

# Increasing Cultural Diversity in Canadian Nonprofits

## Report 1

*This report is the first in a three-part series about incorporating the skills of new immigrants and members of visible minorities into nonprofit organizations; it will address the context that makes this process important. The second report addresses challenges and best practices related to recruitment. The third and final report addresses the retention of new immigrants and members of visible minorities.*

The HR Council has taken on a project that focuses on the attitudes and experiences of nonprofit employers' relating to the recruitment and retention of new immigrants and members of visible minorities.

Tapping into the full range of talent in the Canadian workforce is essential for all sectors of the economy, including the nonprofit sector. For this reason, the HR Council has taken on a project that focuses on the attitudes and experiences of nonprofit employers' relating to the recruitment and retention of new immigrants and members of visible minorities. Best practices inside and outside the sector will be collected and supports for nonprofit organizations identified. Learn more about the project on our [website](#).

This project began by reviewing literature in this area and by asking sector representatives to provide input on the issue and share their best practices. This report reviews the information collected through this process, and in particular examining (a) the reasons for increasing cultural diversity of our sector; (b) barriers to recruiting new immigrants and members of visible minorities, and best practices for overcoming these barriers; (c) challenges in retaining and fully integrating new immigrants and members of visible minorities into nonprofit workplaces and best practices for addressing these challenges.

### Nonprofits have trouble recruiting – and we're not the only ones

Recruitment is a serious challenge for many nonprofits. In the HR Council's 2008 Labour Force Study, nearly half of employers who had undertaken recruitment activities in the year leading up to the survey said finding qualified candidates was "difficult" or "very difficult."

Retaining qualified staff also presents problems for many employers in the nonprofit sector, although the study suggests that recruitment is a more widespread and pressing problem. Recruitment and retention difficulties are by no means limited to this sector. Organizations in many sectors have difficulty attracting qualified employees. These difficulties are likely to get worse before they get better because they are driven by massive demographic change.

### Demographic pressures: Aging boomers and a sagging birth rate

There are two major demographic pressures affecting the Canadian labour force today. The first is the large number of baby boomers approaching retirement, and the second is the relative lack of young people available to replace these departing boomers.

---

1. Michael Adams. Stayin' Alive.

According to Statistics Canada, in 2006 one in six workers was between the ages of 55 and 64 – on the brink of traditional retirement age. Millions of Baby Boomers will leave the labour force in the years to come. Although some survey data suggests that Baby Boomers plan to work longer than previous generations<sup>1</sup> – or even eschew retirement altogether – ultimately, this huge cohort will leave the workforce. Human Resources and Skills Development Canada (HRSDC) anticipates that labour demand to 2015 will be driven more strongly by the need to replace retiring workers than by economic growth.

Young Canadian-born workers cannot answer this problem alone. Canada's birthrate has been below replacement levels for three decades. The gap between the number of people imminently retiring and the number of young people preparing to enter the labour force is substantial, and immigration at the moment is expected to fill this gap. Indeed, as of 2011, 100% of net labour force growth in Canada is expected to come from immigration.

### New immigrants and members of visible minorities are vital sources of talent – but underutilized

Canada has one of the strongest immigration programs in the world, with roughly a quarter-million newcomers arriving annually. About 60% of new immigrants now come from Asian countries, and increasing numbers are drawn from Central and South America, the Caribbean and Africa. After Asia, Europe is the second largest source of newcomers, with approximately 16% of newcomers arriving from European countries.

Having adopted the points system in 1967, which awards points for factors such as official language acquisition, education, and job skills, Canada has succeeded in attracting hundreds of thousands of skilled immigrants in recent decades. Recent immigrants tend to be more highly educated than Canadians at large; in 2006, 51% of new immigrants reported holding university degrees, as compared to 19% of the Canadian population.<sup>2</sup>

Not only does the new immigrant labour pool present a clear way for employers to continue to thrive despite demographic challenges within the Canadian-born population, but foreign-born workers bring with them a number of important assets. These assets may include possible links to new global contacts and opportunities, and the potential to enhance Canadian organizations' creativity with new ideas and perspectives.

Despite these benefits, there is considerable evidence to suggest that the Canadian economy is not making full use of the skills and talents of newcomers and members of visible minorities. For instance, among new immigrant men with university degrees, 21% hold jobs that require lower levels of education (such as taxi driver, cashier, truck driver, and so on); the rate among Canadian men with university degrees is half as high (10%).<sup>3</sup> New immigrants who are members of visible minorities find it more challenging to find full time work than those of European descent.<sup>4</sup>

Although it was once assumed that immigrants' labour market outcomes would improve over time as they settled and developed networks, disparities between the foreign-born and the Canadian-born persist – especially among members of visible minorities.

