

*Multiculturalism in North
America and Europe:
Comparative Perspectives on
Interethnic Relations and
Social Incorporation*

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Equity in Employment as a Means of Minority Incorporation: Some Results from a 1990 Toronto Survey¹

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Introduction

The influx of culturally, ethnically and racially diverse migrant populations into Western countries in recent decades has led to drastic demographic, political, social, legal and cultural changes in host countries. The new diversity has been felt strongly in the workplace, particularly in employment. Employment Equity²(EE) and affirmative action efforts to bring about a more representative workforce are defended on the grounds of basic social justice, equality, fairness and other values (Edwards, 1987; Agocs and Boyd, 1993).

Attempts to increase the representation of disadvantaged groups and ethno-racial minorities have been in place in the US, Britain, Canada, Australia and other traditional countries of immigration for some decades. The Canadian approach differs in various aspects from the American model. In comparison to the US, the Canadian EE environment and legislation is weak; in the Canadian parliamentary system, the role of the judiciary is traditionally more limited in interpreting the will of the lawmakers; the ethnic and racial composition is quite distinct from that of the neighbouring United States; and interest group pressures and other policy related factors are different (Coates, 1986; Jain, 1989; Mentzer and Fizek, 1992; Reitz and Breton, 1994).

The Employment Equity Act (Bill-62) passed by the Canadian government in 1986, replacing inefficient voluntary "good faith" efforts to increase the representation of target groups, is relatively vague and

short, consisting of merely fourteen paragraphs. The act covers four designated groups: women, so-called visible minorities,³ disabled persons and aboriginal peoples. It mandates no quotas or preferential hiring except for reporting data and efforts of "reasonable accommodation" towards equal representation, interpreted often as addressing mainly training and promotion efforts. The concrete form of compliance is left to the discretion of the organizations. Finally the act affects only federally regulated companies, namely banks, transportation companies, broadcasters, telephone companies and so-called crown corporations with more than one hundred employees.

In other words, non-regulated companies, i.e., the bulk of private companies, are not covered by the EE Act. They rely on the so-called "voluntary approach"⁴ which according to studies has not yet been very successful. Burt (1986:542) reported that between 1979 and 1984 the Affirmative Action Directorate of the Canada Employment and Immigration Division contacted over 1400 employers to participate in voluntary equity programs. As of July 1984 only seventy-one companies had agreed to do so. At the provincial level the Women's Bureau of the Ontario Department of Labour began advising companies on affirmative action in 1975. Since then an estimated 200 companies claimed to have some form of affirmative action in place. Burt found in a survey of 126 companies in the Waterloo region of Ontario that both the federal and the Ontario governments' programs have not been successful in establishing voluntary employment equity programs (Burt, 1986:549ff). More recent data also suggest that the measurable impact of voluntary and compliance schemes has been limited so far, even within federally regulated companies (Benimadhu and Wright, 1991; Jain and Hackett, 1992).

To prevent a double standard and potential competition disadvantages, Canadian legislators have tried to close the gap between EE regulated and non-regulated companies. This legislative framework, setting standards of non-discrimination, fairness and equity, consists of labour law regulations, federal and provincial human rights codes and the Canadian Charter of Rights and Freedoms (1985) which defines equality, language and multiculturalism rights. Additionally various federal, provincial and municipal contract compliance regulations have been established, for example, in the province of Ontario and the City of Toronto (Jain, 1989).

Since these measures are not proactive, and because their concrete form is left to the discretion of the organizations, critics argue that they are mostly symbolic. The question remains whether employers can have an interest in overcoming traditional hiring criteria, employment routines, seniority regulations, socialization patterns and company cultures in order to promote the advancement of disadvantaged groups, taking into account collective goods such as social equality, without more pressure or incentives from the outside. What are the causes and explanations for the slow progress of disadvantaged groups in employment in Canada?

Some observers point at external effects like the continuous high unemployment and slow economic growth over the last years which reduced the number of new hires and, therefore, the chances to make significant changes in the workforce. Liberal critics point at the weakness of the existing programs, for example, the lack of enforcement of goals and timetables which, according to studies in the US, renders equity programs useless (Ashenfelter and Heckman, 1976; Goldstein and Smith, 1976; Heckman and Wolpin, 1976; Flanagan, 1976; Leonard, 1984, 1986). Conservatives use the slow progress and difficulty of measuring the program's output independently from other economic, educational, demographic and psychological factors to criticize the efficiency and usefulness of equity programs in general (Flanagan, 1976).

