



SEP 23 1996

FACULTY OF BUSINESS

RESEARCH AND WORKING PAPER SERIES

EMPLOYMENT EQUITY IN CANADA: PUBLIC POLICY AND A SURVEY

BY

Harish C. Jain
and

Rick D. Hackett

McMaster University

WORKING PAPER NO. 314

November, 1988

Innis



HB

74.5

.R47

no.314

McMASTER UNIVERSITY

1280 Main Street West
Hamilton, Ontario, Canada L8S 4M4
(416) 525-9140

**INNIS LIBRARY
NON-CIRCULATING**



**EMPLOYMENT EQUITY IN CANADA:
PUBLIC POLICY AND A SURVEY**

BY

**Harish C. Jain
and
Rick D. Hackett**

McMaster University

WORKING PAPER NO. 314

November, 1988

Employment Equity in Canada
Public Policy and a Survey

Harish C. Jain

&

Rick D. Hackett

McMaster University

Employment discrimination against minority groups¹ and women has become a significant and complex issue for policy makers at all levels of government as well as for managers in both private and public sectors. Several federal Commissions (Daudlin, 1984; MacDonald, 1986; Boyer, 1985) have recently examined the employment and other problems of minorities. All of these Commissions have recommended affirmative action programs or (as these programs are now called in Canada) employment equity² (Abella, 1984) programs to deal with the problem of discrimination.

Employment equity (EE), as used here, refers to a comprehensive planning process by an employer to: identify and remove discrimination in employment policies and practices; remedy effects of past discrimination through special measures (i.e. actively recruit, hire and train minorities); and ensure appropriate representation of target groups throughout the organization (Employment and Immigration Canada, 1982). Accordingly, EE is a proactive strategy, as contrasted with equal employment opportunity (EEO) programs which aim simply to remove discriminatory employment barriers (Jain & Sloane, 1981).

EE programs exist in the federal public service (News Release; Treasury Board, June 26, 1986) and have been legislated for federally regulated employers and Crown Corporations (Employment Equity Act, 1986). In conjunction with this legislation, the federal government has a contract compliance policy requiring employers (of 100 or more workers) bidding on government contracts of \$200,000 or more to commit themselves to implementing EE (MacDonald, 1986). Moreover, legislation in all jurisdictions allows for the voluntary adoption and implementation of "special programs" (i.e. employment equity) to reduce disadvantages experienced by women and minorities.

The Canadian Human Rights Act, Section 15(1) explicitly permits the (voluntary) adoption of special programs that will prevent or reduce disadvantages to designated minority groups or remedy the effects of past discrimination against these groups. Section 41(2) of the same Act authorizes a Canadian human rights tribunal to order a special program in case of discrimination and where it is deemed necessary. This authority was affirmed in a 1987 Supreme Court ruling (8-0) that a Canadian human rights tribunal had acted appropriately in ordering CN Railway Company in 1984 to increase to 13 percent the proportion of women working in non-traditional occupations in its St. Lawrence region, because of systemic³ discrimination by CN against women. The 13% was based on the estimated availability of qualified women in the local labour market (see Rauhala, 1987). Canada further confirmed its commitment to the principle of employment equity in passing the Constitution Act of 1982. As of April, 1985, under section 15(2) of the Canadian Charter of Rights and Freedoms, "special programs" (i.e. EE programs) are considered legal.

With such legal protection, coupled with the costs of discriminating against minorities (cf. Agarwal, 1986; Dunette & Motowidlo, 1982; Milkovich & Gluck, 1985, p. 245), one might expect widespread adoption of EE programs. However, of 1400 employers offered assistance by the Canada Employment and Immigration Commission (CEIC) Directorate in 1984, only 71 agreed to develop an affirmative action plan (Abella, 1984). Moreover, where affirmative action has purportedly been implemented, little is actually known about the nature of these programs -- though a 1984 investigation of Ontario companies that say they have affirmative action programs suggest that these programs consist of minimal token strategies (cf, Smith, 1984).

Review of the Literature

The only survey of Canadian EE programs published to date was undertaken by Blakely and Harvey (1988). Yet, their study was restricted to Ontario, with 50 percent of the sample (29 of 58 organizations) having come from Metropolitan Toronto. Their results clearly showed a low level of commitment among employers to EE policy, especially pertaining to minorities other than women. For example, where 33.3 percent of respondents reported having written policies on the recruitment and hiring of women, only 21.6% had similar policies for visible minorities. Few maintained records on visible minority status (26%) or disability status (28%) of their employees and only one employer compared these internal data with corresponding data on the representation of these groups in the external labour market (i.e. to check for proportionate representation). Only 39 percent reported having made any special effort to recruit minorities.

Descriptive information of this sort, highlighting the strengths and weaknesses of recent EE initiatives, provides a basis for developing public policy. It also serves as baseline data against which the impact of EE legislation/public policy on personnel practices can be assessed in the future. The present survey, for example, represents the first stage of a multi-year longitudinal assessment of the personnel policies and practices of Canadian organizations and their impact on the organizational representation of minorities.

This survey is therefore an extension of the Blakely and Harvey (1988) study in that it samples from organizations Canada-wide and more comprehensively reviews the personnel practices of these organizations. A starting point for developing a survey instrument for assessing the characteristics of existing Canadian EE initiatives is a knowledge of the

basic components making up a good EE program. That is, once these criteria are known, they can be represented in the questionnaire to determine which are present in current Canadian programs (i.e. they provide a structural framework for survey design). This allows for an evaluation of the sophistication, comprehensiveness and effectiveness of current EE initiatives. A profile with respect to the elements constituting these programs can then be offered.

