



Leaders' Summit on Visible Minorities



Toward Maximizing the Talents of Visible Minorities Potential, Performance and Organizational Practices

ORGANIZATIONAL EXCELLENCE

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SECTION 1

Maximizing the Talents of Visible Minorities

Concerns and Opportunities

- With a fertility rate well below the level needed to maintain its population, Canada will depend on immigration to grow its labour force. Source countries for immigrants have shifted dramatically over the years. Historically, European countries provided Canada with immigrants. Today, China, India, other Asian countries and South America are our main sources, and most newcomers are visible minorities. By 2016, the Conference Board projects that visible minorities will constitute about 20.0 per cent of our population and 18.4 per cent of the labour force.¹
- Canada will have to compete for talented visible minorities. The traditional sources of immigrants to Canada have emerged as key competitors for people. The reason is demographics, principally the aging populations of the industrialized countries of the West. By 2030, people aged 65 years or more in Germany will account for almost

half of its adult population. The same demographic trend prevails in other countries such as France, Italy, the Netherlands, Portugal, Spain and Sweden. DIW Berlin, a leading German economic institute, estimates that Germany will have no choice but to import one million immigrants of working age each year simply to maintain its workforce. Other wealthy European countries face the same challenge. In contrast, more than half the population of India is under 25 years of age. This is typical of most Asian countries with the exception of Japan.²

- In the competition for scarce workers to support growing economies, countries that are hospitable to immigrants will have an advantage. Immigrants are attracted by job opportunities, but they also go to countries that welcome them wholeheartedly and help them find employment.

- The geopolitical impact on Canada of the aging of Europe and the emergence of Asia (and other regions) as the primary source of immigrants is significant. It is true that Canada's shared values and political connections with the United States and Europe are strong. But over time, Canada's ties of family and culture with its main source of immigration, Asia, will multiply and strengthen. As this happens, Canada will focus even more aggressively on this region.
 - Asia will continue to boom economically until well into the next century. A major reason is its tremendous demographic advantage, with a significant proportion of its inhabitants aged less than 25 years. Jeffrey Williamson, an economist at Harvard, estimates that changes in the age structure of populations alone can account for 1.5 per cent of growth in gross domestic product per person per year.³
 - The new immigrants' connections with Asia will be a powerful strength for Canada, helping it to solidify its business links with the region.
- Canada's workforce is becoming more international by virtue of its changing origins, diverse languages and broad world experience. At the same time, much of the new talent brought by visible minorities is underutilized because we do not adequately recognize academic or professional credentials obtained abroad. The cost of this failure amounts to between \$2 billion and \$3 billion annually.⁴
- A society can be cohesive only if it is inclusive. Experts argue that the absence of a "feeling of inclusion" was primarily to blame for the racial violence and social unrest that took place in the United Kingdom in 2001.⁵ Systemic barriers preventing organizations from fully benefiting from the growing diversity of the Canadian labour force will challenge the cohesion of Canadian society.

1 Pedro Antunes, Judith L. MacBride-King and Julie Swettenham, *Making a Visible Difference: The Contribution of Visible Minorities to Canadian Economic Growth* (Ottawa: The Conference Board of Canada, April 2004).

2 "The New Demographic," *The Economist* [on-line] (Nov. 1, 2001) [cited May 9, 2004]. Available from the Internet <www.economist.com/PrinterFriendly.cfm?S_ID=770839>.

3 "Half a billion Americans?" *The Economist* [online] (Aug. 22, 2002) [cited May 9, 2004]. Available from the Internet <www.economist.com/PrinterFriendly.cfm?S_ID=1291056>.

4 Based on data from Michael Bloom and Michael Grant, *Brain Gain—The Economic Benefits of Recognizing Learning and Learning Credentials in Canada* (Ottawa: The Conference Board of Canada, 2001).

5 Kundnani Arun, "From Oldham to Bradford: The Violence of the Violated," *Independent Race and Refugee News* [online] (Oct. 1, 2001) [cited May 17, 2004]. Available from the Internet <www.irr.org.uk/2001/october/ak000003.html>.

SECTION 2

How Are We Doing?

Report Card on Performance in Maximizing the Talents of Visible Minorities

Consider these facts:

- Many work environments and cultures continue to work against the full inclusion of visible minorities.
 - According to a recent Statistics Canada study, one in five visible minorities in Canada reported experiencing discrimination or unfair treatment in the past five years. This figure was four times greater than that for non-visible minorities. Discriminatory incidents were most often experienced in the workplace or while seeking employment.¹
 - The 2002 federal Public Service Employee Survey found that visible minorities were about twice as likely as other employees to report experiencing discrimination on the job.²
- Visible minorities are not well represented in key decision-making positions in Canadian organizations.
 - In recent Conference Board focus groups, visible minorities reported that an important indicator of organizational commitment to diversity is the significant presence of visible minorities in positions throughout the organization, especially key positions.³ If potential employees cannot “see themselves” mirrored throughout the organization, they are less inclined to market their skills and talents to that firm.
 - Only 3 per cent of responding organizations to a recent Conference Board survey reported having a chief executive officer who was a visible minority. Similarly, just 3 per