Some research has focused on the importance of an organization's policy implementation and barriers, such as seniority provisions, ineffective human resource and EE policies, lack of training resources, a continuous existence of hidden and systemic barriers to hiring and employment for designated groups etc. More psychologically oriented answers point at a lack of motivation, qualifications and mobilization efforts in marginalized groups themselves, as well as a lack of interest, knowledge and persisting prejudices and stereotyping on the side of employers, management, unions and mainstream employees (Burt, 1986). In Canada only a few studies have yet looked at EE from the perspective of the actors involved and the organizational constraints, although some indication suggests that further insight into the effectiveness of EE may be gained by analyzing these meso- and micro-levels (Kellough, 1990; Leck and Saunders, 1992; Mentzer and Fize, 1992).

To address the lack of detailed knowledge about organizational procedures and attitudinal barriers against equity policies designed to

improve the incorporation of a multi-ethnic and multicultural workforce, the author conducted a survey in thirty-seven manufacturing companies in the metropolitan area of Toronto in 1989/90.⁵ The study was funded by the German Research Foundation and supported by the Department of Sociology at the University of Toronto.⁶ It focused on various aspects of blue collar visible minority hiring and employment in relation to employment equity and human resource policies, attitudes of company actors and organizational characteristics and constraints.

Findings

The following presentation is based on some of the findings from the Toronto survey. Other findings have been published earlier or are in the publication process (Kurthen, 1993a, 1993b). First I will describe employment equity activities and attitudes and then I will analyze the impact of organizational characteristics and constraints on minority employment representation.

Discrimination in Employment

In a report, Sloane and Jain (1991) have pointed out that visible minorities are not well represented in private sector organizations in proportion to their representation in the labour force. They are absent from key positions and from the management.⁷ Moreover many companies that claim to have EE programs have not identified minorities as a target group. The rising number of discrimination charges with human rights commissions across Canada (from 179 cases in 1978 to 474 charges in 1987, comprising a total of 5703 complaints in ten years) indicates that inequality and discrimination has not disappeared.⁸ This raises questions about the pervasiveness of ethnic and racial discrimination in everyday employment practices, measurement methods, and remedies recommended.

In the Toronto survey, several methods were employed to measure discrimination or unequal treatment of minority groups. Respondents, particularly from the floor, were questioned about their past or present experience with ethno-racial discrimination. Then attitudes of management respondents towards minority groups and their awareness of biased management methods in hiring and screening were evaluated. Next, based on data from prior studies undertaken by the Social Planning Council of Toronto in 1984 and 1986 (Billingsley and Muszynski, 1985;

Swartz and Weiner, 1987; *City of Toronto: Equal Opportunity Background Report*, 1983), employment data from fourteen out of thirty-seven companies were compared with data collected in the 1990 survey. Finally responses of management and floor respondents and the questionnaires were checked for inconsistencies. For example, if a manager reported that high skill requirements would not allow a company to hire "lower skilled" minority group members, although the firm employed an above average percentage of un- and semi-skilled labourers, such an inconsistency was interpreted as a sign for discrimination or unequal employment opportunities.

According to this evaluation scheme, in 62% of all companies studied (N=37) no evidence of unequal treatment or discrimination was found. In 38% of all companies, however, inconsistencies or narrative evidence of unequal treatment or discrimination of visible minorities was found. However since much of the evidence is based on single cases and inference, rather than proof and continuous observation, the findings have to be interpreted cautiously. Not all evidence indicates systematic, deliberate and widespread discrimination of minorities. Such a judgment can only be supported if more evidence is present, for example, the fact that in ten (or 27%) of thirty-seven companies management respondents expressed resentment towards minorities or used ethno-racial stereotyping during the interviews. Other clues are ignorance or denial of obvious ethno-racial unequal treatment discovered in five companies (14%). In one out of twenty cases floor respondents and union representatives expressed a lack of awareness of discriminatory impact and a tendency to discriminate or express strong ethno-racial prejudice.

Another measure of discrimination is the treatment of visible minorities in hiring, placement and promotion policies. Only five out of thirty-seven companies reported serious efforts to improve the employment representation of minorities, but data show that in the past five years only one company showed, *de facto*, an increase in minority employment, although employment in general increased in one-third of all companies during that time period. Additionally it was found that in fifteen (or 41%) of all companies in which the number of employees increased, the number of members of visible minorities increased in only one company, although eight of fifteen companies participated in contract compliance programs. In contrast in four out of fourteen (or 38%) companies in which the number of all employees

decreased; increased the number of minorities. Three of the companies increasing their share of minorities were participating in an contract compliance program.

