

Increasing Cultural Diversity in Canadian Nonprofits

Report 3

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

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Demographic pressures on the nonprofit labour force are growing

With more than 1.2 million employees, or 7% of the total labour force, working in 69,000 organizations across the country, the nonprofit sector must prepare for impending shifts in the Canadian labour force. There are two major demographic pressures affecting the Canadian labour force today; both are very much at work in the nonprofit sector. The first is the large number of baby boomers approaching retirement. A survey conducted by the HR Council in 2008 found that that 39% of the nonprofit workforce is 45 or older.¹ The second pressure is the scarcity of young people available to replace these departing boomers.

Because of our aging population and the scarcity of young workers, tapping into the full range of talent in the Canadian workforce – especially the currently underutilized skills of new immigrants and members of visible minorities – is an urgent priority for all sectors of the economy, including the nonprofit sector.

Retention: Not a pressing concern?

The HR Council's 2008 Labour Force Study found that only about one in seven nonprofits found it difficult (11%) or very difficult (3.5%) to retain qualified paid staff. But this finding masks two important issues: the fact that many paid staff in the nonprofit sector are approaching retirement, and the fact that the nonprofit sector today is less diverse than the population at large. In other words, although most nonprofit employers may not have difficulty holding onto their current employees, these employees (many of them baby boomers) are approaching retirement age – and at present the sector is not well positioned to replace them with new sources of talent. This series of reports is part of a project through which the HR Council is beginning to identify how it can support nonprofit organizations in investing in and cultivating the skills necessary to build a strong, vibrant sector for the future.

The first steps toward integrating the skills of new immigrants and members of visible minorities into the nonprofit sector are connecting with and recruiting members of these groups. (For more on recruitment, see Report #2.) But there is evidence to suggest that after hiring has been carried out

1. HR Council. (2008) *Toward a Labour Force Strategy for Canada's Voluntary and Non-profit Sector, Report #2, Findings from Canada-wide Surveys of Employers and Employees*. Ottawa: HR Council for the Voluntary & Non-profit Sector.

successfully, turnover rates for new immigrants and members of visible minorities in the first year of employment are higher than turnover rates for workers from other groups. Focused attention and investment are necessary to ensure that new immigrants and members of visible minorities are fully integrated into nonprofit workplaces, so they can achieve their career goals and make the greatest possible contributions to the organizations that employ them. This document summarizes some research on challenges in the workplace integration of new immigrants and members of visible minorities, as well as best practices for overcoming these challenges.

Retention challenges: Observations from nonprofit employers

The HR Council posed questions on retention to its network of employers, and received 347 responses. About half (54%) of nonprofit organizations reported success in hiring and retaining new immigrants and members of visible minorities. Roughly one nonprofit employer in eight said that they had hired members of these groups but had had trouble retaining them (8%) or had hired them but had trouble with the increased resource requirements of maintaining the employment relationship (5%). Some employers qualified their responses to questions on these topics with descriptions of trouble with visas and permanent residency status.

Almost a fifth (17%) of organizations that had engaged in hiring and/or retaining new immigrants or members of visible minorities experienced no challenges at all. Of those who had faced challenges fully integrating new immigrants and members of visible minorities into their workplaces, a plurality of 38 percent expressed concern about the financial and HR investments necessary to address difficulties related to cultural diversity. An additional 36 percent cited as a challenge the time it takes to incorporate new immigrants and members of visible minorities into the workplace. (Based on verbatim replies, it seems that this time is dedicated in part to aligning employers' and employees' expectations about a range of issues, from job tasks to workplace etiquette.) Smaller proportions said they have had

difficulty getting support from their executive for diversity-related efforts (15%), and that the cost of verifying the credentials and experience of foreign-trained employees is burdensome (10%). (This latter issue was more often associated with recruitment as opposed to retention, but one in ten described it as a retention-related challenge.)

It is noteworthy that 24 percent of respondents chose the "other" category on this question. Verbatim responses helped to illuminate the range of these other concerns, which included challenges that rested mainly with employees (such as lack of language proficiency) as well as challenges that rested more with the employer (such as "unspoken biases").

The way forward: Best practices from within and beyond our sector

A number of best practices have emerged that demonstrably support the success of new immigrants and members of visible minorities in a range of workplaces. Underpinning these initiatives, all of which require investments of time and money, is the understanding that retaining new immigrant employees and members of visible minorities is not only a matter of fairness but also a practical imperative – that neglecting workplace diversity will ultimately prove more costly than investing in an inclusive workforce. Some of the best practices in which employers are investing today include:

Language and communication training. Language proficiency is a strong determinant of new immigrants' success in the workplace. Evidence from Statistics Canada suggests that language skills have a significant influence on new immigrants' earnings, and responses to the HR Council's questionnaire indicate that nonprofit employers believe language training is the single most important support they could have as they work to integrate new immigrants into their workforce. A study from Colleges Ontario found that the ideal communication training would go beyond language instruction to encompass a wide range of verbal and non-verbal communication skills, including eye contact, personal space, and approaches to time commitments.

Post-hiring mentorship and training – both for employees and their managers. The Conference Board of Canada recommends a process of training new immigrants (through mentorship and other models) as well as their immediate managers in order to align employers' and employees' expectations, lay the foundation for good communication, and maximize the likelihood of retention.

Supporting employees' professional development. Vital to the longevity of the employment relationship is employees' sense that they are achieving their career objectives during their tenure with their employer. The Conference Board of Canada recommends career management courses geared specifically to new immigrants, as well as added supports for staff members who manage new immigrant employees.

Promoting cultural sensitivity and awareness throughout the organization. Employers that succeed in retaining new immigrant employees and members of visible minority groups treat diversity not as a characteristic of a subset of their workforce, but as a fundamental part of the way their organization operates. Culturally sensitive HR practices—from anti-discrimination measures to organization-wide diversity training to pragmatic steps such as a shared calendar that notes a range of major cultural holidays—help to make inclusion and integration part of the working life of an organization.

It all costs money: Diversity-related challenges specific to the nonprofit sector

Although all organizations operate with finite resources, it is especially difficult for nonprofit organizations (especially small ones, which constitute the bulk of the sector) to find the means to invest in practices that will help to fully integrate new immigrant and visible minority talent into their workforces. Responses to the HR Council's questionnaire affirm that a lack of both time and money are likely contributing to the persistent gap between the diversity of the Canadian workforce at large, and the relative lack of diversity among nonprofit employees.

Although some governments have begun to offer support to both businesses and nonprofit organizations when it comes to the recruitment of new immigrants (through measures such as the Foreign Credentials Referral Office), nonprofits—as well as new immigrants and members of visible minorities—would likely also benefit from supports geared toward the ongoing retention of paid staff from these underutilized talent pools. Evidence from both within and outside the sector indicates that language and communication training, culturally sensitive training and mentoring practices, and overall cultural literacy promotion—for new employees and long-standing ones alike—are important areas for investment.

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

3. <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 %² of the Canadian population, while immigrants, people born outside Canada (excluding temporary foreign workers and work-or student-visa holders), represented 19.8 %³ 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.