![WES World Education Services logo]

BEYOND ACADEMIC CREDENTIALS

Toward Competency-Informed Hiring

IMMIGRATION AND THE FUTURE OF WORK

In a globalized and rapidly transforming economy, it is imperative that Canada remains attuned to a labour market that is increasingly shaped by technological advances, aging populations, evolving geopolitical trends, and global migration. Many studies predict that in the coming decade, automation will affect up to half of all Canadian jobs, necessitating, as one such study notes, a "significant overhaul of the skills required" in the labour market, and a deeper understanding of how to assess and measure these skills (RBC, 2018).

Already, employers and economists are reporting skills gaps that threaten national economic growth and competitiveness. In late 2018, for example, Business Development Bank of Canada (BDC) reported that almost 39 percent of small and medium-sized businesses faced a new norm of worker shortages that would likely persist for at least a decade (Cocolakis-Warmstaff, 2018).

The Canadian government recognizes that human capital, specifically through immigration, has been and will continue to be crucial to maintaining Canada's growth and economic prosperity. To meet the country's need for human capital, the government's 2019 to 2021 Immigration Levels Plan will admit approximately one million immigrants over the three-year period; the 2021 target of 350,000 equals nearly 1 percent of the Canadian population. Immigration has accounted for 71 percent of Canada's population growth and as much as 90 percent of its labour force growth in recent years. By 2034, immigration is expected to account for 100 percent of population growth (El-Assal & Fields, 2018).

Across Canada, immigrants are expected to play a crucial role in filling the jobs of the future. For example, British Columbia's most recent Labour Market Outlook report predicts that 27 percent of job openings up to the year 2028 will be filled through immigration (Ministry of Advanced Education, Skills & Training, 2018). Increasing the labour supply through highly skilled immigrants has also been cited as a leading factor in restraining wage premiums, which can exacerbate skills shortages and regional disparity in rapidly digitized economies (Caranci et al, 2019).

> "It's not skills at the exclusion of degrees. It's just expanding our perspective to go beyond degrees."
>
> – Jeff Weiner, LinkedIn CEO

In recent years, immigration has accounted for as much as **90 percent** of labour force growth.
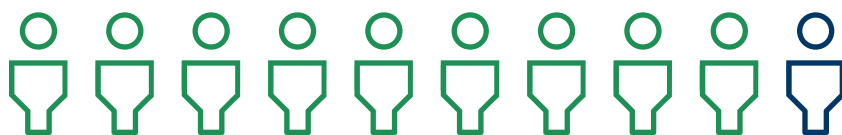
A GROWING DISCONNECT

Despite the demonstrated need for intentionality around the inclusion of immigrants in the labour market, there remains a disconnect between immigrants' skills and employer recognition of those skills. This situation persists despite policies in effect that explicitly aim at attracting work-ready immigrants and that support the extensive pre-screening of applicants for skills that employers need most. For example, immigrants represent 40 percent of the employed information and communications technology (ICT) workforce in Canada, yet the unemployment rate among immigrant ICT professionals has increased despite an exponential rise in demand for digital talent (Information and Communications Technology Council, 2019).

In the past year, World Education Services (WES) began to engage in conversations with representatives from employers, academic institutions, service providers, and industry about the potential of competency-informed assessment to address both the underemployment of skilled immigrants and the nation's skills gap. WES has a unique perspective in this ongoing conversation. As the leading provider of academic credential evaluation services in Canada and the United States, WES evaluates hundreds of thousands of academic credentials held by immigrants and international students. WES also works to eliminate barriers to immigrants' academic and economic integration. In doing so, WES engages regulatory bodies, colleges and universities, provincial and federal governments, employment associations, and others to help ensure the recognition of credential evaluations and to deepen these stakeholders' understanding of the value of immigrant contributions to the labour market.

The impact of attestation of academic credentials earned abroad on individual immigrant job seekers is clear, but there are limitations to relying on academic credentials alone. Employers seeking to recruit and hire talent in a globalized and rapidly transforming economy need more than just the ability to understand a candidate's education. They also need to be able to assess and recognize the full range of an applicant's professional competencies, particularly as workplaces are shaped and reshaped by new technologies.

WES conducted a study on the factors associated with labour market success among highly skilled immigrants in Canada. The study was based on data collected in 2018 from a sample of 6,402 individuals who applied for an Educational Credential Assessment (ECA) between 2013 and 2015, and who were subsequently admitted to Canada as permanent residents. While we saw many promising employment outcomes at the broadest level, we also observed some troubling trends. For instance, employment rates declined as the number of years of international work experience increased; and those who reported working previously in a profession that is regulated in Canada were significantly less likely to be working in commensurate employment (work that leverages prior skills, education, and experience).

