

WHAT EMPLOYERS NEED TO KNOW ABOUT HIRING OVERQUALIFIED NEWCOMERS

At World Skills Employment Centre, we connect employers with highly skilled newcomer jobseekers, and from time to time, our employer partners express concerns about hiring overqualified candidates. This resource shares information and tips to help employers who are grappling with this issue.

Let's begin with some data.

THE SCOPE OF THE PROBLEM

A recent Statistics Canada survey found that “just over 3 in 10 (30.5%) core-aged recent immigrants with a postsecondary diploma or degree reported that they were overqualified for their job, a proportion significantly higher than for workers born in Canada (19.7%).”¹ Census results have also shown that overqualification rates² are twice as high for immigrants who were educated outside of Canada, compared to Canadian-born workers with post-secondary credentials.³

The statistics above focus on permanent residents and foreign-born Canadian citizens, but the situation is worse for temporary residents. In the last census, “asylum claimants (50.7%) had the highest overqualification rate.”⁴ The next highest were temporary residents with a work and study permit (44.6%) and those with a study permit only (43%).⁵

These findings show that newcomer overqualification is widespread, but that is not the end of the story.

[1] - Statistics Canada. [The Daily — Labour Force Survey, September 2024](#).

[2] - The overqualification rate is based on the percentage of workers with a post-secondary degree or diploma who are working in a job that requires a high school education.

[3] - Statistics Canada. [The Daily — Canada leads the G7 for the most educated workforce, thanks to immigrants, young adults and a strong college sector, but is experiencing significant losses in apprenticeship certificate holders in key trades](#).

[4] - Statistics Canada. [The Daily — Study: Non-permanent residents in Canada: Portrait of a growing population from the 2021 Census](#).

[5] - Ibid.

CONTRIBUTING FACTORS



Even though many newcomers possess high levels of education, rich international work experience and other assets, they face significant barriers when they apply for jobs that match their qualifications.

These challenges include:

- Long, expensive and complex credential recognition processes that prevent or slow access to jobs in regulated fields.^{6,7}
- Employer preferences for Canadian work experience and education that exclude newcomers from being considered for jobs they are otherwise qualified for.^{8,9}
- Lack of professional networks to help connect newcomers with jobs that match their education and experience.^{10,11}

When newcomers experience these barriers, they often readjust their job search strategies and begin seeking lower-level positions. This is usually done with the hope of landing a job that will allow them to showcase their skills and eventually advance to a position that is more comparable to their previous experience.

Another important factor at play is financial need. When newcomers are unable to obtain a job that matches their skills and experience, many choose to accept entry level or low-skilled jobs so they can earn income to pay their living expenses.

For hiring managers and Human Resource professionals, this information can serve as context when you are reviewing applications from overqualified newcomers.

Did you know?

Newcomers are amongst the most educated members of the Canadian labour force. In the 2021 census, foreign-born individuals made up “over half of the working-age population with an earned doctorate (55.8%), a master's degree (52.2%) or a degree in medicine, dentistry, veterinary medicine or optometry (50.8%), and accounted for 39.1% of those with a bachelor's degree.”¹²

[6] - Ding, Y. (2021). Valued Workers, Valuable Work: The Current and Future Role of (Im)migrant Talent. Ottawa: The Conference Board of Canada.

[7] - In a 2024 World Skills client survey, 40% of respondents said that professional licensing requirements and/or credential recognition processes negatively impacted their ability to obtain a job in Canada.

[8] - Ibid.

[9] - Gabriel, C. & Veronis, L. (2023). Cosmopolitan Paradox? The Labour Market Experiences of Newcomer Skilled Workers. *Cosmopolitan Civil Societies: An Interdisciplinary Journal*, 15 (3), pp. 73-90.

<https://doi.org/10.5130/ccs.v15.i3.8777>.

[10] - TRIEC (2022). Bridging the Gap: Immigrant Women and Their Labour Market Integration in the Greater Toronto Area. https://triec.ca/wp-content/uploads/2022/04/TRIEC-Bridging_the_Gap_FINAL.pdf.

[11] - In a 2024 World Skills client survey, 60% of respondents said that the lack of a professional network negatively impacted their ability to obtain a job in Canada.

