

# Immigration and Citizenship in a Shifting Labour Market: Hiring and Managing Work in Canada's New Reality



Canadian HR teams are operating in a labour market that looks nothing like it did even five years ago. Persistent skills shortages, demographic shifts, global mobility, and evolving immigration rules have turned hiring into something far more complex than posting a job and screening resumes. For many employers, immigration and citizenship are no longer niche HR topics handled occasionally. They are now core workforce issues that affect recruitment, retention, compliance, and culture.

At the same time, work itself has changed. Hybrid and remote arrangements have blurred borders. Employees may be physically in Canada, temporarily abroad, or working across jurisdictions in ways that raise new legal and operational questions. HR managers are increasingly expected to understand not only who they can hire, but how they can legally employ, onboard, and manage workers with diverse immigration statuses and unique work arrangements.

This article explores how immigration and citizenship are shaping hiring in Canada's current climate, what HR needs to understand about compliance and risk, and how employers can adapt responsibly without losing access to the talent they desperately need.

## **Why Immigration Now Sits at the Centre of Workforce Strategy**

Canada's labour market pressure is structural, not temporary. According to Statistics Canada, more than one million job vacancies were reported at the peak of 2022, and while vacancies have moderated since then, critical shortages remain in healthcare, construction, transportation, technology, hospitality, and skilled trades. At the same time, Canada's population is aging. Baby boomers are retiring faster than younger workers are entering the labour force.

Immigration has become the primary lever keeping the Canadian workforce growing. Immigration, Refugees and Citizenship Canada have set historically high permanent resident targets, aiming to admit nearly 500,000 new permanent residents annually through 2025. Temporary residents also play a major role. As of 2024, temporary foreign workers and international students made up a significant share of employment

growth in several sectors.

For HR, this reality means immigration is no longer just a government policy issue. It directly affects who you can hire, how quickly you can hire them, and how long you can retain them.

Many HR managers now find themselves hiring candidates who are on work permits, awaiting permanent residence, transitioning from student status, or working under employer specific authorizations. Each of these statuses comes with conditions that HR must understand to avoid serious compliance issues.

## **Hiring in the Current Climate: Opportunity and Risk**

Hiring foreign nationals can open doors to talent that simply is not available locally. But it also introduces risk when employers misunderstand or oversimplify immigration requirements.

One of the most common misconceptions HR teams encounters is the idea that work authorization is binary. Either someone can work or they cannot. In reality, work authorization in Canada is highly conditional.

Some employees can work only for a specific employer. Others are limited by occupation, location, or hours. International students, for example, are generally restricted to working a set number of hours off campus during academic sessions, although temporary policy changes have occasionally expanded those limits. Employers who fail to track these conditions can inadvertently allow unauthorized work, which can trigger penalties even when the mistake was unintentional.

Under the Immigration and Refugee Protection Act, employers who employ foreign nationals without proper authorization can face administrative monetary penalties, bans from hiring through federal programs, and reputational damage. Enforcement has increased in recent years, particularly through compliance inspections tied to the Temporary Foreign Worker Program.

HR professionals increasingly report that audits no longer feel theoretical. They are real, documented, and often triggered by complaints or inconsistencies in payroll and records.

## **The Temporary Foreign Worker Program and Employer Responsibilities**

The Temporary Foreign Worker Program remains one of the most regulated pathways for hiring foreign workers. Employers must typically obtain a Labour Market Impact Assessment demonstrating that no Canadian worker is available for the role and that hiring a foreign worker will not negatively affect the labour market.

From an HR perspective, the compliance obligations do not end once the worker starts. Employers must adhere strictly to the wages, duties, location, and working conditions set out in the approval. Any deviation, even one made to accommodate operational needs or employee preferences, can be considered non-compliance.

In enforcement cases reviewed by HR Insider, employers have been penalized for assigning duties outside the approved job description, changing work locations without authorization, or reducing hours below what was approved. These were not cases of exploitation but of misunderstanding and operational drift.

HR's role here is critical. Managers may see flexibility as a kindness, but immigration law sees it as a contractual breach. HR must act as the translator between business needs and regulatory boundaries.

## **International Students and Post Graduation Work Permits**

International students represent one of the most important talent pipelines for Canadian employers. Graduates often have Canadian education, local work experience, and long-term settlement goals. But HR teams must be careful during the transition from student status to work authorization.

Post Graduation Work Permits allow eligible graduates to work full time for any employer, but only after the permit is issued. Many HR managers assume that once studies are complete, work can automatically continue. That assumption can create compliance risk if the student has not yet received their authorization or is relying on implied status.