What are the reasons for the lack of advancement of minorities? One important cause is the continuous existence of "systemic" barriers in hiring and promotion.⁹ Henry and Ginzberg have proven in their studies that in the Toronto labour market non-white job applicants are, in the contact stage, at a 1:3 disadvantage. Besides deliberate exclusion and prejudiced discrimination, such "systemic" barriers and a lack of awareness about their impact are possible causes of employment disadvantages of minorities. In the following table screening methods used in hiring are listed. Only in 18% of all responses non-discriminatory screening policies exist. But indicators for unintentional discrimination were found in one-third of all companies studied. Half of all companies surveyed used exclusionary methods with discriminatory impact, e.g., exclusive acceptability criteria, seniority rules and disadvantageous hiring quotas. Only 4%, or three out of thirty-seven companies, preferred members of minorities over majority employees. All three companies belonged to the "sweatshop" category, employing mostly minority females for unskilled and unattractive, low-wage jobs. In fact companies with "rational" screening methods are more likely to be those who pay low wages for unskilled blue collar employees. According to labour market segmentation theory this is not surprising. Companies use less selective methods when hiring for unattractive, low paid "secondary" labour market jobs. Discriminatory screening is more likely to occur in labour markets where job supply and demand are tilted in favour of the employer.

Table 1: Organizational Screening Types

Multiple Responses of Respondents	N=82	Percent
Rational Screening (Suitability Criteria)	36	44
Systemic Unintentional Discrimination	27	33
Social Screening (Acceptability Criteria)	10	12
Intentional Exclusion (Quotas, Seniority)	6	7
Intentional Inclusion (Preference of Visible Minorities)	3	4

Source: Toronto survey (N=37).

Equality in the Private Sector

Since EE programs focus on removing discriminatory barriers, on raising awareness and on increasing employment opportunities, the Toronto survey analyzed the impact of these programs in the private sector of the manufacturing industry in Toronto. As mentioned the Canadian federal, provincial and local governments have, since the 1980s, made great efforts to build a system of regulations that removes discrimination and improves representation of minority groups in the workplace. Whereas some indications show that in the federally regulated sector some measurable but slow progress has been made since the passing of the 1986 EE Act, the progress in the vast private, non-regulated sector is questionable. Because legislators were concerned about a public backlash, and because they were under pressure from employers who feared a legislative jungle, excessive data burdening, red tape, raising production costs (pointing at competition abroad) and internal division, the government has shied away from imposing quotas, fixed targets or timetables that would put constraints on management action and extensively enforce equity policies. In comparison to American affirmative action, the Canadian equity program, therefore, remains somewhat toothless.

On the other hand, one has to consider that even non-regulated companies do not act in a legislative vacuum. Particularly (a) the human rights legislation (although criticized as weak, time-consuming in its procedures and inefficient with regard to collective complaints), and (b) contract compliance regulations (providing instruments enforcing at least standards of non-discrimination and awareness) restrict arbitrary and open discriminatory behaviour. Did this "secondary" EE legislation have an impact? Has it improved voluntary efforts and compliance in the non-regulated sector? Have private companies and their actors (employers, employees and unions) over time become convinced that equity efforts are not only realistic, necessary and manageable, but also not too costly and in their own best interest? Or do many companies still hesitate to see any benefit in equity efforts, as recent studies by Jain and Hackett (1992) and Benimadhu and Wright (1991) suggest?

In contrast to earlier studies in the Toronto area, it was expected that by 1990 more firms would be involved in equity activities. Indeed the percentage of companies reporting to be officially committed to equity, (e.g., having policies or programs to address race-related issues) increased from 26% (Billingsley and Muszynski, 1985, N=199) to 56% in the 1990 Toronto survey (N=37).¹⁰ This finding matches statistics

about anti-discrimination clauses in race-nationality related employer-employee agreements in Ontario in 1990. In the private sector, race clauses existed in 46%, and nationality clauses in 38%, of all organizations.

The pay equity legislation enacted after 1985 plays an important role. It accounts to a large degree for the increase of equity commitment. According to the Toronto survey, in 1990 almost two-thirds (N=22) of all companies were involved in the Ontario provincial pay equity program during the survey period.

Table 2: Anti-Discrimination Clauses in Documents Regarding Race in Ontario

Race Clauses	Private Sector	Employees Involved	Public Sector	Employees Involved
No Reference	332=54%	160,754=40%	1514=54%	268,558=60%
Reference to	282=46%	240,931=60%	1268=46%	177,095=40%
Total Contacts	614=100%	401,685=100%	2782=100%	445,653=100%

Source: Ontario Ministry of Labour, (1990). Office of Collective Bargaining Information, Agreement and Employee Count 13.1.1990.