Criteria for Classifying EE Programs

Both the Employment Equity Act and the federal contractors programs⁴ have been criticized⁵ for lacking (a) specific goals and timetables, (b) systematic monitoring mechanisms, or (c) effective sanctions for non-compliance (Stasiulis, 1987; Jain, 1987). Empirical studies of affirmative action programs in the United States have found that effective enforcement (Beller, 1976); increasing the probability of paying a penalty if found in violation (Beller, 1979, 1982); and specific goals (Leonard, 1984a) have resulted in both employment gains and occupational upgrading for minorities (Leonard, 1984b; Jain, 1987).

As part of the federal contractors program, the CEIC has set forth several criteria to be used by compliance review officers in assessing EE programs. These criteria are listed in Table 1.

Table 1 about here

The CEIC criteria borrows heavily from the experience with affirmative action programs in the United States (Affirmative action, CEIC, 1984). These criteria are useful, extensive and supported by available research, with some notable exceptions. These exceptions partly reflect the weaknesses in the Employment Equity Act and the federal contractors program, as noted above. In the index developed by the authors, an attempt was made to overcome these limitations, based on empirical studies and research in this area (Jain, 1987). The authors developed an objective scoring scheme a-priori (before questionnaires were mailed) and minimal and desired requirements for (a) the establishment and (b) effective implementation of an EE program, respectively.

As noted earlier, our index is based on available empirical studies and research. For example, Marino (1980) identified six factors⁶ to evaluate affirmative action programs by employers in the U.S. in order to meet established goals and timetables. While five of the factors are similar to the CEIC criteria, the factor labelled as "internalizing the EEO policy" as reflected in the item "Is progress toward AAP (Affirmative Action program) goals included in the performance evaluations of line supervisors?" is not explicitly included. This is incorporated into our index (see Table 2) under the accountability criterion. Hitt and Keats (1984) identified five⁷ criteria as significant in shaping an effective affirmative action program, according to a sample of 55 affirmative action officers in post secondary institutions in the U.S. One criterion not included in the CEIC list is "resources provided for affirmative action". Similarly, in their study of affirmative action programs at nine large companies in a variety of industries in the U.S., Vernon-Gerstenfeld and Burke (1985) found that most effective affirmative action programs are funded from separate budgets

designed solely for this purpose⁸. The factor relating to budget resources is included in our index.

 Table 2 about here

Research Objectives

The current survey was designed to determine (1) the extent to which the key components of an EE program, as set out by the CEIC, are represented in Canadian organizations reporting to have an EE program⁹; (2) the feasibility of putting the CEIC criteria to operational use; and (3) to developing an objective scoring scheme, in the form of an index, that recognizes the differential importance of each criterion to the achievement of EE.

Method

Sample

A preliminary review of organizations known to have employment equity programs according to information gathered from newspaper articles, provincial and federal government documents, conferences, and CEIC staff revealed that five industry groupings have the highest density of such programs. The sampling was concentrated on these five sectors, which were: (1) health and social services; (2) educational services; (3) finance and insurance; (4) government services; and (5) manufacturing.

Following a random sampling method, 648 organizations from the five sectors were selected from the Canadian Trade Index (compiled by the

Canadian Manufacturing Association, Canadian Hospital Directory, and standard classification Indexes such as Dun & Bradstreet & Canadian Almanac. The sample was weighted in favour of relatively large (200 + employees), and public sector organizations.

The data were collected in the summer of 1985, prior to the passage of The Employment Equity act and the Federal Contractors Program.

Questionnaire

The survey questionnaire contained¹⁰ items pertaining to (a) the demographics of the organization and the person completing the form, (b) the organization's human resource management practices in general, with particular reference to EE initiatives, and (c) a self-assessment as to whether the respondent organization had a formal EE program.

Results

Of the 648 questionnaires circulated, 190 (29.3%) were completed and returned. They were completed by personnel staff (79); by the President or vice-President of the Organization (25); or by managers or supervisors (34). However, only 52 (27%) of the respondents reported having an EE program.

As table 3 indicates, the 52 organizations having EE programs are quite representative of the total sample and the pool of respondents in terms of geographic location, industrial sector, private vs. public sector, size, and operating locations. This is consistent with our expectation that EE programs are likely to exist primarily in medium to large as well as in public sector organizations. The latter may be due to several provincial governments such as Manitoba, Ontario, Quebec and the federal sector, having EE programs for their civil servants.

Table 3 about here

Characteristics of the 52 EE Programs In Relation to CEIC Criteria

Points 1 to 10 below are taken from and based on the CEIC criterion.

1. Policy communication. A major step in the development and implementation of an effective EE program is to communicate it to employees. While organizations frequently used more than one means of communicating their EE program to employees, the most frequently used method was a memorandum sent by senior management (67%). Used less frequently were annual reports (39%), training of line supervisors (37%) and workplace posters (29%).

2. Assignment of program responsibility. Co-ordinators and committees are helpful in developing, implementing and monitoring EE programs. There was evidence of a clear commitment of human resources to EE programs. Sixty-five percent of the organizations had a full-time co-ordinator, with 52% of them reporting to senior management. Most (65%) of the co-ordinators were in middle management positions, but 17.5% were senior managers. Sixty-three percent of the organizations had an EE committee with the members drawn primarily from trade unions and personnel staff.

