



From Newcomers to Game Changers

Immigrant Skills Utilization in the Hospitality 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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Key findings

- Overeducation—having more education than required for a job—is the most pronounced type of skill underutilization in hospitality. However, immigrants experience this challenge at 1.4 times the rate seen for Canadian-born workers.
- Some hospitality employers view the sector as a valuable stepping stone: It helps newcomers build Canadian work experience and enhance the soft skills needed for jobs that are more aligned with their qualifications.
- International students have been the primary source of foreign labour in hospitality since 2015. But 2024 caps on study permits are impacting the labour supply, with some hospitality programs scaling back due to insufficient enrollment.
- Hospitality employers report that Canada's Express Entry system makes it difficult to retain entry-level workers because these TEER 4 and 5 positions don't earn immigrants enough points for permanent residency.
- Low proficiency in Canada's official languages can overshadow immigrants' technical skills and competencies in hospitality roles. Some employers are addressing this by translating onboarding materials and incorporating hands-on skill demonstrations into their hiring processes.



Hospitality worker shortage threatens economic growth

Canada's accommodation and food services sector—which we refer to as hospitality, faces a growing labour shortage that threatens an industry that is critical to the country's economy. Almost half of Canadian tourism revenue (42 per cent) is generated by hospitality, representing \$124 billion in 2023 alone.¹ Accommodation accounts for 27 per cent of Canada's tourism GDP, with food and beverage services contributing another 15 per cent.²

Yet despite this economic importance, labour and skill shortages have become a major concern for employers.³ The challenge has been compounded by recent policy shifts. Reduced immigration levels⁴ and restrictions on temporary residents—including international students, on whom the sector has heavily relied⁵—mean uncertain times ahead for both employers and immigrants.

At the same time, many immigrants already working in hospitality are overqualified for their positions or face precarious employment characterized by low wages and high turnover.⁶ This points to a critical opportunity: Better utilizing immigrant talent could help address labour shortages while improving outcomes for the workers themselves.

This issue briefing aims to identify targeted solutions that support immigrant talent development and skill utilization in the hospitality sector. Drawing on Labour Force Survey data from 2022 to 2024, we examined how well immigrants' skills are utilized in the hospitality sector. We also spoke with five hospitality employers and 20 employment and settlement service providers to learn about the workforce integration barriers that immigrants face and how to address them.

1 Tourism Economics, *Canada's Travel and Tourism Sector*.

2 Bergevin-Chammah, "Outlook for Canada's Tourism Economy in 2025."

3 Convery and others, *Analysis of labour challenges in Canada, fourth quarter of 2024*.

4 Immigration, Refugees and Citizenship Canada, *2026-2028 Immigration Levels Plan*.

5 Zhong and others, *Temporary foreign workers with lower-skill occupations in the accommodation and food services industry*; Hirschhorn and Ibrahim, *International Workers and Immigration in Tourism*.

6 Mahboubi and Zhang, "Empty Seats"; Mürage and Smith, "Multifaceted precarity."

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 [construction](#) issue briefings to learn about other sector-specific barriers and recommendations.

How we measured skill underutilization

Skill underutilization takes two forms: mismatch and wasteage.

People experience skill *mismatch* when they're employed below their education level, such as a nurse or hotel management professional working as a bartender. 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.

See our methodology in Appendix A for more information.



Skill utilization trends in Canada's hospitality sector

In 2024, the primary way immigrants' skills were underutilized in hospitality was through overeducation, or *skill mismatch*. (See Chart 1.) Canadian-born workers also faced this challenge, but to a lesser degree. Comparing the rates in Chart 1, immigrants were 1.4 times more likely to be overeducated for their jobs. In contrast, these two groups faced similar rates of unemployment, temporary employment, and involuntary part-time employment.⁷