Table 3: Anti-Discrimination Clauses in Documents Regarding Nationality in Ontario

Race Clauses	Private Sector	Employees Involved	Public Sector	Employees Involved
No Reference	380=62%	192,862=48%	1708=61%	281,850=63%
Reference to	234=38%	208,823=52%	1074=39%	163,803=37%
Total Contacts	614=100%	401,685=100%	2782=100%	445,653=100%

Source: Ontario Ministry of Labour, (1990). Office of Collective Bargaining Information, Agreement and Employee Count 13.1.1990.

Company Compliance with Equity Policies

The Toronto survey observed three types of equity policy compliances in the organizations studied: (1) human rights endorsement policies; (2) equal employment opportunity policies promoting fair

treatment and elimination of discriminatory practices and (3) pro-active employment equity policies requiring a differential treatment of target groups in order to produce, over an appropriate period of time, a new representative distribution of employees based on the available supply of labour (Swartz and Weiner, 1987:30). Whereas the first and the second types of policy focus on the formal character of equality by complying with the legal requirements of non-discrimination, only the third commitment recognizes equality of results by addressing structural and systemic, often unintentional, discriminatory barriers and actively seeking remedies to overcome past and present injustice and inequality.

The most frequent pieces of legislation referred to as important for human resource policies in the 1990 survey were formal provincial and federal Human Rights Acts and Codes (1985:48%, [1990:46%]). The federal and City of Toronto contract compliance regulations were mentioned twenty-seven times in 1990. Another 22% of all answers reported the Ontario Pay Equity Legislation (1985: 22%) as relevant. Only one company was officially registered under the most effective Federal Employment Equity Legislation (Act C-62). Altogether sixteen (43%) out of thirty-seven companies participated in contract compliance or equity programs. Twenty three companies (62%) referred to human rights legislation. Eight (or 22%) of all companies declined to answer or believed that none of these legislations affected their company's employment policies. Twenty seven percent of all companies mentioned between one and three legislative acts affecting their policy. One-third cited four and 19% referred to more than five legislative acts.

Table 4: Legislation Affecting Companies

Multiple Responses of Respondents	N=111	Percent
Ontario Human Rights Code	21	19
Charter of Human Rights	17	15
Canadian Human Rights Act	13	12
Federal Contract Compliance	19	17
City of Toronto Contract Compliance	8	7
Federal Employment Equity	1	1
Ontario Pay Equity Legislation	24	22
No Legislation Relevant or No Answer	8	7

Source: Toronto survey (N=37).

Employment Equity Activities

What kind of policy measures were in place in the companies studied? Eleven (or 30%) out of thirty-seven companies had no commitment to equity at all. Eight companies (22%) had only one relatively weak commitment, for example, a written policy, a plan, data collection or monitoring activities, or they identified employment equity with pay equity. Another eight companies mentioned two or three equity activities. Only a minority of 10 (or 27%) of all companies undertook between four and seven efforts to improve employment of designated target groups. A written human resource policy, or procedure manual, was mentioned fifteen times (1985: 18%, 1990: 16% out of ninety-one multiple responses). An institutionalized EE coordinator or consultant was mentioned seventeen times. Monitoring and data collection were reported fourteen times (1985:19%, 1990:15%) the existence of a special program or policy was mentioned sixteen times, outreach programs four times (1985:15%, 1990: 4%) and other often vague activities were mentioned fourteen times.

However the *de facto* commitment has to be interpreted very cautiously since some respondents and companies tried to paint an overly rosy picture of their activities.¹¹ Companies that (1) hired a consultant or integrated equity efforts through appointing a full- or part-time EE coordinator, and (2) not only tried to establish policies of accountability and special programs but also worked also on outreach programs were more likely seriously attempting to improve the situation of target groups (see also Swartz and Weiner, 1987:36). These firms were identical with the ten companies mentioned above that were required to report as federal and municipal contractors. But, as we will see, even among those ten companies the accomplishments differ widely and they are not directed equally to all target groups—female, visible minorities, disabled and aboriginal peoples.

According to management interviews, activities for all four target groups were only in place in five (or 14%) of the companies surveyed (1985: 0%). Programs for two or three groups were mentioned in six companies (1985:3%, 1990:16%) and programs for at least one group were in existence in another six firms (1985:12%, 1990:16%). Twenty or 54% of all companies in 1990 (1985:82%) had no policy or program in place. The target groups most often mentioned were women (fifteen times or 38% of all entries), visible minorities (28%), disabled (13%) and aboriginal peoples (23%).