3. Internal collection and maintenance of data. For purposes of knowing where to concentrate program efforts and to monitor the impact of program

initiatives it is important to have a well-developed system for the internal collection and maintenance of data. The CEIC recommends that both "stock" and "flow" data be kept in EE programs.

Flow data provides information on the movement of minorities into and through the organization, including numbers of applicants, hires, promotions, terminations and so forth. Stock data provides a "snap-shot" of the current workforce make-up by minority versus non-minority status across all occupational levels within an organization.

The flow information collected by our 52 organizations consisted of data on promotions and transfers (55.8%), applicants and hires (55.8%), training activity (44.2%) and terminations (30.8%). Three organizations (5.8%) said that they kept data on none of these. Moreover, few respondents could provide "stock" data on the occupational distribution of their workforce by gender (55.8%), aboriginal representation (17.3%), visible minority representation (21.2%) or disability status (17.3)%. The stock data provided were based primarily on estimates since actual records were reportedly unavailable. These findings correspond well with Abella's (1984) experiences in her study of 11 federal crown corporations. The message must be communicated to organizations that the collection and maintenance of stock and flow data by minority status is not only legal, but necessary to eliminate adverse impact and to identify unfair discriminatory policies or practices, (cf. Fairweather, 1986, Theroux, 1987).

4. External data collection. To determine whether there is adequate internal representation of designated minorities requires collection of external data for comparison purposes (Block and Pennington, 1980). Specifically, designated group representation should approximate their representation in the supply of qualified workers. Yet only 18 (34.6%) of the organizations reported that they collect any external data. This may have been in part due to a general unawareness of available statistics as well as an inadequacy of current census data in providing information on minorities with relevant qualifications by geographic area, particularly with regard to the disabled, aboriginal and visible minorities¹¹ (Abella, 1984). The CEIC and the Public Service Commission (PSC) of Canada has developed "availability data packages" by industry, occupation and various recruitment areas (i.e. National, provincial, metropolitan) for the workforce information (CEIC, February 1987; PSC, December 1986 and April, 1984). Employers can also expect these data to improve over time as special surveys are carried out and the 1986 census analyzed. (Employment Equity: A Guide for Employers, undated).

5. Elimination of unfair discriminatory employment barriers. One of the essential requisites of an EE program is the identification and elimination of discriminatory barriers to employment opportunities or systemic discrimination (Jain, 1985). The most frequently reported initiatives taken were interviewer training, (84.6%) updating job descriptions (80.0%), monitoring staffing practices (78.8%), and ensuring that job requirements are job related (67.3%).

6. Establishing goals and timetables. Almost all (94.2%) of the EE programs specified females as their "target group". Fewer than one-half specified as their target-group aboriginal peoples (38.5), visible

minorities (30.8%) or the disabled (48.1%). This may be due to the more recent addition of the latter three as target groups and a more sustained or exclusive targetting of females by organizations throughout Canada.

Numerical goals and timetables are instrumental in facilitating the effectiveness of EE programs. Yet 15 (28.8%) of the organizations indicated that they had no set goals or timetables. Others set one-year goals (32.7%), two-year goals (5.8%), three year goals (7.7%) and four-year goals (1.9%). Twenty-three percent of the respondents did not respond to this question.

7. Goal Attainment and Managerial Accountability. As indicated earlier, an organization needs proactive measures, far more than the CEIC criteria suggest. Goal attainment needs to be tied with managerial accountability. Thus, EE programs are more likely to succeed when line managers are incorporated into the planning and implementation of the program and held responsible.

Line managers were reportedly accountable to their immediate supervisor (21), an EE committee (4), or no one (11) for their role in program performance. Although for 17 (32.6%) of the organizations adherence to EE guidelines was considered in the line manager's performance appraisal, for only three organizations was program success linked to bonuses, salary or promotion. Yet, penalties for program violations were given in all but three establishments. This suggests that more of the a "stick" than "carrot" approach is relied upon for bringing about program compliance. While managers should be held accountable for the EE progress achieved in their own units, they should also be rewarded for their part in program successes. A more positive proactive (rather than reactive) orientation of

built-in incentives and emphasizing rewards over the threat of penalties should facilitate acceptance and adoption of EE throughout the organization.

8 & 9. Organizational Climate and Special Measures. Based on the Supreme Court of Canada decision in O'Malley v. Simpsons, organizations are required to provide "reasonable accomodation" to minority groups. This means that special measures are necessary to accomodate members of designated groups and that a work climate be established that is favourable to their successful integration. The special measures reportedly taken are shown in Table 4.

It is evident that while most organizations provided wheelchair access, a sexual harassment policy, and de-sexed language documents, few provided flextime, worksharing, child care or educational assistance. Yet it is the absence of these latter initiatives that may prevent many single mothers of primary school age children from participating in the workforce. Educational assistance would also be of great value to women who are re-entering the labour market following a long absence associated with child-rearing, as it would for women internal to the organization seeking higher levels of responsibility. Accordingly, it would seem that they should be part of any serious efforts to achieve employment equity for women.

