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NEW REPORT REVEALS CANADIAN WORKPLACES CONTINUE TO OVERLOOK QUALIFIED CANDIDATES DESPITE HISTORIC LABOUR SHORTAGE

Updating Employment Standards Act, Additional Policy Changes Needed to Help Canadian Companies Benefit from Fair Chance Hiring like U.S. Counterparts

TORONTO, ON – January 31, 2024 – A new report from the John Howard Society of Ontario (JHSO) reveals many Canadian companies are missing out on qualified candidates due to outdated policies and the overuse of background checks that are maintaining barriers to labour market engagement for job candidates with criminal records.

The report, "Not In My Workplace: Addressing Workplace Exclusion of Individuals with Criminal Records," shows that growing DEI awareness and a historic labour shortage has not translated into improved access to employment for millions of Canadians. Based on an in-depth survey of 400 hiring managers from across Canada, the new report finds that Canadian employers continue to largely exclude qualified job candidates with criminal records from workplaces, with 42% of respondents who conduct record checks stating they would be automatically excluded if they had any past record, despite the growing evidence that "fair chance hiring" practices actually benefit businesses.

"We need to get serious about addressing the labour shortage in Ontario and across this country, which is now at historic levels, and tapping into this pool of qualified job seekers is a critical step in doing that," said Christin Cullen, CEO, JHSO. "This report is a wake-up call for both Canadian businesses and government that disproven stereotypes continue to drive exclusionary hiring practices, and must be addressed as they only hurt companies' interests and ultimately, our communities."

The report shows that jurisdictions like the United States where fair chance hiring policies -- which direct employers to individually assess whether an applicant's criminal record directly and adversely relates to the job duties -- have been in place for years have strong support from both major private sector companies and government. American surveys of HR professionals report a high level of satisfaction with their experience working with employees who had previous justice involvement. In addition, U.S. research further shows that these employees have lower turnover, equal or higher performance, equal or lower recruitment cost, and no increased risk of misconduct.

The national survey that forms the basis of the new report shows despite these benefits, Canadian companies have not kept pace with best practice, with 73% of hiring managers reporting that they had never knowingly hired a candidate with a criminal record. Other key findings from the research include:

- 54% of the survey respondents reported that their company requires a criminal record check for either all or some of their new employees;
- 60% of respondents believe a record check should be required for all job applicants;
- Large and medium-sized organizations conduct criminal record checks more often than small organizations.

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- Hiring managers who had actual experience working with employees with criminal records held more positive views of them than those who had not.
- When asked what would encourage respondents to employ people with criminal records, the three most common responses were: 1. technical skills; 2. more support for the employer; and, 3. funding incentives.

Based on the survey findings, the report concludes that it is time for Canada to make Fair Chance Hiring a public policy goal, with policy recommendations for both the federal and provincial governments, and a Fair Chance Hiring Call-to-Action for Canadian employers:

Key Recommendations for government:

- The provincial government in Ontario should amend the *Ontario Human Rights Code* to expand the definition of "record of offences" to protect against discrimination based on criminal convictions that are not relevant to the position, bringing it in line with many other provinces;
- Ontario's Ministry of Labour, Immigration, Training and Skills Development has demonstrated strong leadership in calling on employers in Ontario to consider fair chance hiring continuing this effort, and formalizing it into educational guidance for Ontario employers is urged;
- The provincial government should consult with stakeholders and commit to creating legal requirements that guide record check practices in the *Employment Standards Act* (ESA) to prevent arbitrary exclusion of candidates with criminal records;
- The federal government should reform the *Criminal Records Act* to fix the broken record suspension (pardon) regime by instituting a "spent" regime model;
- The provincial and federal governments should explore a tax credit incentive to motivate employers to hire people with criminal records.

Key Recommendation for Canadian employers, across private, non-profit and public sectors:

• Commit to Fair Chance Hiring by joining Canada's first <u>Fair Chances Coalition</u>, and be part of the cultural change needed to combat stigma and open up pathways to a wider talent pool.

"As an employer, when you commit to giving all job candidates a fair chance, you expand your pool of potential talent to include a group that can be more committed and loyal," concluded Cullen. "At a time when more organizations are struggling to fill positions amid major labour shortages, implementing Fair Chance Hiring practices can be a significant advantage."

Quotes

"Every single one of us has slipped up at some point, made choices we're not proud of. But that doesn't erase our talents or our determination. Speaking from my own experience with the prison system, I know firsthand how tough it is to not only land a job but also to find that sense of self-worth again. At Comeback Snacks, we embrace those who've had run-ins with the law, and honestly, they turn out to be the most incredible team members you could ever hope for." - Emily O'Brien, CEO and Founder of Comeback Snacks

"This comprehensive analysis sheds light on the persistent perceptual biases and systemic obstacles that cast a shadow over work environments, hindering the opportunities available to justice-involved individuals in their pursuit of employment. This work underscores the need for employers to critically evaluate whether there exists an unbiased and objective pathway for individuals with justice involvement to be considered fairly in the hiring process. It advocates for open conversations among all stakeholders involved in the hiring process to foster an inclusive and equitable workplace." – Dr. Kemi S. Anazodo, Ph.D., Assistant Professor at the Odette School of Business at the University of Windsor



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About John Howard Society of Ontario

For more than 90 years, we've worked to keep the humanity in justice. Today we continue to build a safer Ontario by supporting the people and communities affected by the criminal justice system. Our 19 local offices deliver more than 80 evidence-based programs and services focused on prevention, intervention and reintegration across the province. These range from helping youth develop the life skills that will let them achieve their full potential, to helping families navigate issues of criminal justice, to providing job training for those leaving incarceration so they can contribute to their community in a meaningful way. To learn more, please visit johnhoward.on.ca.

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