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We also found that:

- Less than half (47.2 percent) of respondents were working in the same sector as they were pre-migration

- A high proportion (31.8 percent) of survey respondents were overqualified for their jobs

As the forces of the Fourth Industrial Revolution impact the global workforce, there is a critical need for WES and other stakeholders to identify sustainable and scalable responses to shifting challenges.

COMPONENTS OF A COMPETENCY-INFORMED APPROACH TO SKILLS RECOGNITION

While there are many possible remedies to the challenges described above, this paper focuses on the potential of competency assessment to support the long-term growth of the labour market by facilitating the appropriate employment of skilled immigrants.

Underpinning this solution is the need for uniform, widely accepted frameworks for assessing competence (as called for by the Labour Market Information Council concept note released in August 2019). There is also a need to determine which competency assessment practices most effectively identify the unrecognized skills and competencies of immigrant job applicants.

WES believes that we and other stakeholders invested in the stability of the Canadian economy must begin to address this deficit. By defining and gathering evidence about which competency assessment practices are most effective, especially in the context of immigrant professionals, we can empower employers to hire the skilled workers who will ensure that businesses—and the economy of Canada—remain competitive.

DEFINING COMPETENCY

A competency-informed approach involves looking holistically at an individual's ability to apply knowledge and skills with appropriate judgment in a defined setting. This approach can include an assessment of the cognitive, social, and interpersonal skills required to fulfill certain tasks and work functions. Competencies must be functionally observable behaviours that can be evaluated and qualified.

A competency does not exist independently; it is articulated by content experts for a specific purpose and inhabits an interrelated network

Competencies describe the ability to apply knowledge and skills with appropriate judgment in a defined work setting. Competencies can be gained through formal, non-formal, and experiential learning.

of knowledge, skills, and attributes. When properly articulated into a framework, competencies can be applied as learning outcomes to screen potential candidates, as performance management standards, or as benchmarks against which assessors can evaluate candidates for certification or licensure. These frameworks can exist at the organizational, governmental, regional, or international level.

While competency frameworks can define the standards required for different roles and contexts, competency assessments are a systematic evaluation of ability in reference to established standards. A true competency assessment has the potential to qualify formal, non-formal, and experiential learning that has taken place through an individual's years of work experience, job training, professional development, and personal enrichment activities. In addition to providing direct questions and an analysis of work experience, a competency-informed assessment may include an evaluation of academic credentials as well as simulations, interviews, or work placement supervision.

Academic credential assessments provide expert, non-binding opinions on credentials issued outside the host country and offer an equivalency for the local market. Building on this foundation of assessment, a competency-informed approach can maximize the identification of the knowledge, skills, and attributes that are critical to employers; and provide a vehicle for their consideration in hiring practices.

Competency and Qualifications Frameworks are used to classify and recognize skills, knowledge, and competencies at different defined levels (for example, entry level to expert), with links to qualifications and associated occupations. They enable a common understanding of what is needed for an individual to perform competently at different levels in a specific job.

A NEW DIRECTION

The convergence of technological advances, aging populations, evolving geopolitical trends, and global migration will significantly impact the labour market. There are unique opportunities to be found during this time of change, including the development of a labour market that fully recognizes the value of immigrant inclusion. Ensuring that immigrants have access to pathways to employment, education, and training must be an essential piece of a long-term plan for Canadian growth and prosperity.

Moving into 2020, WES will undertake several key projects as part of our commitment to a more holistic, competency-informed assessment model of immigrants' knowledge, skills, and abilities. We recognize that numerous initiatives are already under way which support this approach and look forward to contributing to the work of our colleagues through the following:

- The landscaping of competency assessment practices and tools on a global scale

- The convening of a roundtable on competency-informed assessment with representation from industry, academia, government, and service-provision

- The implementation of small-scale exploratory projects to identify promising programs and competency assessment tools and how they can add capacity to the immigrant-serving sector while improving the employment outcomes of skilled immigrants

- The testing of tools to enable employers to recognize the qualifications of immigrants who can present verification of both academic credentials and competencies

The responsibility of integrating immigrants into the labour market at a level commensurate with their skills and education is set out in policy and in legislation, as well as in international agreements such as the Lisbon Recognition Convention. Improving how we recognize the competencies that immigrants and refugees bring to Canada is not only an economic necessity, it is a humanitarian obligation. Recognizing multiple forms of critical learning will ensure that job seekers have access to appropriate employment, and that employers have access to a skilled, engaged, productive, and sustainable workforce.

> Improving how we recognize the competencies that immigrants and refugees bring to Canada is not only an economic necessity, it is a **humanitarian obligation**.

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ADDITIONAL RESOURCES

Brookfield Institute for Innovation + Innovation. **The Talented Mr. Robot: The Impact of Automation on Canada's Workforce** (June 2016)

C.D. Howe Institute. **Future Shock? The Impact of Automation on Canada's Labour Market** (March 2017)

Organisation for Economic Co-operation and Development (OECD). **Future of Work and Skills** (February 2017)

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