

BMO IDEAS LAB WORKSHOP REPORT

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Employment Integration of International Students Post-Graduation

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The BMO Newcomer Workforce Integration Lab is a specialized research lab contributing to CERC Migration's focus on labour migration at Toronto Metropolitan University. The Lab will conduct research, synthesize data, and develop tools of evidence-based actionable recommendations for businesses to use in their practices of recruitment, hiring and onboarding so that they may better leverage the skills and talents of newcomers to Canada.

INTRODUCTION

International students are often viewed as an ideal future workforce for Canada's knowledge-based economy due to their Canadian education and training, proficiency in English and/or French, and familiarity with Canadian society. While those who graduate with a Canadian degree generally achieve better labor market outcomes than immigrants educated entirely overseas - experiencing higher earnings and improved job matches (Crossman & Hou, [2022](#)) - many still encounter significant challenges after graduation. Despite their qualifications, a considerable number of international graduates in the Post-Graduation Work Permit (PGWP) program work only part-time and/or in low-income positions ([ICMPD, 2019](#)). A [Statistics Canada](#) study by Choi, Hao, & Chan (2021) found that former international students earned 20% less than their domestic counterparts in the first year after graduation and 9% less after five years (Choi, Hao, & Chan, 2021). Additionally, even though international students possess characteristics typically associated

with higher earnings—such as post-secondary education and Canadian credentials—they still earn less than comparable domestic graduates six years post-graduation ([Frenette, Lu, & Chan, 2019](#)). These findings highlight an urgent need to understand the challenges faced by international graduates and develop targeted solutions and support mechanisms to enhance their labour market integration.

This report outlines the challenges international graduates face in securing and integrating into employment and presents solutions under two primary themes: Hiring Practices and Workplace Integration. The findings are based on insights from the BMO IDEAS LAB workshop held on December 6, 2024. The workshop brought together a community of practice that included over 40 leaders, practitioners, researchers from civil society, the private sector, and academia working on labour market integration. The discussions specifically focused on technology-related

challenges, including the use of AI tools in recruitment, and explored potential solutions. Relevant examples from the workshop discussions are included to provide context and support key points. In addition, potential research questions, good practices, and partnership ideas are outlined to guide future investigations and collaborative efforts aimed at addressing these challenges effectively.

THEME 1: HIRING PRACTICES

To explore hiring practices, workshop participants identified the top three challenges employers faced when hiring international students after graduation. They also provided one or two examples or scenarios illustrating instances where employers encountered these challenges. Additionally, participants discussed whether these challenges stemmed from employers, HR management teams, employees, AI tools and automation technologies, or other factors. For each selected challenge, participants also proposed practical solutions to address these barriers.

GENERAL CHALLENGES

1. Uncertainty About Immigration Regulations and Information Gap:

Employers often lack clarity about international students' visa statuses, work permit durations, and future stay in Canada. Constantly changing policies exacerbate this confusion, deterring employers from hiring.

- Example: An employer fired an international graduate because they mistakenly believed the graduate's expired work permit made continued employment illegal, despite the graduate having applied for PR, which granted them implied status, allowing them to work legally in Canada during the processing period.

2. Risk Aversion Among Employers:

Employers, especially in SMEs, hesitate to invest in international hires due to perceived risks, including costs associated with renewing work permits and short-term employment prospects.

3. Lack of Familiarity with International Credentials:

Many hiring managers struggle to assess the value of international experience and credentials, leading to biases toward Canadian qualifications. While World

Education Services (WES) offers assessments of foreign credentials, these evaluations are often ignored by employers.

- Example: A participant noted that hiring managers often struggle to understand foreign degrees and are more comfortable hiring graduates with Canadian credentials.

4. Networking Gaps:

International students often lack the social networks that give domestic students an edge in finding opportunities.

- Example: Community partners observed that international students with more Canadian friends and connections were more successful in job searches compared to their less social peers.

TECHNOLOGY AND AI-RELATED CHALLENGES

1. Bias in AI Tools:

AI-driven resume screeners may disadvantage international graduates by misinterpreting or undervaluing foreign credentials and experiences.

2. Complex Applicant Tracking Systems (ATS):

International students often face challenges navigating ATS tools used by large employers, which prioritize specific keywords and algorithmic matches.

- Example: A participant described the ATS experience as a "black hole," where many international students never receive responses to their applications due to mismatches in keyword optimization.

3. Over-Reliance on AI:

AI-generated resumes, while polished, may not always translate into strong interview performance or perceived communication proficiency.

- Example: Some hiring managers reported hesitating to hire candidates whose AI-enhanced resumes didn't align with their verbal communication skills during interviews.

4. Digital tool adoption and infrastructure disparities:

Digital tool adoption varies in communities. Participants cited lower rates of digital adoption in rural communities, SMEs that do not have full-service HR infrastructure or capacities, digital generational gaps of hiring managers.

5. AI Ethics and Data Privacy:

There are concerns that employers are not aware of or setting up adequate protection around user data privacy and using AI platforms ethically.