Skill mismatch

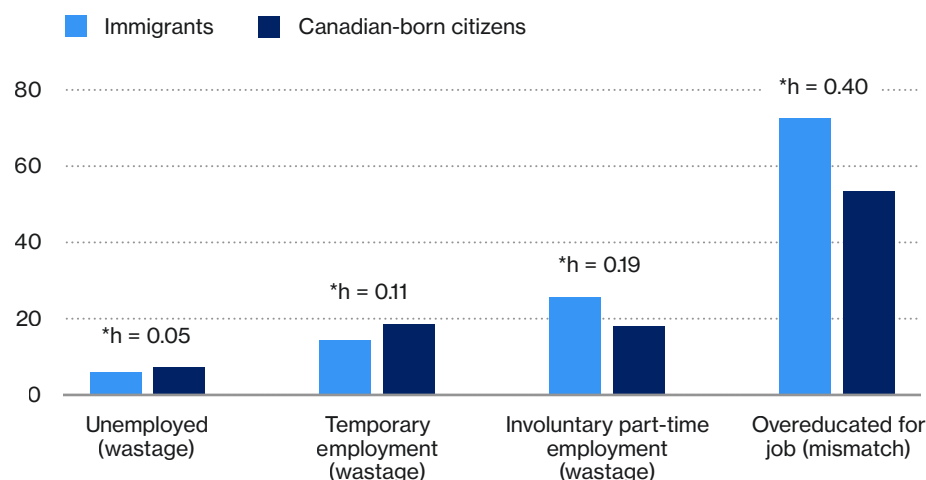
Overeducation is widespread in the hospitality sector

In 2024, overeducation was widespread in the hospitality sector, affecting the majority of workers across nearly all education levels. (See Chart 2.)

Comparing immigrants to Canadian-born citizens, the only statistically significant difference appeared among those with a post-secondary education below the bachelor's level – Canadian-born citizens were 1.3 times more likely to face overeducation than immigrants. (See Chart 2.) Above the bachelor's level, immigrants were 1.5 times more likely to face overeducation 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 1

In 2024, overeducation was the biggest skill utilization challenge for immigrants in hospitality (percentage underutilized)

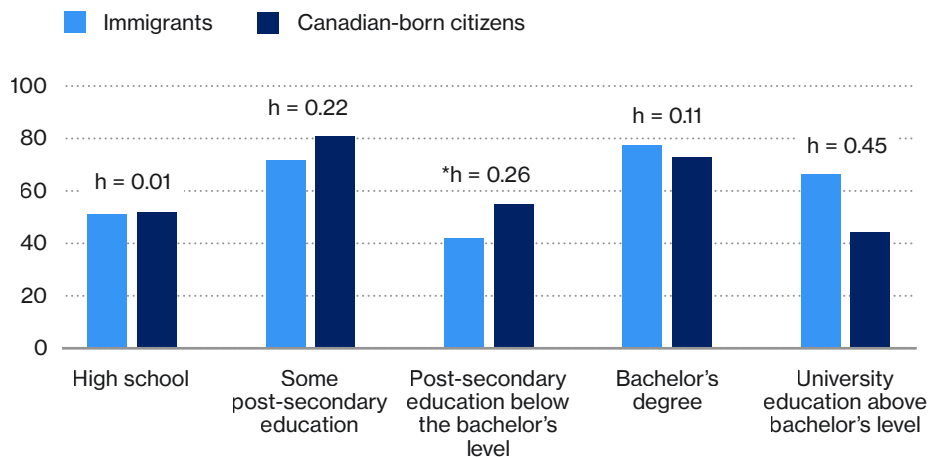


Note: Cohen's *h* is an effect size metric that measures the magnitude of the difference between two proportions. Values below 0.20 represent trivial differences. Values between 0.20 and 0.49 represent small differences. All differences were statistically significant (*). See our methodology for more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

⁷ These differences between immigrants and Canadian-born citizens were statistically significant but varied in size. There was a small difference in overeducation ($h = 0.40$) and trivial differences in unemployment ($h = 0.05$), temporary employment ($h = 0.11$), and involuntary part-time employment ($h = 0.19$). See Appendix A for our methodology.

Chart 2

In 2024, Canadian-born citizens with a post-secondary education below the bachelor's level were more likely to face overeducation than their immigrant counterparts (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. Statistically significant differences are marked with an asterisk (*). See our methodology for more details.
Sources: Statistics Canada; Signal49 Research.