- cent of the almost 900 senior executives in the surveyed firms were visible minorities.⁴
- Respondents to the Conference Board’s survey cited the lack of qualified visible minority candidates as a major barrier to filling executive and board positions. However, a recent federal government report on employment equity found that less than half of the visible minorities who were qualified for senior manager positions were actually in those positions. Over half, while qualified, were not.⁵
 - Sectors vary in how well visible minorities are represented in the top organizational positions. In the Conference Board’s survey, organizations in the private sector had higher representation rates than the broader public sector (4.1 per cent versus 2.4 per cent).⁶
 - Almost 6 in 10 organizations (58 per cent) surveyed by the Conference Board felt it was important to recruit visible minorities to their boards of directors. At the same time, most (68 per cent) were not actively recruiting visible minorities to participate on their boards, and 9 in 10 did not have a plan for recruiting and selecting visible minorities to the board.

- According to a recent Spencer Stuart/Rotman report, only 19 per cent of Canadian organizations have at least one visible minority on their board, and only 1.7 per cent of board members are visible minorities.⁷
- 2001 census data show that visible minority groups vary with respect to their representation at various levels within organizations and in occupational groups.
 - ~ Visible minorities, while often spoken about as one category of employee, are not a homogeneous group. Their realities, their experiences and their opportunities differ. For example, compared with other groups, blacks, Latin Americans and Filipinos are less likely to be represented in management and scientific positions, while the proportion of Asians holding such positions is greater.
- Canada and Canadian organizations continue to underutilize the skills and talents of immigrants, 73 per cent of whom were visible minorities in 2003.
 - According to one Statistics Canada study, 6 in 10 immigrants in 2001 did not work in the occupational field in which they had worked prior to arriving in Canada.

- ~ For most this meant working in sales and service occupations, as well as in those related to processing and manufacturing. Prior to arrival in Canada, the two most common occupational categories for men were natural and applied sciences and management. For women, these categories were business, finance and administration, as well as social science, education, government services and religious occupations.
- ~ However, place of birth—and presumably country of origin and minority group status—mattered. Over 60 per cent of immigrants born in the United States and “Oceania” (e.g., Australia and New Zealand) were employed in the same occupational groupings that they had left. In contrast, only one-third of those born in Asia and the Middle East were so employed. The figure was 36 per cent for immigrants born in Central and South America.

- ~ For the immigrants in this Statistics Canada study, two major hurdles to achieving an occupational fit were difficulty in transferring their qualifications and the lack of Canadian work experience.⁸
- As noted previously, the Conference Board estimates the cost to the Canadian economy of not recognizing the credentials or work experience of newcomers at \$2 to \$3 billion a year.⁹
- Virtually all of the immigrant visible minorities who participated in the Conference Board’s focus groups (particularly those who immigrated in the skilled workers’ stream) were attracted by the promise of rewarding employment opportunities and a high quality of life for themselves and their families. It often takes many years for newcomers to realize their dreams, and for some the prize remains elusive. The view of one focus group participant speaks to the frustration of many: “I had the feeling that I was good enough for immigration, but not good enough for Canadian employers If Canada needs cab drivers, then Canada should get cab drivers, not professionals.”

- 1 Statistics Canada, *Ethnic Diversity Survey: portrait of a multicultural society*, cat. no. 89-593-XIE (Ottawa: Statistics Canada, September 2003).
- 2 Government of Canada, "Demographic Report for Public Service of Canada by Visible Minorities," *2002 Public Service Employee Survey: The Results* [on-line] n.d. [cited May 14, 2004]. Available from the Internet <www.survey-sondage.gc.ca/2002/results-resultats/00/vmin-e.htm#heading05>.
- 3 This document has been prepared for the Leaders' Summit on Visible Minorities, May 2004. The information within it comes from Conference Board learnings derived from a larger project: Learning from the Best: A Program of Research and Education on "Best Practices" in Maximizing the Talents of Visible Minorities. The overall project involved a literature overview, an economic analysis of the contribution of visible minorities to Canadian economic growth, focus groups with professional/managerial visible minorities, case study research with 12 public and private sector organizations in Canada and internationally, and interviews with leaders of executive search firms, non-governmental organizations and labour groups. An employers' guide, summarizing the key lessons from the research, will be published in 2004. The guide will be a useful "how to" resource for line managers and human resource leaders.
- 4 In March 2004, The Conference Board of Canada surveyed 300 organizations about the diversity of their top teams and boards of directors. Almost 70 organizations, employing about 620,000 Canadians responded to the survey.
- 5 Human Resources and Skills Development Canada, *The Annual Report—Employment Equity Act 2003* (Ottawa: HRSDC, 2004).
- 6 Services include organizations in the high-technology sector, financial services, real estate and holding companies, communications and telecommunications, trade, and business/professional services.
- 7 Spencer Stuart and Joseph L. Rotman School of Management, *The Canadian Board Index: Board Trends and Practices at Leading Canadian Companies. Building and Retaining Director Talent in Challenging Times* (Toronto: Spencer Stuart and Joseph L. Rotman School of Management, 2003).
- 8 Statistics Canada, *Longitudinal Survey of Immigrants to Canada: Process, Progress and Prospects* (Ottawa: Statistics Canada, 2003).
- 9 Based on data from Michael Bloom and Michael Grant, *Brain Gain—The Economic Benefits of Recognizing Learning and Learning Credentials in Canada* (Ottawa: The Conference Board of Canada, 2001).

