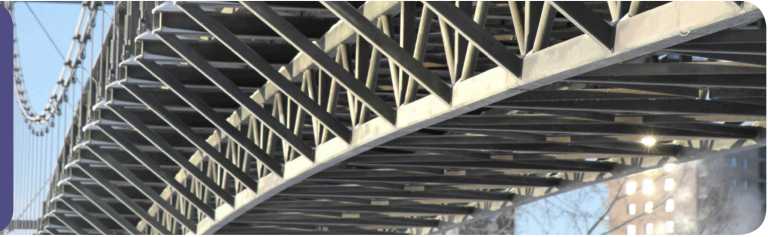


Global Talent for SMEs: Building Bridges and Making Connections



Small and medium enterprises (SMEs) are the engines of the Canadian economy. Collectively they generate 54% of Canada's gross domestic product (GDP) and employ 64% of private sector workers. However, SMEs face challenges finding the right talent to sustain and grow their businesses. Unlike larger businesses, SMEs might not be engaged in long-term human resource planning or strategic recruitment. They might not be aware of the business case for hiring skilled immigrants, and therefore might not be looking to this group to find the talent they need.

Each year, Canada receives 250,000 newcomers, most with high levels of education and international work experience, and many who are underutilized in the Canadian labour market. In small businesses, these skilled immigrants can boost innovation by contributing new ideas, perspectives and approaches, speaking languages in addition to English or French, providing insight into diverse domestic markets and by helping SMEs do business in the global marketplace.

This summary highlights findings of a year-long study of promising, new or innovative initiatives that can help connect SMEs with the skilled immigrant labour pool. They draw on input from nearly 300 SMEs in focus groups in five Canadian cities, individual interviews, and an online survey conducted by the Conference Board of Canada. Some earlier findings resulting from a review of policies and programs aimed at SMEs, and interviews with more than 50 stakeholders Canada-wide, are summarized in an interim report published in October 2011.

To read the full report, visit www.alliescanada.ca/sme.

Key Findings

The findings suggest that existing efforts targeted at large employers (such as online resources and service coordination) can be further targeted to meet the needs of SMEs. In particular, this study found:

- SMEs face challenges finding skilled employees—especially for those positions that require highly specialized skills or are temporary. Some SMEs are turning to social media to recruit skilled workers.
- SME must compete for skilled talent. Many SMEs cannot provide the same levels of compensation and benefits as larger organizations.
- SMEs are reluctant to train new employees. Many cannot afford the time needed to train a new worker. Others fear that their investment will be lost if the individual moves to a competitor.
- SMEs are too busy to attend HR training events, workshops or seminars. However, they are more likely to attend networking, professional training or business development events.
- SMEs trust business information and advice that they get from their peers and professional service providers such as accountants.
- SMEs perceive government programs as rigid and not flexible enough to meet their needs. They are wary of the costs involved in labour force programs—including the cost of applying and reporting.
- SMEs might be less familiar than larger companies with the business case for hiring a skilled immigrants, as well as the demographic trends affecting their business.

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Recommendations

The following principles should guide the design of government, non-profit or other initiatives that seek to engage SMEs:

1. Make SMEs the focus of employment programs and policies. These initiatives must meet the needs of SMEs in addition to the needs of skilled immigrant job seekers.
2. Ensure that initiatives are designed to support employers pre- and post- hire. Support should cover the first six months of employment.
3. Design programs to include hiring for temporary/ contract or seasonal positions.
4. Make application procedures simple, straightforward and fast. Schedule administrative procedures to align with existing business procedures, if possible.
5. Dedicate staff and resources to engage SMEs. Focus efforts on those organizations that have between 50-500 employees because these organizations are more likely to have staff turnover. Ensure that staff have the industry knowledge and training to learn about each SME and gain their trust.

In addition, while politically controversial in some jurisdictions, governments should consider providing financial supports to SMEs:

6. Provide financial support, especially for smaller organizations with 1-49 employees, for hiring an immigrant for their first job in Canada commensurate with their education and experience.
7. Consider cash flow in addition to the amount of funds provided.
8. Recognize, support or reward SMEs for providing training and orientation to new employees.

Promising Practices

Based on the feedback received from SMEs in this stage, five promising interventions are highlighted in the report:

1. Single point of access to recruiting and hiring supports
2. Online database of screened immigrant candidates
3. Financial incentives:
 - a. Wage and orientation subsidy
 - b. Employment Insurance (EI) tax holiday
4. Information and education delivered by accountants serving SMEs
5. Partnership with services and institutions that SMEs use

The SMEs who participated in our research are willing to hire a skilled immigrant, but do not know where to find qualified immigrant candidates or how to access the programs and services that facilitate this employment. Therefore, both program delivery and financial incentives should be supported by a national and local communications strategy:

9. Deliver or market programs through individuals and organizations that SMEs trust – such as accountants, industry and professional associations, and peers.
10. Work with services or resources that SMEs already use - such as HRDownloads.com - to deliver information or market programs.
11. Implement a public awareness and media campaign with national and local mainstream media.

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Prosperity for Canada

The potential impact of engaging SMEs in immigrant employment strategies can have significant positive outcomes for local labour markets across different sectors and regions. In the private sector alone, SMEs employ 6.7 million Canadians. Many SMEs are already facing skill and labour shortages. Effective programs to connect SMEs with the highly educated, skilled and experienced immigrant labour pool will have an enormous impact on SMEs, skilled immigrants, and on the Canadian economy.

In order to maximize this impact, governments and other funders must dedicate resources to these promising programs and policies. Ongoing evaluation of pilot programs will ensure the continuous improvement of programs and the development of innovative and responsive programs and policies.

ALLIES supports local efforts in Canadian cities to successfully adapt and implement programs that further the suitable employment of skilled immigrants. Through a series of multi-stakeholder initiatives, ALLIES and local partners contribute to building a stronger Canada by using the talents, connections and experience of skilled immigrants who have made Canada their new home. The project is jointly funded by Maytree and The J.W. McConnell Family Foundation.

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