Skill wastage

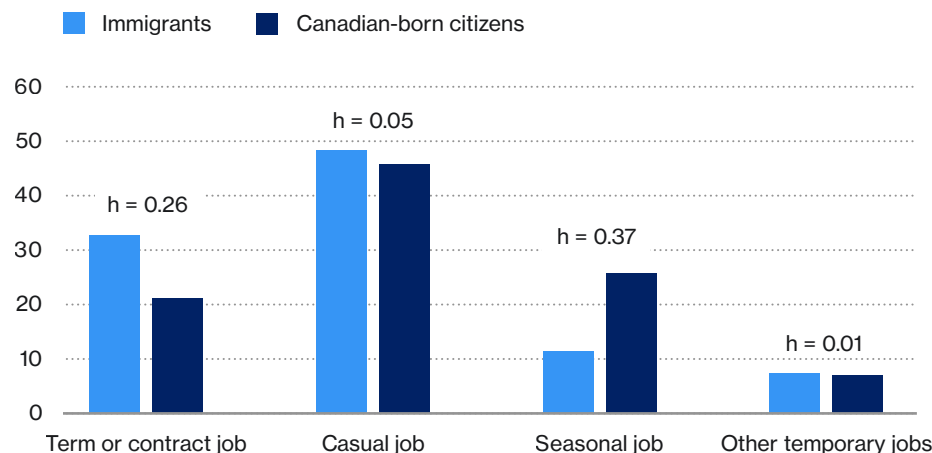
Casual jobs dominate temporary employment types

In 2024, immigrants and Canadian-born citizens experienced similar rates of temporary employment in the hospitality sector. (See Chart 1.) When we broke this down by job type, we found that casual jobs were the most common form of temporary employment for both groups. (See Chart 3.)

There were no statistically significant differences between immigrants and Canadian-born citizens in any of the temporary employment groups (See Chart 3). The two groups diverged in term and contract jobs and in seasonal jobs. Immigrants were 1.6 times more likely to hold term and contract positions, whereas Canadian-born citizens were 2.2 times more likely to work in seasonal jobs. These small differences may have reached statistical significance with a larger sample size (see our methodology in Appendix A for more details).

Chart 3

Casual jobs were the most common temporary positions immigrants and Canadian-born citizens held in hospitality in 2024 (percentage employed in a temporary job)



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.

Addressing barriers to immigrant skill utilization

Barriers to immigrant skill utilization

Through interviews with hospitality employers and employment and settlement service providers, we heard about a range of barriers to immigrant skill utilization in the hospitality sector. From these, three key barriers emerged:

- The misalignment of labour gaps and skill needs with immigrant selection criteria and pathways to permanent residency.
- The interplay between workers' underemployment and workforce retention.
- Acute skill gaps in language proficiency and communication overshadowing immigrant workers' technical competencies.

Hospitality labour gaps clash with Canada's immigration selection policy

International students have been the primary source of foreign labour in the hospitality industry since 2015.⁸ Study permit caps – introduced for the first time in January 2024,⁹ with further caps planned by 2028¹⁰ – have already impacted the labour supply within the industry. Adding to this supply issue, the federal government eliminated post-graduation work permit (PGWP) eligibility for students in college programs involving public-private partnerships, effective May 2024.¹¹ This change has affected many hospitality programs.¹² A tourism education and employment specialist in Manitoba told us that institutions have already been scaling back these programs in response.

“Some of [the hospitality schools], since last year's [2024] changes, don't have enough students to run their programs. So, we won't be hiring from those schools this year because they're not operating those programs. And so that is less students for us to hire, less postgraduates.”

Accommodations employer, British Columbia

8 Zhong and others, *Temporary foreign workers with lower-skill occupations in the accommodation and food services industry*.

9 Immigration, Refugees and Citizenship Canada, “Canada to stabilize growth and decrease number of new international student permits issued to approximately 360,000 for 2024.”

10 Immigration, Refugees and Citizenship Canada, “Supplementary Information for the 2026-2028 Immigration Levels Plan.”

11 Immigration, Refugees and Citizenship Canada, “Update on public-private college partnership programs for international students.”

12 ICEF Monitor, “Canadian immigration ministry releases list of college programmes eligible for post-study work permits”; Hurley, “Canada's international student cap has devastated these college programs.”