INNOVATIVE SOLUTIONS: GOOD PRACTICES IN HIRING PRACTICES

1. Work-Integrated Learning Programs:

Employers can offer co-op or internship opportunities, enabling early engagement with students and reducing risks in post-graduation hiring. However, currently most of these opportunities are not open for temporary residents including international graduates.

- Example: Rotational internships, such as those proposed for a year-long cycle across multiple departments, can help international graduates gain diverse experiences.

2. AI-Driven Skill Matching and Personalization:

AI tools can help match candidates with jobs based on transferable skills and experiences. Examples include TMU's AI-powered avatar for resume building, the Mogul AI tool that connects newcomers to career events, and Knockri, a Human Resources platform that has built in EDI filters to neutralise bias and promote skills' evaluation and matching with specific roles.

3. Incentives for Employers:

Wage subsidies and government-endorsed AI tools can alleviate employers' hesitations and promote equitable hiring practices.

4. Employer Training:

Upskilling HR staff with EDI and AI-powered programs can improve cultural competency, reduce biases, and foster a more inclusive hiring process.

THEME 2: WORKPLACE INTEGRATION

Workshop participants discussed the key challenges employers encountered when integrating international graduates into the workplace. They identified the top three issues and shared specific examples or scenarios to illustrate these difficulties. The discussion also explored whether these challenges were linked to EDI measures, cultural competency, AI tools and automation, workplace dynamics, team-building capacity, or other contributing factors. Based on the identified challenges, participants proposed practical solutions to address these barriers and improve workplace integration for international graduates.

GENERAL CHALLENGES

1. Cultural Adjustment:

International graduates struggle to adapt to Canadian workplace culture, including communication norms, workplace hierarchies, and team dynamics.

- Example: Graduates often don't know when or how to speak up during meetings, a challenge noted by employers observing hesitation from international employees.

2. Retention Issues:

Employers fear losing international hires due to their temporary immigration status, creating barriers to long-term integration.

- Example: Employers expressed concerns about investing in training for international graduates who may leave within a few years due to their temporary status.

3. Limited Mentorship Opportunities:

The lack of structured mentorship programs inhibits international graduates' professional growth and team integration.

- Example: The Black Talent Initiative highlighted pairing trainees with mentors to ease integration. Without such support, international graduates felt like they were undergoing an "exam" during independent tasks.

4. Regional Disparities:

Rural areas often lack the infrastructure and diversity necessary to retain international graduates, leading to high turnover.

- Example: A participant noted that being the only Black person in a rural workplace made them return to Toronto soon after moving.

INNOVATIVE SOLUTIONS: GOOD PRACTICES IN WORKPLACE INTEGRATION

1. Mentorship Programs:

Universities and employers can collaborate to establish mentorship platforms, like TMU alumni initiatives and Seneca's 1:1 resume and interview preparation services.

2. Enhanced Training Programs:

Tailored programs addressing workplace culture, team-building, and soft skills can help international graduates integrate effectively.

3. Community-Based Support Models:

Drawing from successful practices, such as private sponsorship for refugees, employers can foster inclusive environments by partnering with social services.

4. AI-Powered Networking Tools:

AI can facilitate mentorship by connecting team members and building relationships within diverse teams.

- Example: AI tools that integrate networking with skills tracking could mimic successful community-based mentorship seen in private sponsorship programs for refugees. Digital Enhancement of TRIEC Mentoring Partnership (TMP) is another example that bridges newcomers' skills with employer needs through mentorship and training.

POTENTIAL RESEARCH QUESTIONS

FOCUSING ON EMPLOYERS:

1. How can targeted training and resources improve employers' understanding of immigration regulations and policies to reduce uncertainty and support the hiring of international graduates?
2. What strategies can help employers, particularly SMEs, better evaluate international credentials and experiences, and what role do networking initiatives play in leveling the playing field for international graduates?

FOCUSING ON INTERNATIONAL GRADUATES:

3. What strategies, including mentorship programs and targeted retention initiatives, can be implemented to help international graduates adapt to Canadian workplace culture - such as communication norms and team dynamics—while fostering inclusive environments that encourage participation and support long-term integration?

FOCUSING ON AI TOOLS:

4. How can AI-driven hiring tools be designed to better recognize and evaluate international credentials and experiences, ensuring equitable access to employment for international graduates? Are there any best practices and what can we learn from those practices?
5. How can AI tools be leveraged to enhance workplace networking and provide data-driven insights into the effectiveness of integration efforts for international graduates, particularly in small and mid-sized businesses?

BUILDING A COMMUNITY OF PRACTICE AND PARTNERSHIPS

Addressing hiring and integration challenges facing international graduates requires a combination of systemic changes and tactical remedies. The BMO Newcomer Workforce Integration Lab is actively building a community of practice and partnerships with diverse stakeholders to address the critical research questions identified in this report. By leveraging both primary and secondary research, these partnerships aim to generate actionable insights and solutions to the challenges faced by international graduates in their employment journeys.



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