10. Monitoring of EE progress and Implementation. An effective monitoring program is necessary to the implementation of any EE program. Regular evaluations can indicate the progress being made toward EE objectives and the need for suitable corrective action or adjustment. The procedures used for monitoring EE programs as reported by the 52 organizations were: periodical reports of progress toward meeting EE goals (69.2%); flow information on staffing (63.5%); updating personnel records (38.5%);

examining selection test scores (26.9%) and conducting general surveys (28.8%).

Program Resources. The CEIC criteria, as noted earlier, do not specify resources or budget allocation for EE programs. In our view, in order for an EE program to go beyond tokenism, adequate resources must be allocated. Budget allocations for EE programs were modest. Fifteen (28.8) of the respondents indicated that they spent less than \$25 per employee; 13.5 percent spent \$26-50 per employee; and two organizations reported spending more than \$125 per employee. Only one-half of the organizations had allocated a separate portion of their budget to the program. The relatively small amount of funds spent on EE could mean either (1) administrative costs of establishing EE are really quite small or (2) the organizations are not expending any real effort in establishing EE.

Reasons for Implementation

Additionally, we inquired as to why organizations implemented an EE program. All said that they did so for purposes of better utilizing their human resources. However, the next most common response (96%) was "because of government pressure to do so." Fifty percent said that they implemented EE to improve public relations.

Organizations Meeting Minimal Requirement for Establishment of An EE Program: Towards an index of EE programs.

To this point we have reviewed aggregate data on the number of organizations meeting various EE criteria without offering an overall evaluation of any one program per se. Yet, what constitutes a genuine effort to achieve EE? Are we to take at face value organizations' claims

that they have an EE program? With regard to the Federal Contractors Program, CEIC contract compliance review officers look for evidence of "good-faith-effort". Though the CEIC describe the various elements to be used in their assessment, it is not at all clear how these criteria are to be weighted in any composite evaluation of a program. We set up a point system to determine how many of the organizations purporting to have EE programs met what we believe are (1) the bare minimal requirements for establishing such programs, and (2) requirements for effective implementation of the programs, on the basis of available empirical studies. The weights in our scoring scheme total 100 and were assigned to the questions in our survey in a way that recognized the differential importance of the EE elements represented. Three levels of weights were used, as summarized in Table 2.

It was assumed that organizations with EE programs would have at least identified a target group. Additionally, in order to be classified as having met the minimal standards/criteria of an employment equity program, organizations had to score 60 points within our system. This required them to have satisfied at least one of the level one criteria - accountability, numerical targets, or monitoring/evaluation mechanisms. This requirement underscores the importance of level one criteria.

The level two criteria were assigned lesser weight than those in level one. These components constitute positive actions that an organization can take to rectify past discrimination or to remove discrimination in employment practices. It is not essential that each of these components be present, but each can contribute significantly to the achievement of equality.

The level three criteria are of much lesser importance although they are often considered to be an integral part of an EE program. Certainly it is crucial that adequate resources (time and dollars) be allocated to an EE program; however depending on the approach and even the age of the program, a committee and/or co-ordinator with very clearly defined responsibility for the program may not be in place. For example, if an organization has a mature well-developed program, it is quite likely that a specific individual is not assigned responsibility for it; rather the program components and the accountability for the program's success are diffused throughout the organization according to the functional units overall responsibilities. The recruitment staff are responsible for recruiting minorities, the training and development staff are responsible for training them, and so forth. The organizations that meet most of our criteria (91 to 100 points) are considered to have an effective EE program.

Using this scheme 42(81%) of the 52 organizations purporting to have an EE program obtained scores of 60 or more, suggesting that they met the minimal requirements for establishment of an EE program. This provides support for our contention that the majority of organizations purporting to have EE in this survey had actually adopted an EE program. However, only 19 met 90 to 100% effectiveness criteria.

Discussion

The results of this study are similar to those reported by Harvey and Blakely (1988). In their survey, few organizations reported keeping record of visible minority status (26%) or disability status (28%) of their employees. This compares to 21.2% and 17.3% respectively, found in the

present study. Another common highlight was the lack of specific policies/practices targeted to the disabled, visible minorities and aboriginal peoples, with women being the focus of most programs. Few organizations with EE programs compare internal "stock" data with external availability data, which is necessary for determining proportionate representation of designated groups, nor are organizations collecting the kind of flow data necessary for determining where within their system employment barriers are likely to be confronted by minorities. In addition our study showed EE programs seldom provided child-care assistance, flextime, worksharing or educational assistance for the the four designated groups. It is the absence of these measures, however, that is likely to preclude many women and other minorities from gainful employment. In view of the Supreme Court decision in O'Malley v. Simpson (1985) organizations are obliged to provide "reasonable accommodation" without incurring undue expense, as noted earlier. Given that firms which purportedly have EE programs spend a relatively modest amount of money establishing EE, are reluctant to establish timetables for the achievement of EE, are lacking with regard to EE practices implementation, and collect insufficient data on EE may suggest that existing programs are designed to pacify public opinion rather than genuinely achieve equity. Indeed, 50 percent of the respondents of our study reported having implemented EE to improve public relations and as many as 96 per cent claimed that government pressure was a factor. Moreover, only 19 organizations met our criteria of effective EE programs.

The effectiveness scores of 90 to 100 on our index are based on the CEIC criteria and the literature cited earlier. These empirical studies suggest that EE programs that satisfy the factors on our index are generally

successful in meeting our mandate. Accordingly, we defined as "effective" those EE programs that scored 90 or more on our index.