Canada's Training, Education, Experience and Responsibilities (TEER) categories

Canada's immigration system uses the National Occupational Classification (NOC) system to categorize jobs based on the training, education, experience and responsibilities (TEER) they require.¹³ There are six TEER categories. The lower the number, the more complex the job and its requirements—managers, for instance, are assigned TEER 0, and positions that require university degrees are represented in TEER 1.¹⁴ TEER 5 positions require no formal education and TEER 4 occupations require a high school diploma and some on-the-job training.¹⁵

13 Statistics Canada, "Introduction to the National Occupational Classification (NOC) 2021 Version 1.0."

14 Statistics Canada, "Introduction to the National Occupational Classification (NOC) 2021 Version 1.0."

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

According to Statistics Canada, the hospitality sector had the most businesses (28 per cent) expecting labour shortages in the fourth quarter of 2024.¹⁶ Shortages are concentrated in TEER 3-5 positions, which represent essential staff for hospitality businesses, such as cooks, food counter attendants, kitchen helpers, housekeeping staff, and front desk clerks.¹⁷ Canada's points classification system for Express Entry isn't set up to address these shortages because fewer points are awarded for lower levels of education (see the text box on Canada's TEER categories for more details).¹⁸

16 Convery and others, *Analysis of labour challenges in Canada, fourth quarter of 2024*.

17 Duhatschek, "From fast food to construction, employers turn more and more to temporary foreign workers"; Hirschhorn and Ibrahim, *International Workers and Immigration in Tourism*.

18 Immigration, Refugees and Citizenship Canada, "Comprehensive Ranking System (CRS) criteria."

The hospitality employers we spoke to were concerned that international student caps will deepen these labour shortages, a sentiment shared by the broader travel and tourism industry.¹⁹

"Hospitality positions ... are not ranked very high in the NOC system, other than cooks and supervisors and managers. But your front desk agents, your room attendants, they're all TEER 4 and 5 positions.... We have excellent candidates who ... used to be able to go into a permanent residency stream. [Now] they're 20 or 30 points shy from those invitations. The BC Provincial [Nominee] Program has essentially, well, been cut in half.... [the available spots] are not for those TEER 4 and 5 [workers]. And, so, individuals that used to have a really good prospect after a two-year work permit to be able to stay on and potentially be engaged in PR by that point—that's no longer the case."
Accommodations employer, British Columbia

This sentiment is supported by a 2024 Statistics Canada study, which found that temporary foreign workers in lower-skill hospitality occupations are less likely to transition to permanent residency than those in higher-skill hospitality occupations.²⁰

19 Tourism HR Canada, "International Talent in Canadian Tourism"; Hurley, "Canada's international student cap has devastated these college programs."

20 Zhong and others, *Temporary foreign workers with lower-skill occupations in the accommodation and food services industry*.

Diverging views on skills utilization and career pathways

Many newcomers arrive with advanced degrees and professional experience yet find themselves working in lower-level roles that don't reflect their qualifications.²¹ Interviewees across sectors repeatedly cited examples of high-skilled immigrants working the counter at food chains or as taxi and ride-share drivers – positions that require far less training than they hold.

“I see many immigrants coming with degrees in hospitality management, and it's sad to see that they are hired by [hospitality employers] as ... regular workers.... If you come with a degree in hospitality management and then the employer puts you working as a cashier, that's kind of frustrating for them.”

Employment facilitator, Manitoba

Employers we interviewed offered a different perspective. Some see hospitality as a valuable stepping stone – a sector that can help newcomers build Canadian work experience and enhance their skills.

“I struggle with people saying hospitality is ... underutilizing people's talents and skills. And I would say that's kind of unfair in the sense [that], really, we are enhancing their skills and talents in a way and then helping to bring it out to the forefront, and then for them to go in other opportunities. And we say we'd be happy if we could partner with the right resources to put people on a journey for a couple of years and help them build into their career.”

Accommodations employer, Nova Scotia

Others emphasized that understanding employees' transferable skills helps retain talent. A food services employer in British Columbia cited an example of hiring a cook and then realizing their strengths lie more with accounting: “You just open communication ... [and] move them to the department that they're strong at. It's just about utilization, and at the end of the day, it's all communication.”