IRCC guidance around implied status is nuanced, and HR teams should avoid relying on verbal assurances from candidates. Documentation matters. Clear proof of authorization protects both the employee and the employer.

## **Permanent Residence in Process and the False Sense of Security**

Another increasingly common scenario involves candidates who say they are in the process of applying for permanent residence. From an HR standpoint, this often feels reassuring. The employee intends to stay. The paperwork is underway. Surely that reduces risk.

Unfortunately, permanent residence applications do not grant work authorization on their own. Until permanent residence is approved or a bridging work permit is issued, the employee remains bound by the conditions of their current status.

HR professionals must resist pressure to assume outcomes. Good intentions do not substitute for legal authorization. A delayed application, a refused permit, or a missed deadline can suddenly leave an employee without the right to work. HR then faces difficult decisions around unpaid leave, termination, or redeployment.

## **Remote Work, Cross Border Employment, and Immigration Confusion**

Remote work has added an entirely new layer of complexity to immigration and citizenship issues. Many employers mistakenly believe that if an employee is not physically in Canada, Canadian immigration rules no longer apply. That belief is only partially true.

If an employee is working remotely from another country, the legal issues shift from Canadian immigration to foreign immigration, tax, and employment law. But if that employee is entering Canada occasionally for meetings, training, or collaboration, immigration rules may still apply depending on the nature of the work.

Business visitor rules allow certain activities without a work permit, but productive work is generally not permitted. HR teams increasingly struggle to determine whether short-term in-person presence crosses the line into work authorization requirements.

At the same time, some employers allow employees on Canadian work permits to work remotely from abroad for extended periods. This can raise questions about whether the employee is still complying with permit conditions tied to location and employer operations. It can also affect eligibility for permanent residence pathways that require Canadian work experience.

The flexibility employees want must be balanced against the compliance risks employers carry.

## **Citizenship Status, Equity, and Workplace Culture**

Immigration and citizenship issues are not only legal challenges. They are also deeply human ones.

Employees on temporary status often experience anxiety that Canadian citizens and permanent residents do not. Their right to work may be tied to a single employer. Their ability to remain in the country may depend on meeting program thresholds that change without warning. Their family stability may be uncertain.

HR managers increasingly report that immigration status affects employee behaviour in subtle ways. Some employees are reluctant to speak up about workload or workplace issues because they fear jeopardizing their status. Others feel pressure to overperform or accept conditions they would otherwise question.

From a human resources perspective, this raises ethical and cultural considerations. Employers must ensure that temporary status does not translate into unequal treatment, exploitation, or silence. Employment standards, health and safety obligations, and human rights protections apply regardless of citizenship or immigration status.

Several Canadian human rights cases have reinforced that discrimination based on citizenship or nationality can violate provincial human rights legislation when it is not a bona fide requirement. HR must ensure hiring practices, advancement opportunities, and workplace policies do not indirectly disadvantage workers because of their immigration status.

### **Compliance Is Not Just an Immigration Issue**

One of the most important shifts HR must make is recognizing that immigration compliance cannot live in isolation. It intersects with payroll, scheduling, performance management, health and safety, and even remote work policies.

A missed permit expiry date can lead to unauthorized work. A role change can violate permit conditions. A remote work arrangement can undermine eligibility for immigration pathways. These risks increase when HR, payroll, and managers operate in silos.

Leading organizations now treat immigration data as part of core workforce planning. They track permit expiry dates, role conditions, and status changes proactively rather than reactively. They train managers to flag changes before they happen. They document decisions carefully.

### **What HR Can Do Moving Forward**

The goal for HR is not to become immigration lawyers. It is to become informed risk managers.

That means building internal awareness around immigration categories and conditions. It means establishing clear processes for verifying work authorization before hire and throughout employment. It means resisting pressure to bend rules in ways that expose the organization to penalties. And it means recognizing the emotional reality employees carry when their right to stay and work in Canada is uncertain.

In the current climate, immigration is not a side issue. It is a workforce strategy issue, a compliance issue, and a culture issue all at once.

HR managers who understand this are better positioned to attract talent, protect

their organizations, and support employees in a way that is both legally sound and deeply human.

The future of Canadian work will be increasingly global, mobile, and complex. Immigration and citizenship are not obstacles to navigate around. They are realities to manage thoughtfully. HR sits at the centre of that responsibility, shaping how opportunity, compliance, and fairness intersect in the modern workplace.