



WHITE PAPER

GET THE BEST TALENT GLOBALLY

INTERNATIONAL RECRUITING SOLVES TALENT SHORTAGES

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International Recruiting Solves Talent Shortages

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This white paper uses general information to introduce the topic.
To find out how this information can apply to your specific situation,
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INTRODUCTION

“Smart companies are nationality blind – they know talent can be found and recruited all over the world.”

Michael Bungay Stanier
'06 Canadian Coach of the Year

- Do you face skills shortages?
- Are you effective at filling those shortages with local talent?
- Might you miss contractual deadlines due to a skills shortage?
- Might the global pool of talent offer a solution?

The activity in various business sectors—and hence the demand for skilled workers—varies enormously over the years. During the oil boom in Alberta it was essential to build new infrastructure. The country needed welders, pipe fitters, carpenters and many other types of skilled trades. Temporarily, the demand for these workers far outstripped those available.

In another case, the economic crisis of 2009 led governments to make large investments in transportation infrastructure, particularly rail. But investments can't go ahead without talent and finding sufficient numbers of experienced railway experts was not easy. Again, a temporary shortage of certain workers with specific skills created a serious problem for businesses.

Yes, in time the shortage will disappear, but aggressive, growth-oriented companies can't afford to wait.

Fortunately, the shortage of certain skills in Canada is often matched by an oversupply of skilled workers in other countries. International recruiting is all about matching skills shortages in one part of the world with skills surpluses somewhere else. It's an exciting approach both for Canadian companies who are being held back by labour shortages and for individuals in other countries who get the chance to move to Canada to progress in their careers.

International recruiting is not the same as immigration. Immigration serves a number of important political and economic objectives, but it is generally a slow process. If you need a radiologist to keep your hospital running effectively you cannot wait four years while applicants work through the immigration procedures. International recruiting is typically used as a way to hire temporary/contractual labour—people to fill a gap for a few months or a few years. For example, the oil sands projects will require plumbers, carpenters, electricians and roofers to build houses, offices and factories—but after the initial surge of construction is completed, foreign workers will return to their home countries.

Of course, international recruitment is not new. The scale of international recruitment is increasing as a consequence of globalization. Employers have become much more aware of the possibilities offered by international recruitment, and workers in developing countries actively look for jobs in the developed world.

In 1997 Drake International was pioneering the recruitment of nurses from the Philippines to help hospitals suffering from serious staff shortages in the U.K. In those days bringing in 80 nurses was seen as revolutionary. Now, less than 10 years later, Drake has successfully relocated 7,000 nurses and allied medical professionals like radiographers and physical therapists into the U.K. from the Philippines and India.

Every year over 90,000 skilled foreign nationals are brought into Canada to work temporarily. It's a big business, and a smart strategy that companies should know how to use to their advantage.



WHY DO IT?

“Filling increasingly niche roles in today’s tighter markets makes it imperative that we not only learn to recruit and orient other nationalities, but to work effectively with diverse teams quickly and smoothly.”

Dave Crisp
CEO Crisp Strategies

- Is the cost of recruitment for skilled positions going up?
- Is the time to fill a vacancy becoming uncomfortably long?
- Do you have numerous positions unfilled?
- Is productivity suffering in your business due to staff shortages?

The first choice for a company is usually to hire local talent. However, as companies get bigger and talent gets scarcer they need to cast a wider net. Because the economy is dynamic there will, at times, be country-wide shortages of people with certain skill sets. When this happens, the normal recruitment process starts to falter. It can be more difficult to woo candidates and the quality of applicants begins to decline.

Cost-of-hire and time-to-fill metrics become worse.

Eventually, an organization may find positions, sometimes many positions, going empty for months because they simply cannot fill them. This is when an organization should look outside the box and consider the virtues of international recruiting.

Helen Handfield-Jones, one of the authors of McKinsey’s *The War for Talent* provides a useful categorization of the types of work in an organization. She describes three categories:

1. Talent Intensive Work – these are the jobs that require a certain innate talent and require extensive experience. Think of jobs like CEOs, top-flight musicians and neurosurgeons. These people are sufficiently rare, and with the impact of getting an exceptional performer so great, it often makes sense to recruit internationally for these roles.