Technical skills overlooked due to low official language proficiency

The Hospitality Workers Training Centre reported that, from 2018 to 2021, communication skills and English proficiency were employers' most sought-after soft skills in hospitality workers.²²

21 Mahboubi and Zhang, “Empty Seats.”

22 Boudreau and others, *Soft Skills in Ontario's Post-Pandemic Hospitality and Food Services Sector*.

Indeed, participants mentioned that low official language proficiency was a common employment barrier. Even immigrants with relevant technical skills are often placed in entry-level positions due to language concerns:

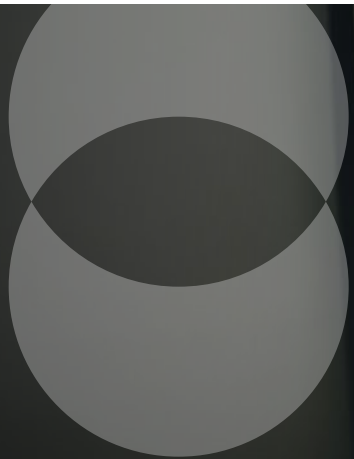
“Maybe they have a master’s degree from wherever and they have all of this hands-on experience, but [if] their language level is low, we would still start them at an entry-level position to grow their language skills until it was a complete match.”

Accommodations employer, Alberta

Not all hospitality roles require the same level of language proficiency. Customer-facing positions require strong communication skills to interact effectively with guests, while back-of-house roles—such as those involving food preparation or cleaning—require a clear understanding of health and safety protocols. Still, many back-of-house positions rely more heavily on technical competency than language fluency.

The challenge is that employers sometimes struggle to assess technical skills separately from language proficiency. An accommodations employer in Nova Scotia explained that language proficiency is often the first thing employers use to assess a candidate’s skills. But this employer questioned that approach: How can you use language proficiency to evaluate knowledge and skills?

Some employers are bolstering their assessment approaches by incorporating practical skill demonstrations into their hiring processes, particularly for technical positions. This allows them to evaluate competencies like cooking techniques, food handling, and attention to detail through hands-on assessments rather than verbal communication. An employment specialist in Ontario told us about a local hotel that translated their computer-based onboarding programs into different languages, enabling workers with low official language proficiency to transition more smoothly into their roles.



Actionable insights

Policy-makers and employers seeking to leverage immigrant skills in the hospitality sector can consider the following recommendations.

Hospitality employers, sector associations, service providers, and government

Develop joint workforce plans to address regional labour market needs.

Addressing labour shortages requires input from multiple stakeholders. Hospitality employers and industry associations have real-time insights into staffing and skill needs. Service providers understand the immigrant experience and can help bridge gaps in employment support. Federal and provincial governments can direct budgets and set program priorities based on acute regional needs.

Provincial governments, for example, can design Provincial Nominee Program streams to respond to emerging shortages. The Alberta Advantage Immigration Program already does this through its Tourism and Hospitality Stream, which targets in-demand skills and occupations (including TEER 4 and 5 positions).²³ Employers, sector associations, and service providers can strengthen such efforts by mapping hospitality career trajectories and identifying related skill development needs.²⁴

Hospitality employers and service providers

Leverage transferable skills and language diversity in the hospitality workforce by providing tailored training and career opportunities.

Hospitality employers can tap into immigrant workers' diverse skill sets by providing their employees with opportunities to discuss career planning, upward mobility, and language proficiencies. Starting at the onboarding stage, training employees in inclusive ways—such as providing hands-on skill demonstrations and safety procedures as well as multilingual training materials—allows talent to develop competencies and more-refined skills early on. This approach enables hospitality employers to make fuller use of their immigrant workforce, improve service delivery, and reduce high turnover caused by underemployment.

²³ Government of Alberta, "Tourism and Hospitality Stream – Eligibility."