Our survey results, which pertain to EE programs implemented prior to the two federal EE initiatives taken by the Canadian government in October certainly underscore the need for government intervention. The experience in the United States with its contract compliance program has been that it has resulted in a positive change in the representation of women and minorities, even where established goals were seldom met (Leonard 1984a; Bevan, 1987). When U.S. President Ronald Regan announced his intention to dismantle this program, business leaders rushed to its defence, stating that goals and timetables made good business sense (Abella, 1984). An assessment of government EE interventions in the United Kingdom also supports the necessity of evaluations and sanctions (Bevan, 1987).

Finally, the questionnaire used in our survey was designed around the criteria that the CEIC contract compliance review officers are to use in assessing EE programs. Once again, the federal contractors program is government policy requiring that companies with 100 or more employees bidding on contracts of \$200,000 or more implement EE. The structure of the Federal Contractors Program makes the implementation of EE a condition of doing business, and the failure to comply can result in sanctions, including the eventual exclusion of the employer from future government contracts. (Employment Equity: A Guide for Employers, Employment and Immigration Canada, p. 9, undated). However, as we ourselves encountered, problems are likely to arise in trying to put into operational use the EE evaluation criteria set forth by the CEIC. Specifically, what number and mix of these criteria must be present as demonstration of satisfactory progress toward achieving EE? Are all criteria of equal importance in one overall composite

evaluation or are they to be differentially weighted? Though in our view the CEIC criteria seem appropriate, these questions need to be addressed, perhaps resulting in a more objective scoring scheme, such as the one we have presented.

Inevitably, other problems will arise in the early stages of operationally putting into practice the Federal Contractors Program and the EE Act. However, the results of the current study certainly suggest that the initial steps taken by the federal government with EE policy and legislation are warranted and are likely to take Canadians one step closer to achieving equality.

In view of the fact that the Parliament will review the Employment Equity Act in five years and every three years thereafter, as provided in the Act, it might be worthwhile for CEIC and the employers to seriously consider adopting and operationalizing an objective scoring scheme to assist in implementing effective EE plans.

Table 1

Canada Employment and Immigration

Commission Employment Equity Criteria

- 1) Degree of commitment communicated throughout the organization by senior management, union, and/or employee associations;
- 2) Assignment of senior personnel with responsibility for employment equity;
- 3) Collection and maintenance of information on the employment status of designated group employees by occupation and salary levels in terms of hiring, promotion, and termination in relation to all other employees;
- 4) Analysis of designated group representation within the organization in relation to their representation in the supply of qualified workers;
- 5) Elimination or modification of those human resource policies, practices, and systems shown to have or likely to have an unfavourable effect on the employment status of designated group employees;
- 6) Establishment of goals and timetables;
- 7) Establishment of a plan for reaching these goals;
- 8) Adoption of special measures where necessary to ensure achievement of goals, including the provision of reasonable accommodation as required;
- 9) Establishment of a climate favourable to the successful integration of designated group members within the organization;
- 10) Adoption of procedures to monitor the progress and results achieved in implementing employment equity.

Note: The eleventh and the final criteria concerning on-site compliance reviews is not germane to this study.

Source: Employment Equity, CEIC, undated

Table 2

Employment Equity Scoring Scheme: Weights

<u>Level</u>	<u>Criterion</u>	<u>Weight</u>
Level 1	1. accountability	20
	2. numerical goals & timetables	20
	3. monitoring & control mechanisms	20
Level 2	4. on-going publicity	10
	5a. special target group recruitment efforts	5
	5b. special target group training efforts	5
	6. employment practice review	10
Level 3	7. employment equity or employment equity coordinator	5
	8. Resources or budget	5
		<u>100</u>

Table 3

Distribution of Total Sample, Respondents and EE Programs by Location,
Industrial Sector, Public vs. Private Sector, Size
Questionnaire Respondents, and Operating Locations

	<u>Total Sample</u> (N=648)		<u>Respondents</u> (N=190)		<u>Those with EE Programs</u> (N=52)	
	N	%	N	%	N	%
B.C.	76	11.7	29	15.3	3	5.8
Albta.	55	8.5	15	7.9	2	3.8
Sask.	24	3.7	15	7.9	3	5.8
Manitoba	29	4.5	10	5.3	4	7.7
Ontario	335	51.7	92	48.7	34	65.4
P.Q.	75	11.6	14	7.4	4	7.7
N.B.	17	2.6	4	2.1	-	-
P.E.I.	5	0.8	-	-	-	-
N.S.	18	2.8	8	4.2	1	1.9
Nfld.	14	2.2	3	1.1	1	1.9
<u>Industrial Sector</u>	N	%	N	%	N	%
Manufacturing	139	21.5	19	10.0	5	9.6
Finance & Insurance	67	10.5	24	12.6	6	11.5
Govt. Services	157	24.2	45	23.7	19	36.5
Educational Services	126	19.4	50	25.3	12	23.1
Health & Soc. Services	117	18.1	33	17.4	4	7.7
Other	42	6.5	19	10.0	6 ^a	11.5
<u>Public vs. Private</u>						
Public Federal	46	7.1	2	1.0	0	0.0
Public Provincial	216	33.3	82	43.0	23	44.2
Public Municipal	126	19.4	38	20.0	9	17.3
Public Federal Crown	17	2.6	6	3.1	5	9.6
Public Provincial Crown	20	3.0	12	6.3	5	9.6
Private	221	34.1	50	26.3	10	21.1
<u>Size</u> ^b						
Small			75	38.9	18	34.6
Medium			81	42.6	22	42.3
Large			34	17.9	12	23.1
<u>Questionnaire</u> <u>Respondents</u>						
President or V.P.			25	13.1	10	19.2
Personnel Manager			79	41.6	13	25.0
Manager or Supervisor			34	17.9	14	26.9
Other			52	27.3	15	28.8