SECTION 3

Moving Beyond Words to Action

The Conference Board has carried out research on organizations that have made impressive strides in creating inclusive work cultures for visible minorities. The results point to several areas that employers need to focus on in order to fully maximize the talents of visible minorities. Some of the critical success factors are noted below.

CHECKLIST: HOW WELL ARE YOU DOING?

TOP LEADERSHIP COMMITMENT

- Are your leaders taking charge of diversity and breaking down barriers for visible minorities? While leadership at all levels is required to create an inclusive culture, an essential component for sustained success is demonstrated leadership from the top.
 - What does this leadership look like? Leaders demonstrate their commitment by:
 - ~ ensuring adequate resources are in place to support efforts to maximize the talents of visible minorities. These leaders believe it is necessary

to invest financial and human resources in order to level the playing field for visible minorities;

- ~ holding themselves and others accountable for change; and
- ~ becoming personally involved (e.g., participating in job fairs, assuming the role of champion, chairing visible minority networks or task forces, and personally monitoring or reviewing organizational performance measures on diversity generally and on the status of visible minorities specifically).

ALIGNMENT

- Is there alignment between your organization's strategic business plan and your human resources plan? How is your business changing? How is your customer base changing? Given the increasing diversity of Canadian society, leaders need to insist that diversity is a strategic component of any staffing strategy.

INTERNAL ACCOUNTABILITY FRAMEWORKS

- Do you have rigorous internal accountability frameworks in place for the recruitment and retention of visible minority talent? It is too easy for recruiters and managers to fall into the trap of hiring and promoting people who have the same ethnocultural backgrounds as themselves.
 - Do you have specific representation goals for your top team and board of directors (if applicable)? This is not about quotas; it is about insisting that the organization not overlook talented people because they are different.
 - Do you have a system in place to measure results, and do you hold the senior team and managers accountable for creating the changes the organization desires? For example, do you have performance management contracts that include measurable goals and objectives in the recruitment, development and retention of visible minorities? Do these contracts also include a measure for interpersonal skills and supporting an inclusive workplace?

SUPPLIER STANDARDS

- Have you developed diversity “standards” for your suppliers of goods, services and talent (e.g., executive search firms, staffing firms)?
 - Do you screen for and select only those suppliers that meet your standards for diversity? For example, when requesting services from suppliers, do you require them (as part of the proposal process) to provide you with information on their activities to support visible minorities?

EXECUTIVE CHAMPION OF CHANGE

- Do you have a senior leader with responsibility for driving change in your organization? In some organizations, the champion is the chief executive officer, while in others it is a senior executive from a line department.

ZERO TOLERANCE FOR RACISM

- Have you developed and communicated a zero-tolerance policy for racism? Do you react swiftly and decisively to deal with such situations?

INVESTMENT

- Has your organization invested adequate resources, both financial and human, in supporting the desired cultural and operational changes?
 - Have you developed a core of expertise to help drive the change and support others in their efforts to create an inclusive, high-performance culture? For example, have you appointed a chief diversity officer? Do you have a well-established employment equity and/or diversity office? Is there a standing committee on visible minorities in your organization?
 - Are you investing in, for example:
 - ~ diversity training for the executive team and all managers and staff?
 - ~ the development of tools and resources to help managers manage diversity?
 - ~ accommodations (e.g., prayer rooms) for specific groups?
 - ~ the establishment of innovative career development programs for visible minorities, including greater access to acting or stretch assignments, mentoring (upward and downward/reverse mentoring), coaching and scholarships for visible minorities?

- ~ the development of internal and external communication and marketing materials on the importance of visible minorities to organizational success and the value of diversity?
- ~ mechanisms to constantly tap into the perspectives of visible minorities regarding issues, challenges and potential solutions (e.g., support for the development of visible minority or diversity networks)?

BEYOND THE ORGANIZATION'S BOUNDARIES

The checklist above represents some of the key areas that are well within the power of organizations to change. However, there are several other substantive issues over which organizations have no direct control. These include, for example, our national immigration policy, provincial educational policies and professional bodies' guidelines for recognizing foreign credentials. In these areas, while organizations cannot exercise direct control, they can play a major role in influencing change.

ARE YOU INVOLVED WHERE YOU CAN MAKE A DIFFERENCE?

Organizations can take a leadership role in helping visible minorities overcome obstacles to their full inclusion in their communities and in the labour market. In so doing they help to create a deeper labour pool from which they can draw talent. For example, organizations can:

- work with stakeholders to seek solutions regarding the recognition of foreign credentials;

- invest in programs to help visible minority youth and newcomers to Canada gain valuable Canadian work experience; and
- provide funding to community organizations that provide training in language and employment skills to immigrants.



Toward Maximizing the Talents of Visible Minorities: Potential, Performance and Organizational Practices

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