2. Specialized Skill Work – these are jobs that require several years of specialized training. Think of jobs like nurses, engineers, technicians and trades people. Given enough time the market can correct for many skills shortages; however, in business, time and its impact on productivity is often the critical issue. When it comes to major capital projects, like opening a new mine, a specialized skill shortage is likely. In times of talent shortfalls in certain skill areas—a kind of specific war for talent—international recruitment can solve the problem.

3. Lower Skill Work – these are jobs that almost anyone can do and they don’t need a lot of training. It seems odd that companies would ever recruit internationally for this type of work, but in some cases the work is sufficiently unattractive (e.g. agricultural labourers) that companies want to bring labour in from abroad. Many countries have seasonal visa programs for these sorts of needs.

Irrespective of the type of work, when an organization cannot effectively fill essential jobs with local employees, productivity and performance suffer affecting their ability to generate profits. Many will turn to International recruitment for the solution.



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HOW TO RECRUIT INTERNATIONALLY

“If someone is from a tropical climate I tell them to open the refrigerator and put their head inside for five minutes. That’s the only way they can begin to imagine the canadian winter.”

Ron Longstaff
Drake International, Philippines

- How do you find suitable skilled workers in other countries?
- Is it legal for your organization to recruit in another country?
- How do you obtain the necessary work permits?
- Will foreign professional or technical credentials be recognized in Canada?

Sourcing & Selection

Once an organization has decided to consider international recruitment it goes through a process that is in most ways parallel to local recruiting. Organizations need to be clear about the role: ‘What are the skills, competencies and qualifications that are required?’ and ‘What kind of person do we need to fit in with the organization’s culture?’ Then it needs to find candidates through advertising, job fairs, job boards, networking or direct sourcing. Finally, organizations need a selection methodology to assess and rank job applicants; a process which normally includes structured interviewing but may also involve background checking, reference checks, psychometric assessments and skills tests.

For international recruiting, sourcing requires first knowing what countries to approach for a particular skill. Often, people in the industry will know because they have successfully recruited there. India has developed a global reputation for programmers, as has the Philippines for workers in oilfield construction and service industries. However, the best sources for talent change over the years, and successful international recruiters keep up-to-date with the labour markets in countries around the world.

Knowing which country to seek talent in is only the first step in sourcing. If you are looking for a radiologist, which hospitals have the best reputation? If you are looking for welders, which region is most likely to provide them? When sourcing applicants, there is simply no substitute for on-the-ground local knowledge. There is also the usual raft of sourcing decisions: Which newspaper to advertise in? How to craft the job advertisement to attract the desired quality? What job boards to try, and so on? Again, there is no substitute for local knowledge.

Selection is less dependent on local knowledge, but some information, such as which are the best educational institutions, is helpful. Reference and background checking (especially when verifying education and designations) is a must, especially since in some countries candidates may fake credentials. Again, while the fundamentals of background checking remain the same internationally, knowing how to do it in another country effectively requires local knowledge.

The common theme in international sourcing and selection is that while the same principles apply overseas as in Canada, one needs local knowledge to be effective.

Legal

There are three different legal issues that organizations interested in international recruiting must address:

1. Are they allowed to recruit in the foreign country?
2. Are they allowed to bring the person in to work in Canada?
3. Does the person have the right credentials to work in their profession in Canada?

In most countries it is not a problem to recruit people for foreign jobs but in others, such as the Philippines, foreign organizations need to use an accredited agency. This is a barrier organizations need to be aware of; they cannot simply show up, place an ad and start hiring.

In bringing people into Canada there are a variety of permits depending on the profession—and the rules do change over time as the federal and provincial governments try to respond to the needs of the economy. For example, Human Resources and Skills Development Canada (HRSDC), Citizenship and Immigration Canada (CIC), and Alberta Learning are cooperating to support employers that are bringing in temporary foreign workers to help develop the Alberta oil sands in Fort McMurray.

Most foreign nationals need a work permit issued by CIC to work temporarily in Canada. CIC's decision to issue a work permit is based on HRSDC information, which will provide a 'Labour Market Opinion' (LMO)—in essence an opinion as to whether foreign workers are needed in a particular labour market. Employers may request a LMO when they want to hire foreign nationals into specific jobs. If permission has been granted to hire from outside the country then a work permit is issued to a specific worker, to do a specific job, for a specific time period.