### Employers from all sectors have begun to invest in increasing workplace cultural diversity

Common explanations for the lagging employment outcomes of new immigrants and members of visible minorities include problems with foreign credential recognition; discrimination; subtle biases in the recruitment process; the importance of language proficiency in an information economy; and combinations of these and other issues. Given that longitudinal data suggest new immigrant and visible minority employment outcomes are not simply improving over time on their own, many organizations (including governments) have begun to invest in measures to overcome these barriers and connect new immigrants and members of visible minority

2. <http://www4.hrsdc.gc.ca/.3ndic.1t.4r@eng.jsp?iid=29>

3. <http://www.statcan.gc.ca/pub/75-001-x/2008112/article/10766-eng.htm>

4. Institute of Social Research, York University. 1997. As cited in the Globe and Mail, 3 March, A5.

groups with jobs commensurate with their skills and education. Both the recruitment and the retention of newcomers and members of visible minority groups can require resources. But the heavy investment of many private businesses in initiatives in this area suggests an assessment that failure to connect with this large and underutilized pool of talent may be more costly in the long run.

Some best practices in which businesses are currently investing include:

- Working with immigrant settlement agencies
- Attending job fairs and networking events specifically targeting newcomers and members of visible minority groups
- Developing a “bias-free interview guide”
- Offering mandatory diversity training
- Posting ads in a wider variety of places
- Providing bridging, internship, and mentoring programs

The Government of Canada has also established the Foreign Credential Referral Office, which helps employers assess the qualifications of foreign-educated professionals.

Where does the nonprofit sector stand on newcomer and visible minority hiring?

### Demographics

As of 2008, the nonprofit sector overall was lagging in its cultural diversity. The HR Council’s 2008 Labour Force Study found that 89% of nonprofit employees self-identified as “white or Caucasian;”

just 6% self-identified as members of visible minorities. Similarly, 88.9% of sector employees were born in Canada, while 8.6% were born outside Canada and 1.8% self-identified as landed immigrants. Some areas of the sector are more representative of the wider population – those who work in fields associated with migration and settlement are more diverse – but overall the sector does not mirror the Canadian population or the Canadian workforce.

### Attitudes

Despite the sector’s relative lack of diversity, there is evidence that some employers are engaged with issues relating to the recruitment and retention of immigrants and members of visible minority groups (See the second and third reports in this series). To gain insight into the sector’s thoughts on these issues, the HR Council posed some questions to its network of employers. Of the 347 voluntary respondents, the majority (about 6 in 10) said they thought hiring newcomers and members of visible minorities was important. Almost half (49%) said their organization had some kind of plan in place for accomplishing this goal. When asked to choose from a list of benefits that would likely flow from a more diverse workforce, respondents named enhanced innovation and creativity (73%), reduced staffing shortages (36%), and links to new global and domestic opportunities (22%) as probable outcomes. A substantial proportion of respondents offered an additional write-in response to this question, indicating that a more diverse labour force would help to make nonprofit organizations more reflective of the communities they serve.

5. <http://www.statcan.gc.ca/daily-quotidien/080402/dq080402a-eng.htm>

6. <http://www.statcan.gc.ca/daily-quotidien/071204/dq071204a-eng.htm>

## A NOTE ON DISCUSSING IMMIGRANTS AND MEMBERS OF VISIBLE MINORITIES TOGETHER

New immigrants and members of visible minorities are two distinct but overlapping groups. According to the 2006 census, members of visible minorities (defined by Statistics Canada as “persons, other than Aboriginal people, who are non-Caucasian in race or non-white in colour”) represented 16.2 %<sup>5</sup> of the Canadian population, while immigrants, people born outside Canada (excluding temporary foreign workers and work-or student-visa holders), represented 19.8 %<sup>6</sup> of the population. New immigrants are defined as anyone who immigrated to Canada in the last five years. This document discusses new immigrants and members of visible minorities in combination because the HR Council has found that both these groups are underutilized pools of talent in the sector. Although there are important distinctions between them, their labour market challenges are interlinked to a great extent.

# HR Council for the Nonprofit Sector

The HR Council for the Nonprofit Sector (HR Council) takes action on nonprofit labour force issues. As a **catalyst**, the HR Council sparks awareness and action on labour force issues. As a **convenor**, we bring together people, information and ideas in the spirit of collaborative action. As a **research instigator** we are building knowledge and improving our understanding of the nonprofit labour force.