

Why Do Skilled Immigrants Struggle in the Labour Market? A Field Experiment with Six Thousand Résumés

Philip Oreopoulos, Metropolic British Columbia, Working Paper Series, No. 9 (3), May 2009

In 2008 the author conducted a study using thousands of resumes sent in response to job postings across multiple occupations in the GTA. The resumes were constructed to represent immigrants coming under the point system from the three major source countries (China, India, and Pakistan) as well as Britain and non-immigrants. Names, institutions from which applicants received their education, job experience, and language ability were randomized. The study makes three key conclusions demonstrating employer discrimination of ethnic Canadians and immigrants.

Key Findings

- unemployment rates of immigrants are twice as high compared to similarly aged non-immigrants in Canada and median wages of recent immigrants are 35% lower
- these statistics contradict Canada's immigration policy which seeks to attract immigrants with higher education, experience, and industry demand to offset an anticipated skilled labour force shortage and encourage economic growth
- it is possible that employers do not value foreign education as highly as Canadian education while the point system treats degrees from any institution the same
- cultural and language differences may also contribute the gap between immigrants and Canadian-born as country of origin has moved from European countries to Asia
- the call back rate from employers for applicants with English-sounding names, Canadian experience, and Canadian education was the highest in the study
- changing only the name to one of Chinese, Indian, or Pakistani origins reduced the percentage of call back
- there was no difference in call back rate between those with Canadian-sounding names which list foreign education or Canadian education
- the call back rate for resumes listing foreign job experience was lower than those with Canadian job experience
- there was no difference in call back rates for resumes listing various extracurricular activities or between resumes listing or not listing fluency in multiple languages
- resumes with master's degrees did not generate higher call back rates
- based on the above results, the author suggests experience and even name plays a large role in employer determination of contacting an applicant for an interview
- call back rates for resumes listing required additional certification were significantly higher than those that did not list the required additional certification
- where an additional certificate is preferred but not required, the call back rate for those resumes listing the certification was significantly higher

Three Conclusions Demonstrating Employer Discrimination of Ethnic Canadians and Immigrants

- 1- Canadian-born applicants with English-sounding names are much more likely to receive a call back for an interview compared to foreign-born applicants, even among those with foreign degrees from highly ranked schools or with the same job experience but acquired outside Canada

- 16% of resumes with English-sounding names, Canadian education and experience received a call back compared to 5% of resumes with foreign-sounding names and foreign experience and education
- 2- employers value Canadian experience far more than Canadian education when deciding to interview applicants with foreign backgrounds
 - having a degree from a more prestigious foreign institution or acquiring additional schooling in Canada does not appear to significantly increase the chances of a call back
 - the prestige of Canadian institutions also does not appear to have a significant impact on the chances of a call back
 - having required additional certification greatly increases the rate of call back but more so for non-immigrant resumes with English-sounding names than immigrant resumes with foreign-sounding names
- 3- employers discriminate substantially by the name on the resume – employer contact falls 40% when switching from a Canadian resume with a common English name to one with a common Indian, Chinese, or Pakistani name

Key Stats:

*Education of immigrants, Statistics Canada 2008: “The overall percentage of recent immigrants with an undergraduate degree is about 60 percent, compared to 20 percent for Canadian-born of similar age” (p. 7).

*Foreign versus Canadian experience: “Applicants with English-sounding names who also had Canadian education and experience received callbacks 40 percent more often than did applicants with Chinese, Indian, or Pakistani names who had similar Canadian education and experience. Conditional on listing four to six years of Canadian experience, being foreign-educated (whether at a highly ranked school or not) did not affect callback rates substantially. But changing only the location of the applicant’s job experience, from Canadian to foreign, lowered the callback rate further from about 10 percent to 5 percent” (p. 11).

*Discrimination based on name: “Overall, résumés with English-sounding names are 40 percent more likely to receive callbacks than résumés with Indian, Chinese, or Pakistani names” (p. 23).

*Discrimination based on name: “The study finds that 16 percent of résumés sent with English-sounding names, Canadian education and experience received a callback from an employer, compared to only 5 percent for résumés with foreign-sounding names from China, India, or Pakistan, and foreign experience and education” (p. 38).

*Previous work experience: “Among résumés with foreign names and foreign education, the callback rate climbs from 5 percent to 8 percent by listing just one previous job with a company located *inside* Canada rather than outside. Listing all job experience with companies located inside Canada leads the callback rate to increase further to 11 percent” (p. 38).