Employers can Make the Process of Getting Work Permits Easier by:

- Understanding the rules and decision criteria used by CIC and HRSDC.
- Submitting a comprehensive recruitment plan to HRSDC prior to asking for specific work permits.
- Employers may request to meet with HRSDC to discuss their recruitment plan to ensure that their process will support their request to hire foreign workers should the need arise. HRSDC may make an agreement in principle with an employer as to hiring foreign workers.

While in some cases the hiring organization may want to facilitate the relocation of the worker's family, single status contracts are the norm and easier to manage.

The third legal area that needs to be considered is professional accreditation and/or licensing. Just as doctor cannot work without the right accreditation, most



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trades also demand proper accreditation. This is usually a matter of provincial/territorial law and there are different associations that oversee the accreditation process—the specifics dependant upon the profession/trade. This may sound daunting, but what is required for any given job will be clearly spelled out by the relevant association. For example, if a foreign national wanted to work as a pressure welder in Ontario he would need a certification from the Canadian Welding Bureau (CWB) or for structural welding, a certification from the Technical Standards and Safety Authority (TSSA). Supervisors will typically know the specific certifications required for the work they oversee.

Orientation

A good orientation and on-boarding process is recommended for all hires, but it is particularly important for people coming from overseas. An orientation process designed for locals just won't meet the needs of overseas hires, so an augmented program should be prepared.

A big part of the orientation process is simply helping the new hire handle the logistics of everyday life. How do you open a bank account? How do you get a driver's license? Where can you get medical coverage? This kind of help is easy to give and makes a big difference to a newcomer.

A second part of the orientation is cultural. In some parts of the world, staring at people is considered perfectly normal.

In other places, that same behaviour will get you into a fight. Organizations that need to get new hires contributing quickly will want to spend a little time helping individuals learn about Canadian culture.

Finally, an oft overlooked part of orientation is to provide some training for the existing staff. If the organization is bringing in any significant number of workers from overseas then the organization needs to tell the existing staff why and what to expect. They can also give a little primer on the culture of the new hires or some general advice on inclusiveness and managing diversity. In particular, organizations need to be ready to address the fear that 'these guys are here to take our jobs.' Organizations can explain that these jobs are contractual, not permanent, and without these skills the company wouldn't be in a position to give good jobs to anyone.

The Role of a Recruiting Partner

In most cases organizations will want to work with a partner that has special expertise in international recruitment. The recruiting partner will be familiar with how best to source, what kind of background checking is appropriate and all the legal requirements of both the source country and the home country. In addition, the recruiting partner will be able to help craft the orientation program. This is one of those cases where calling on outside expertise can save time and unnecessary frustration.

A SOCIALLY RESPONSIBLE PRACTICE?

“The time is always right to do what is right.”

Martin Luther King Jr.

- Is international recruitment good for Canada?
- Who might oppose international recruitment?
- Will the country supplying the talent resent it?
- What should you do to answer the critics?

International recruiting can be a wonderful thing for organizations plagued by skills shortages, but they need to be aware there may be critics. It is important for organizations to understand why some people may oppose international recruitment and be prepared to respond to, and work with the critics.

Benefits for the Country Importing Talent

The benefits to the organization of having a talented person fill an empty role are so obvious that managers may be surprised that anyone doubts that it is also good for the country. However, there may be complaints that bringing in foreign workers will lower wages or deprive Canadians of jobs. Of course, in some cases this could be true, so the important thing is for organizations to be able to demonstrate that it is not an issue in their particular case. Since this issue should have been addressed in HRSDC's Labour Market Opinion, and the processes needed to get a work permit, an organization should be well equipped with facts to show they are helping, not hurting, Canada. The key point being that there were no Canadians who could fill these jobs.

However, simply being right or having the facts is not enough. Organizations must be prepared to communicate these facts to sceptics. The first step is to consider if there is likely to be opposition to international recruitment from unions, the local media, professional associations, politicians, non-government organizations or employees in general. In most cases there will not be a problem; however, if the organization fears a backlash they need to be

proactive in preparing their case and potentially reaching out to stakeholders early, before it becomes an issue. This is the sort of process the public affairs and media relations departments at companies are skilled at handling.

Is International Recruiting Good for the Country?

Exporting Talent? There can be cases of irresponsible overseas recruiting that hurts the country supplying the talent. If, for example, some developed countries were to descend on a Caribbean island and swoop up half of the physiotherapists overnight that would be unethical. No responsible organization would want to be part of this type of practice.

