P value."

We analyzed the interview transcripts using NVivo. Following the grounded theory approach, we let codes emerge from the data through an exploratory analysis of the interviews instead of using a pre-developed codebook.¹⁰ We conducted inter-coder reliability on randomly selected interviews from each participant group to ensure coding was consistent across researchers. Across participant groups, we achieved 96.3 per cent agreement in our codes.

Codes were compared and grouped into themes. Themes were examined based on how frequently they were noted as well as the intensity of the observation.

Limitations

Quantitative data limitations

We could not measure all types of skill underutilization. For instance, we could not account for immigrants who changed sectors involuntarily, those who were discouraged from seeking employment,¹¹ or those who worked below their non-educational qualifications.

Our analysis only captures immigrants who worked in the sector at some point in Canada, either as a temporary or permanent resident. This underestimates the unemployment rate.

Every month the Labour Force Survey will sample 56,000 households nationally in a rotating six-month panel—approximately 100,000 persons are sampled across Canada. The survey uses a probability sample that is based on a geographically stratified multi-stage design. Although the sample is representative at different geographic scales, the sample of immigrants and Canadian-born citizens becomes small when we narrow our analysis to the healthcare, construction, and hospitality sectors. It becomes even smaller when we create the skill utilization indicators within each of these sectors.

Qualitative data limitation

We aimed to interview 10 employers in each of our three study sectors but reduced this to five due to the low response rate. While this reduces the variety of insights on immigrant skill underutilization, the overlap in employers' interviews showed sufficient data saturation.

Due to the small sample size, we cannot generalize the findings of this research.

¹⁰ Charmaz, *Constructing Grounded Theory*.

¹¹ Banerjee and others, "Use it or lose it."

Appendix B

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