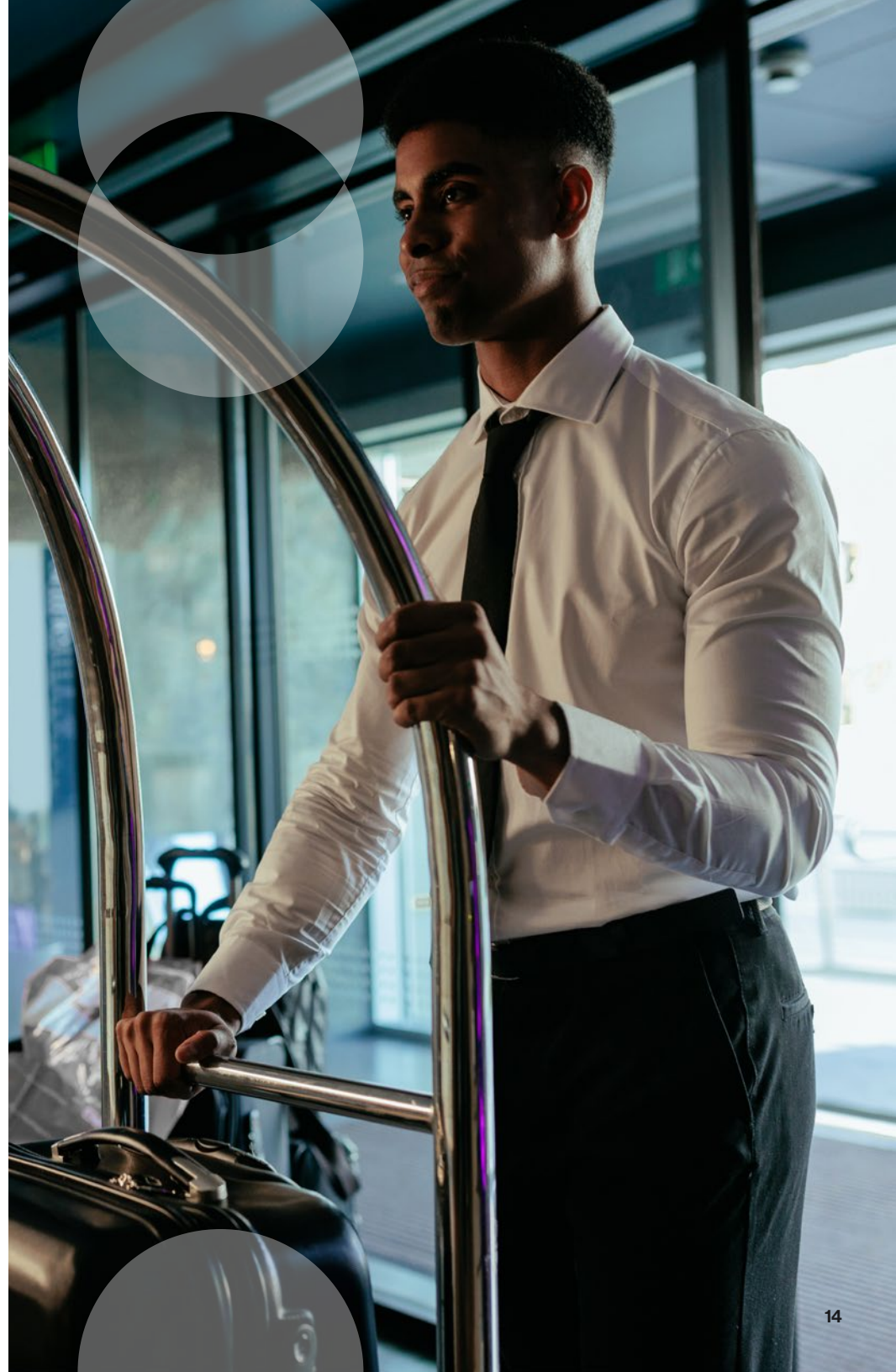
²⁴ Boudreau and others, *Soft Skills in Ontario's Post-Pandemic Hospitality and Food Services Sector*.

Prepare for the impact of immigration policy changes by strengthening recruitment and workforce integration for domestic workers and newcomers already in the country.

As immigration levels decrease, hospitality employers will have to rely less on temporary foreign workers and international students. To shift to more-sustainable labour pools, employers can attract domestic workers and immigrants already living in Canada by offering more-flexible schedules, higher wages, or housing support.²⁵ Building employee referral programs and connecting with settlement service providers can also help match prospective candidates to suitable jobs.²⁶

²⁵ Hotel Association of Canada, *Hotel Workforce Shortages. Workforce Shortages Cap the Industry's Growth Potential*; Charles, "Navigating immigration changes."

²⁶ Hirschhorn and Ibrahim, *International Workers and Immigration in Tourism*.



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 the 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.

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.

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

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

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 period. 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, "Guide to the Labour Force Survey."

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 percent 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, 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.

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

⁹ Lee, "Alternatives to P value."

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.

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 temporary or permanent residents. 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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