However, in general, international recruiting targets countries where there are surpluses of skilled workers. Once, when a Drake consultant was checking out of his hotel in the Philippines, the receptionist asked what he was in the country for. When the consultant explained he was there to recruit nurses she said, “Oh, I wish I had known, I was trained as a nurse.” Having trained nurses working the reception desk in a hotel is not the best use of their skills. Offering them a position in Canada is a winning proposition for all concerned.

In fact, many countries are happy to export talent. Remittances from overseas workers are an important source of foreign exchange; for the Philippines remittances are the largest sources of foreign exchange – in excess of US\$15 billion in 2009.

Again, ‘doing’ the right thing is not the same as being ‘perceived’ as doing the right thing. If there are critics, in this case it would be non-government organizations or perhaps the media, then the company must be prepared to listen to them and communicate the case that it's a winning proposition. No one may be better able to make the case than the foreign workers themselves who can explain how the job has helped them and their family.

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THE BOTTOM LINE: COSTS AND PAYOFFS

Canadians like to think of themselves as skilled at managing in a multicultural environment, but too often that is not the case. Organizations are frequently reluctant to bring in skilled foreign workers. It's common to hear "But they don't have Canadian experience" or "Their English is not that good." These can be valid concerns, but in many cases they are insignificant compared to the cost of not getting world-class talent. If your project needs someone with ten years experience in constructing high speed railways you just are not going to find someone by recruiting in the domestic market.

Canadian companies often have a real blind spot when it comes to the value they can get through global recruiting. An open attitude, the right partner and a good on-boarding program can be the difference between competitive success and failure.

The benefit of filling a unfilled job are very apparent – so organizations typically do not question the payoff of international recruitment. The concern organizations have is the recruitment time, cost and risk associated with hiring the wrong person.

It is certainly true that if a company is doing international recruiting on its own for the first time it could be costly – largely because it will not be able to acquire good candidates in a timely manner. However, if an organization has expertise in international recruitment or is working with a partner who does, then the cost per hire will generally not be that different than hiring locally. The bottom line is that if an organization cannot find appropriate talent in Canada then international recruiting is a smart move: the net extra costs are negligible and the benefit in filling empty positions is large.

ADDITIONAL COSTS IN INTERNATIONAL RECRUITING	SAVINGS IN INTERNATIONAL RECRUITING
Recruiters travel overseas	Lower sourcing costs (advertising, job boards, etc.)
Flying new hires to Canada	Better quality candidates for a given salary level
Extra orientation	Ability to fill roles more quickly

CONCLUSION

We are in a global economy and one of the advantages of this economy is that it can match opportunity to talent regardless of geography. Shortages of skilled workers in one country can be matched to surpluses somewhere else. International recruitment, when handled by people experienced in the area, is generally no more costly than local hiring and can fill otherwise persistent vacancies that are preventing the organization from accomplishing

its mission. Unfortunately, there are too many barriers for most companies to do this themselves without help. Sourcing talent in another country requires local knowledge. Bringing talent into Canada requires legal knowledge. However, with the right partner international recruitment can be by far the best solution – perhaps the only acceptable solution – for companies facing serious skills gaps.

TIPS AND CHECKLIST

- To avoid pitfalls work with a partner who has experience in international recruiting.
- Get started early on checking out the work permits necessary, and possibly request a meeting with HRSDC.
- Do the same thorough job of preparing a job specification and planning a recruitment process that you would for local hiring.
- Use your recruiting partner to help you select and source overseas candidates.
- Use your recruiting partner to ensure appropriate background checking is done.
- Set up a relocation/ orientation program that will make foreign nationals comfortable and get them up to speed quickly.

“..., the level of growth in the construction industry over the next 8 years remains very positive. Under the current outlook, between 2008 and 2017, as many as 17,600 new workers are required to keep pace with new projects, and 56,300 are required to replace retiring baby boomers.”

July 11, 2008. Construction Sector Council (CSC)
Fourth annual edition of “Construction Looking Forward”

“Major engineering and construction projects in New Brunswick, Newfoundland and Labrador will stretch Atlantic Canada’s workforce to the limit. Atlantic Canada will need 5,000 new trades people to meet demands for new construction. An additional 13,600 will be required between now and 2016 to replace retiring baby boomers.”

July 11, 2008. Construction Sector Council (CSC)
Fourth annual edition of “Construction Looking Forward”

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