Table 3 (continued)
Distributions of Operating Locations

	<u>Respondents</u> (N=420)		<u>Those with EE Programs</u> (N=116)	
	N	%	N	%
B.C.	53	12.6	9	7.7
Alberta	46	10.9	9	7.7
Saskatchewan	40	9.5	10	8.6
Manitoba	42	10.0	11	9.5
Ontario	108	25.7	35	30.2
P.Q.	43	10.2	9	7.7
N.B.	23	5.5	6	5.2
P.E.I.	12	2.8	6	5.2
N.S.	29	6.9	7	6.0
Newfoundland	15	3.6	6	3.4
N.W.T.	5	1.2	4	3.4
Yukon	4	1.0	4	3.4

- a. Consists of Transportation and Storage (2), Communications (2), Business Services (1) and Food and Housing (1).
- b. Size was defined by number of full-time employees; Small = 200-999; Med.=1000-4999; Large=5000+

Table 4

Special Measures Adopted by 52 EE Programs

	<u>N</u>	<u>%</u>		<u>N</u>	<u>%</u>
On-site Child Care	11	21.1%	Language Training	23	44.2%
Off-site Child Care	3	5.8	Religious Acmdn.	23	44.2
Wheelchair Access	42	80.7	Educ.l Assistance	6	11.
Work-Sharing	23	44.2	Flextime	5	9.6
Harassment Policy	38	73.1	De-sexed documents	43	82.7

Footnotes

1. The federal government and several provincial governments such as Quebec, Manitoba and Ontario have designated minorities as visible minorities, disabled and aboriginal peoples. These minorities and women are interchangeably called designated groups and target groups.
2. Judge Abella, in her Royal Commission Report (1984) devised a new, uniquely Canadian term called "employment equity" to describe programs of positive remedy against employment discrimination, in place of "affirmative action". She suggested that affirmative action has rightly or wrongly (in our view wrongly) become associated with the imposition of quotas, which may not be true of the Canadian scene (Abella, 1984), 7). The term employment equity was adopted in the Employment Equity Act and is being used widely throughout Canada since 1986. In this paper, both employment equity and affirmative action will be used interchangeably.
3. Systemic discrimination involves adverse or disproportionate effect of personnel policies, such as height and weight requirements on women relative to men, and other minorities when such requirements are unrelated to successful job performance.
4. There are several distinctions between the Employment Equity Act (Act) and the Federal Contractors Program. First, the act applies to federally regulated employers and crown corporations with 100 or more employees. These 450 employers cover approximately ten percent of the

Canadian labour force. The Contractors program applies to all employers, (approximately 900) regardless of jurisdiction, who supply goods and services to the federal government worth \$200,000 or more and employ 100 or more employees. Second, the Act requires employers to file annual reports as of June 1988 with the CEIC, providing information on the representation of all employees and the four designated groups by occupational group and salary range and on those hired, promoted or terminated month by month for a full year. Failure to comply with this requirement can result in a fine of a maximum of fifty thousand dollars. The Contractors program requires contractors to sign a certificate of commitment to design and carry out an employment equity program. However, the contractor is not required to file the employment equity plan, only a commitment to have one. In place of filing a report, the CEIC might conduct an on-site compliance review for the purpose of measuring the progress achieved in implementing employment equity. Failure to provide evidence of "good-faith effort" in an employment equity plan, which meet the criteria set out by the CEIC, could result in the exclusion of the contractor(s) from future government business. Third, the Act requires employers to prepare an annual equity plan with goals and timetables, and to retain such a plan for a period of at least three years. Unlike the annual report, however, employers are not required to submit this plan to the government and no penalty is provided for failure to have and to implement such a plan. Under the Contractor's program, contractors are to follow the criteria specified by the CEIC in adopting and implementing an EE plan, as noted earlier.

For the number of employers covered by the Act, see Human Resource Management in Canada, July 1988. For the Contractors program, see MacDonald, June 12, 1986.

5. The Employment Act and the federal contractors program have been criticized on several grounds. For instance, under the Act employers are not required to submit employment equity plans to the government. Unlike the Contractors program, where contractors are to follow the EE criteria set out by the CEIC, employers under the Act are not required to follow any such criteria. Moreover, while the contractor's program may entail a penalty, no such sanction is provided for in the Act for failure to have an EE plan with goals and timetables. The act leaves it to employers to establish and to pursue their own goals and targets. No matter how weak is the company's performance, nothing in the legislation obliges it to improve (Stasiulis, 1987).

The federal contractor's program, unlike the Act, does not require employers to collect data in a standardized form or to report data annually. The monitoring mechanism is the signed agreement by the employer to permit a compliance review officer from the CEIC to conduct an on-site review. Failure to comply with the CEIC criteria, which is not operationalized, does not result in the cancellation of a contract or a penalty but only means that such a contractor will be removed from the bidding process in the future, (Jain, 1987).
6. Marino's six factors are: (1) informing the employees, (2) enhancing advancement opportunities, (3) internalizing the EEO policy, (4)

increasing minority applicant flow, (5) demonstrating top management support, and (6) seeking community support, (1980).

