

Intelligence MEMOS



From: T. Scott Murray

To: Immigration Observers

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Re: **COMPETENCY-BASED CERTIFICATION CAN TRANSFORM CANADA'S IMMIGRATION SYSTEM**

Canada's newly animated conversation about immigration highlights the need to re-focus on recruiting more [qualified immigrants](#) and then providing them full opportunity to apply their skills.

It's a longstanding issue and we need to change how Canadian educators and regulators certify skill levels and the ways in which employers recruit and select candidates for hiring and promotion.

Traditional approaches to certification and hiring in Canada are both unnecessarily costly and unreliable.

Without access to reliable signals of what candidates actually know and can do, employers are obliged to rely on credentials and work experience to select successful candidates. This reliance [reduces](#) the efficiency of Canada's labour markets. It limits the size of candidate pools, increases training, hiring and onboarding costs, reduces post-hiring productivity, increases error and re-do rates and hurts job satisfaction and tenure.

These market inefficiencies place immigrants at a particular disadvantage. Many fully qualified immigrant candidates – especially those with no Canadian work experience – are either not hired or are hired into jobs below their skill levels.

Competency-based certification systems have the [potential](#) to [overcome](#) many of the problems that plague employers' current approaches to credential-based hiring. Among other [things](#), competency-based certification systems provide:

1. A means for employers to specify precise skill demands in the form of a competence profile for a job opening. Actual skills demand varies significantly among employers and across different roles within an organization in ways that are impossible to capture using just credentials or work experience profiles. Credential and experience-based recruitment systems often overstate the true skill levels demanded by a particular job, a holdover from times when labour surpluses were the norm.
2. A way for employers to effectively rank candidates based on actual knowledge and skills. Recruitment processes that depend upon credentials and work experience alone are unable to capture significant variation among candidates holding what appear to be identical qualifications.
3. A means to identify skills gaps, create a tailored learning plan, offer support for learning opportunities, and efficiently deliver training to address any gaps, before or after hiring. This allows prospective immigrants to address skill gaps pre-arrival, after arrival or while on the job after being hired.
4. A way to audit the consistency and fairness of all competence determinations made in the system. This feature plays a crucial role in eliminating inconsistencies in criteria application and mitigates discrimination.

There are risks associated with adopting this approach. Many systems that claim to be competency-based do not allow candidates to certify their skills at their own rate. Such systems do little to reduce the time needed to become fully certified so yield little by way of cost savings. Similarly, few systems offer ways to audit the consistency and fairness of the assessment process, something needed to attenuate the considerable risks of discrimination and bias in the process.

But the potential benefits remain significant. Adoption would reduce recruitment and selection transaction costs, diminish the current misalignment between job-level skill demand and supply, thereby enhancing productivity, and eliminate discrimination and bias in certification and hiring processes.

Europe is far ahead of Canada and the United States in adopting competence-based certification and recruitment systems. A notable example is the UK's use of a competency-based system to certify its entire 660,000 strong health workforce. This shift saved roughly half of the cost of certification, reduced average times to full certification by two thirds and yielded far more authentic and reliable certificates.

Widespread adoption of competency-based approaches could also offer the additional benefit of shifting some responsibilities for certification and selection to better economic actors, namely employers. Such a shift would sharply reduce the need for large numbers of public servants involved in certification and immigrant selection processes.

Canadian educators, regulators and employers have been slow to adopt competency-based approaches.

Canadian economic and social policymakers need to find ways to rapidly induce Canadian educators, regulators and employers to adopt competency-based approaches to certification and selection.

The net result would be a more productive and equitable labour market in which immigrants can compete and contribute fully and fairly.

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