[12] - Ibid.

“OVERQUALIFICATION BIAS” & THE “STICKY FLOOR”



When newcomers apply for entry level or low-skilled jobs, the next problem they encounter is “overqualification bias.” In some cases, newcomers are told by employers that they are overqualified for the jobs they are applying for.^{13,14} In other cases, they are screened out of the hiring process without receiving feedback.

In these situations, newcomers respond by removing qualifications from their resumes and underselling themselves in interviews.¹⁵ This type of reframing can help newcomers avoid being perceived as overqualified, however these tactics may have unexpected consequences.

Research suggests that “Getting a job below one’s skill level to gain Canadian experience can have longer-term negative impacts on immigrant careers—a phenomenon known as [the] “sticky floor.””¹⁶ For example, if a newcomer takes a “survival job”¹⁷ in another industry, they will increase the gap in their relevant work experience, and this might make it harder to return to their field in the future. Newcomers who experience long periods of underemployment may also lose skills they are not actively using.¹⁸ Finally, newcomers who downgrade positions “could be at greater risk later in their careers of experiencing periods of unemployment or overqualification, and of receiving lower wages.”¹⁹

So far, we have explored these issues from the perspective of newcomer jobseekers. We also want to emphasize that employers’ attitudes about hiring overqualified newcomers are often based on legitimate concerns. The goal of this resource is to help surface these concerns and add additional perspectives.

[13] - Randstad. [hiring immigrant talent: the path to a thriving workforce](#).

[14] - This problem was also raised by newcomers who participated in focus groups conducted by World Skills Employment Centre in 2024.

[15] - Ibid.

[16] - Dinç, Y. (2020) The “Canadian Experience” Disconnect: Immigrant Selection, Economic Settlement, and Hiring. Ottawa: The Conference Board of Canada.

[17] - A survival job is a lower skilled job that someone takes in order to have income to pay their living expenses.

[18] - Cornelissen, L. & Turcotte, M. (2020). Persistent overqualification among immigrants and non-immigrants. Insights on Canadian Society. Statistics Canada.

[19] - Ibid.

IMPLICATIONS FOR EMPLOYERS



Newcomer overqualification creates opportunities and challenges for employers. First, on the opportunity side, there is a large pool of underutilized, newcomer talent. Employers who are seeking to reach this demographic more efficiently can connect with immigrant-serving organizations, like World Skills Employment Centre, and access free recruitment supports.

Second, employers that are intentional about attracting, integrating and retaining newcomers can build a reputation that helps them outcompete other companies. This will be especially important as newcomers continue to fuel Canada's labour market growth.

Third, overqualified newcomers can be great candidates for internal advancement. For organizations that are implementing talent management and succession planning, it can be helpful to identify highly qualified newcomers and provide them with support so they can grow within your organization.

On the other side of the balance are employer concerns. Employers may think that that overqualified newcomers will be unhappy or unmotivated, and this could lead to poor performance. Employers may also worry that these employees will leave their jobs after a shorter amount of time, leading to additional hiring and training costs to replace them.

While it cannot be guaranteed that overqualified newcomers will remain in their jobs for longer than similarly qualified Canadian-born workers, research suggests that providing employees with support can help mitigate some of these concerns. Recent studies have demonstrated that overqualified workers perform similarly to their peers most of the time.²⁰ Researchers also found that overqualified workers exhibit higher levels of performance when they are given certain types of support.²¹

Another study comparing overqualified Canadian-born and immigrant workers found that when employers implemented strategies to enhance employee work-life balance, immigrants were less likely to want to leave their jobs.²² These supports had no effect on Canadian-born workers.²³

Hiring managers and Human Resource professionals can reflect on these opportunities and challenges in light of their organization's context. Then as a next step, we recommend that you talk with other staff involved in the hiring process about their perceptions around hiring overqualified newcomers. This can be done in one-on-one conversations or during management team meetings. If

[20] - van Dijk, H., Shantz, A., & Alfes, K. (2020). Welcome to the bright side: Why, how, and when overqualification enhances performance. *Human Resource Management Review*, 30(2), Article 100688. <https://doi.org/10.1016/j.hrmr.2019.04.004>

[21] - Ibid.