7. These criteria are: (1) commitment from higher administration; (2) credibility of affirmative action programs and officers; (3) grievance procedure; (4) receptive attitudes of key personnel; and (5) resources provided for affirmative action (Hitt & Keats, 1984).
8. The authors listed several other factors such as management commitment and support, (our accountability criterion); a company-wide awareness of affirmative action programs (our ongoing publicity criterion); special treatment of minorities and women (our special target group recruitment and training criterion); and ongoing performance assessment with respect to affirmative action, (our monitoring and control criterion).
9. It should be noted that the survey was done in the summer of 1985, prior to the Employment Equity Act (of 1986) and the federal contractors program of 1986. However, the CEIC criteria have been well known since 1984 (Affirmative Action: Technical Training Manual, 1984). This is because the CEIC has been urging employers to voluntarily adopt affirmative action plans since the early 1980's; the Commission has been providing free consulting services to employers adopting such programs.
10. The Quebec employers included in our survey were federal Crown corporations and government departments. Employers under Quebec

government jurisdiction were not included since at the time of our survey in 1985, the Quebec human rights legislation did not permit affirmative action programs. For this reason, the questionnaire was sent in the English language only.

11. For instance, in the case of visible minorities, most of the availability figures are based on estimates and a cross-match of data on ethnic origin, birthplace, religion and mother tongue. Moreover, the 1981 Census data is not comparable with the 1971 Census data because the latter (1971) Census stipulated that a single ethnic ancestry on the paternal side was to be reported. In 1981, however, the respondents could report two or more ethnic origins.

References

- Abella, R. (1984). Equality in employment: a royal commission report.
Ottawa, Minister of Supply and Services.
- Agarwal, N.C. (1986) Economic costs of employment discrimination. In M. Thompson (ed.) Is there a new Canadian industrial relations? Proceedings of the 23rd annual meeting of Canadian Industrial Relations Association, Winnipeg, Manitoba.
- Beller, A. (1976) EEO Laws and the earnings of Women. Industrial Relations Research Association Proceedings. Madison: University of Wisconsin 190-198.
- Beller, A. (1979) The impact of equal employment opportunity laws on the male-female earnings differential. Women in the Labor Market. C. Lloyd, E. Andrews and C. Gilroy (eds.). New York: Columbia University Press. 304-330.
- Beller, A. (1982) "Occupational segregation by sex: determinants and changes." Journal of Human Resources 17 Summer, 371-392.
- Beavan, L. (1987-June) Can federal employment equity initiatives be enforced? Paper presented at the 24th Annual Meeting of the Canadian Industrial Relations Association, Hamilton, Ontario.

- Billingsley, B. and Muszynski, L. (1985) No discrimination here: Toronto employers and the multi-racial workforce. Toronto. The Urban Alliance on Race Relations and the Social Planning Council of Metropolitan Toronto.
- Blakely, J.H. and Harvey, E.B. (1988) Socioeconomic change and lack of change: Employment equity policies in the Canadian context. Journal of Business Ethics, 7, 133-150
- Block, H.R. & Pennington, R.L. (1980) "Labor market analysis as a test of discrimination," Personnel Journal 59, 649-652.
- Boyer, P. (1985-Oct.) Chairman, Equality for All. Ottawa, House of Commons.
- Cohen, L. (1983). Affirmative action in Canada: Ten years after. Prepared for the Human Rights Directorate, Department of the Secretary of State, Ottawa.
- Daudlin, R. (1984- March) Chairman. Equality Now! Ottawa: House of Commons.
- Dessler, G. & Duffy (1984). Personnel Management: Scarborough: Prentice Hall.
- Dolan, S. & Shuler, R. (1987). Personnel and human resources management in Canada. New York: West Publishing Co.

Dunnette, M.D. & Motowidlo, J. (1982). Estimating benefits and costs of antisexist training programs in organizations. In J. Bernardin (Ed.) Women in the workforce New York: Paeger.

Employment and Immigration Canada (1982). Affirmative action: Technical training manual. Ottawa.

Employment and Immigration Canada (undated). Employment equity: A guide for employers. Ottawa.

Employment and Immigration Canada (Spring, 1987). News Release, Vm. 1, no.2.

Fairweather, G. (1986), June) Notes for remarks. In S.F. Cronshaw (Chair) the Canadian industrial-organizational psychologist and human rights legislation. Present and future strategies for employment testing. Symposium conducted at the forty-seventh annual convention of the Canadian Psychological Association, Toronto, Ontario.

Hitt, M.A. and Keates, B.W. (1984) "Empirical Identification of the Criteria for Effective Affirmative Action Programs." Journal of Applied Behavioral Science. Vol. 20 203-222.

Jain, H.C. (1984) Discrimination in the workplace. In K.M. Srinivas, (Ed.) Human Resource Management, Toronto: McGraw-Hill Ryerson.

Jain, H.C. (1985-January) Anti-discrimination staffing policies: Implications of human rights legislation for employers and trade unions, Ottawa: Department of the Secretary of State.

Jain, H.C. (1987) Visible minorities and employment equity in Canada. Minutes of proceedings and evidence of the standing committee on multiculturalism. Ottawa, House of Commons, May 26, 1987.