[22] - Ballesteros-Leiva, F., St-Onge, S., & Arcand, S. (2023). Overqualification and Turnover Intention: The Significance of Work-Life Balance for Canadian-Born and Immigrant Employees. *Industrial Relations*, 78 (2). <https://doi.org/10.7202/1109480ar>

[23] - Ibid.

IMPLICATIONS FOR EMPLOYERS

(CONTINUED)



your colleagues express concerns, we invite you to share information from this resource and discuss your organization's experience with hiring overqualified newcomers.

Once these conversations have been had, your organization can consider implementing some of the strategies highlighted at the end of this resource. Some of these tips are designed to help organizations attract and retain highly qualified newcomer candidates. There is also an option to help employers gather their own data on this issue.

FOLLOWING THE LAW

In 2006, the Canadian Human Rights Tribunal issued a landmark ruling in favour of a racialized immigrant who interviewed for an entry level position and was screened out due to overqualification.²⁴ In the case of *Sangha v. Mackenzie Valley Land and Water Board*, Mr. Sangha had a higher interview score than two of the candidates who were offered positions; however, the hiring panel chose not to select him because they assumed he would be bored in the role and they believed that his overqualification made him a poor fit for the job.²⁵

After hearing expert testimony and listening to arguments from both sides, the judge ordered that "where a visible minority immigrant has been chosen for an interview for a position with the Board, that the Board cease using any policy or practice that would automatically disqualify such candidate for the reason that they are overqualified for the job."²⁶ The judge also stated that the employer should ask overqualified candidates about their motivations, rather than making assumptions about their intentions.²⁷

This case highlights the importance of creating fair procedures for screening and assessing candidates. It also provides a precedent which can be applied to future cases involving employment discrimination against overqualified newcomers.

[24] - Canadian Human Rights Tribunal. [Sangha v. Mackenzie Valley Land And Water Board](#).

[25] - Ibid.

[26] - Ibid.

[27] - Ibid.

TIPS FOR EMPLOYERS



1

Show jobseekers that your organization values international education and experience.

Add wording to job descriptions like, “Candidates with international education and experience are welcome to apply.” This will help to attract highly qualified newcomers to your talent pool and set an example for other employers in your industry.

2

Reduce hiring barriers for newcomers so they can receive fair consideration for jobs they are qualified for.

Utilize resources and expertise from nonprofit organizations that specialize in connecting employers with newcomer populations to make changes that remove invisible challenges in the hiring process. To get started, check out our [Employer Resources](#) page.

3

Offer candidates an opportunity to discuss their motivations in an interview. This will allow newcomers to provide additional information that can help you gauge their level of interest in the position they are applying for.

4

Support career exploration and advancement for existing newcomer employees. Some overqualified newcomers accept positions elsewhere because they are unaware of internal advancement pathways. Proactive solutions like career conversations and mentoring could prepare staff to take on new challenges within your organization. Providing this information will also show that your company is interested in the newcomer employee’s development, and it could lead to lower attrition.

5

Implement strategies to retain overqualified newcomers. Benefits like flexible scheduling, hybrid/remote work, and making personal or holiday leave more flexible to accommodate cultural days of significance can help newcomers achieve better work-life balance and incentivize them to stay at your organization.

6

Conduct exit interviews and look for trends in the reasons why newcomer employees are leaving the organization. Compare this information with exit interview responses from Canadian-born employees and determine if there are any supports that can be implemented to boost employee retention.

FINAL THOUGHTS

The challenges that cause widespread newcomer overqualification have immediate and lasting impacts on individual jobseekers. They also hinder employers' abilities to leverage this highly qualified talent pool.

Moving forward, we recommend that employers take proactive steps to contribute to reducing the scope of this problem. These steps can include changing the organization's expectations around the need for Canadian education and experience and connecting with immigrant-serving organizations to access free recruitment supports. Employers should also re-evaluate how they screen and assess candidates to remove invisible challenges that impact newcomers.

At the same time, hiring managers and Human Resource professionals should engage in open conversations about newcomer overqualification. These discussions will help surface concerns and create spaces to explore changes that will reduce "overqualification bias" in hiring decisions.