Jain, H.C. and Sloane, P. (1981) Equal employment issues: Race and sex discrimination in the United States, Canada and Britain, New York: Praeger.

Leonard, J.(1984a) "What promises are worth: The impact of affirmative action goals." National Bureau of Economic Research, working paper No.1346, May 1984.

Leonard, J. (1984b) "Employment and occupation advance under affirmative action." Review of Economics and Statistics 66 (August) 377-385.

MacDonald, F. (1986-June 12, Issue #58) Proceedings of the Standing committee on legal and constitutional affairs. Thirty-third Parliament.

Marino, K.E. (1980) Conducting an internal compliance review of affirmative action. Personnel. March.

Public Service Commission of Canada (1986-December) Availability of visible minorities in the Canadian labour market. Ottawa

Milkovich, G.T. and Glueck, W.F. (1985) Personnel/Human resource management: A diagnostic approach. Plano Texas: Business Publications, Inc.

Rauhala, A. (1987, June 26) Job quota for women is upheld. The Globe and Mail p. A1, A2.

Shaeffer, R.G. and Lynton, E.F. (1979) Corporate experience in improving women's job opportunities. New York: The Conference Board.

Smith, Jackie, "Affirmative action facts misleading." Toronto Star, Nov.19, 1984, B5.

Stasiulis, D.D. (1987-June) Affirmative action for visible minorities and the new politics of race. Paper presented at the Canadian Political Science Association Conference.

Tarnopolsky, W.S. (1980) Discrimination and affirmative action. In H.C. Jain and D. Carroll (eds.) Race and sex equality in the workplace: A challenge and an opportunity. Ottawa: Supply and Services.

Theroux, C. (1987 June) Enforcement of employment equity. In R.D. Hackett (Chair) Employment equity in Canada: Some basic and applied research findings. Symposium conducted at the forty-eighth annual convention of the Canadian Psychological Association, Vancouver, B.C.

Treasury Board of Canada (1986, June 26) News Release 86/22.

Vernon-Gerstenfeld, S. and Burke, E. (1985) "Affirmative Action in Nine Large Companies: A Field Study". Personnel. April. 54-60.

Author Notes

An earlier draft of this paper was presented at the Forty-eighth annual convention of the Canadian Psychological Association, Vancouver, British Columbia.

The senior author would like to acknowledge with thanks "University Research Grants" from Imperial Oil Limited for financial support of this research study.

Research assistance from Marjory Buttrum, Effie Ginzberg, Bula Bahadra, Richard Godin and John Phyne is sincerely appreciated. Thanks also to Sandra Lee, Cindy Schick and Laura Norris for conducting the field interviews that preceeded this study.

Faculty of Business
McMaster University

WORKING PAPERS - RECENT RELEASES

295. John W. Medcof, "Need for Dominance Scale of the Manifest Needs Questionnaire: Its Reliability and Validity", April, 1988.
296. John W. Medcof and Michael J. Stahl, "Job-Motive Compatibility: A Test of Chusmir's Model", April, 1988.
297. Zvi Goldstein, Shaul P. Ladany and Abraham Mehrez, "A Replacement Model With An Expected Breakthrough in an Improving Technological Environment", April, 1988.
298. Norman Archer, "A Comparison of Computer Conferences with Face-to-Face Meetings for Small Group Business Decisions", May, 1988.
299. Joseph Rose, "New Measures of Union Organizing Effectiveness", June, 1988.
300. Min Basadur, "Application of a Complete Process of Applied Creative Problem Solving to Union-Management Bargaining", June, 1988.
301. Rick D. Hackett, "Age, Tenure, and Employee Absenteeism", June, 1988.
302. A. William Richardson and Abraham Mehrez, "Investigation of Large Scale Multi-Echelon Service Systems", June, 1988.
303. Min Basadur, "The New Creative Thinking Skills Today's Purchasing Professionals Must Have to Be Successful", June 1988.
304. George Steiner, "On the Complexity of Dynamic Programming for Sequencing Problems with Precedence Constraints", July, 1988.
305. Isik Zeytinoglu, "Gender Divisions in Turkey's Labour Market", August, 1988.
306. Tom Muller, "Value Orientations in Urban Canadians Across the Adult Life Span", July, 1988.
307. Roy J. Adams, "North American Industrial Relations: Divergent Trends in Canada and the United States", August, 1988.
308. Roy J. Adams, "The 'Old Industrial Relations' and Corporate Competitiveness: A Canadian Case", August, 1988.
309. Gary N. Chaison and Joseph B. Rose, "Continental Divide: The Direction and Fate of North American Unions", August, 1988.

- 310. Thomas E. Muller, "Using Consumers' Value Orientations to Segment the Canadian Marketplace", September, 1988.
- 311. Yufei Yuan, Abraham Mehrez, Amiram Gafni, "A Statistical Analysis of Bias in a Personnel Assignment Problem: Stable Solutions Vs. Multiplicative Utility Solutions", October, 1988.
- 312. Yufei Yuan and Abraham Mehrez, "Refueling Strategies to Maximize The Operational Range With A Non Identical Vehicle Fleet", October, 1988.
- 313. Thomas E. Muller, "The Role of Personal Values in Segmenting an International Tourism Market", November 1988.

Innis Ref.
HB
74.5
.R47
no. 314