Although these findings may be not impressive considering the good intentions of law makers, the hopes of target group members or when viewed in comparison with the United States,¹² they reflect an improvement in equity and target group activities vis-à-vis to earlier studies. In 1985 about 3% had developed a systematized affirmative action plan to deal specifically with recruitment, selection, promotion, training and layoff policies that affect visible minorities. Another 4% had special human rights sections or officers to whom racial minorities could direct complaints. Eighteen had written policies or human resource policies, which meant, for example, that they conducted management training in race relations. However in many cases this simply meant passing out government information brochures and advising trainees to become acquainted with the new legislation (Finlayson, 1990:58).

Table 5: Status of Equity Commitment in Metro Toronto Organizations in 1990, 1987 and 1985

Toronto Surveys, Multiple Responses in Percent	1990 N=39	1987 N=12	1985 N=12	1985 N=199
No Program or Policies	49	42	58	82
Pay Equity	22	—	—	—
Written Policy	15	33	42	18
Human Resource Policy/Procedure Manual	11	—	—	—
Monitoring/Data Collection	16	25	16	15
EE Coordinator/Consultant	12	58	8	4
Special Programs for Target Groups	8	—	—	3
Outreach Program	5	8	8	12

Source: Toronto survey, Billingsley and Muszynski (1985); Swartz and Weiner (1987).

Equity Accomplishments

Another measurement of involvement in equity programs is a firm's accomplishments in that field. The Toronto survey, therefore, asked respondents about their assessment of the achievements with equity policies over the last years. This measure is somewhat biased since it contains subjective evaluations. Not surprisingly answers tend to be "socially desirable," and the answers reflect a somewhat stronger equity

involvement than the "hard facts" described above suggest. Forty-six of all multiple responses reported no accomplishments, but 56% claimed achievements. Of those with achievements, 24% claimed to have proactive policies and ten to have a written policy in place, while 18% said they had worked on policies, were aware of the need of establishing a commitment to equity policies or had collected data.

Table 6: Accomplishments in Employment Equity

Multiple Responses of Respondents	N=41	Percent
Respondent Does Not Know	1	2
No Accomplishments	18	44
Awareness/Working on a Policy	4	10
Awareness/Working on a Policy/Data Collection	1	2
Awareness/Monitoring and Evaluation	1	2
Data Collection	1	2
Data Collection/Commitment/Policy	1	2
Commitment/Policy	4	10
Special Programs and Policies	1	2
Special Programs/Monitoring/Evaluation	1	2
Monitoring and Evaluation/Achieving Equity	6	15
Awareness/Data Collection/Policy/Programs/Evaluation	2	5

Source: Toronto survey (N=37).

Company Type and Employment Equity

The Toronto survey allows us to distinguish factors that may explain different equity outcomes. For example, an organization's size appears to be a significant factor in that organization's involvement in equity activities. A commitment to employment equity is found in 80% of the larger companies with more than 500 employees (N=10), in 50% (N=6) of medium-sized companies (with 200-499 employees), and in 48% of the small establishments (with 50-199 employees). Most of the larger organizations have assigned responsibilities to a particular department or person and try to implement special programs. Sixty percent of the

larger companies with more than 500 employees (N=10) listed four or more activities. In contrast only four (15%) out of 27 companies with less than 500 employees listed four or more equity commitments (see for similar findings Jain and Hackett, 1989; Benimadhu and Wright, 1991:23).

Larger companies, or subsidiaries of national conglomerates, are more likely to be involved in contract compliance and are therefore more likely to be committed to equity activities. Eighty percent of companies with more than 500 employees say they are covered by three or more legislations, but only 22% of firms with less than 500 employees so claim. Larger companies also have more financial resources, commitments and accomplishments, such as management and employee training in race relations or the existence of training and upgrading programs than *smaller* firms.

Table 7: Knowledge about Employment Equity

Definition of Employment Equity	N=37	%	N=20	%
No Knowledge or Wrong Definition	—	—	8	40
Mistaken as Quota or Pay Equity	3	8	2	10
Partly Knowledge	12	32	7	35
Correct Definition	22	60	3	15
Definition of Systemic Discrimination	N=37	%	N=20	%
No Knowledge or Wrong Definition	14	38	17	85
Mistaken as Quota or Pay Equity	4	11	—	—
Correct Definition	19	51	3	15

Source: Toronto survey, (N = 37); Billingsley and Muszynski, (1985) (N=20).

Fifteen (71%) out of twenty-one companies involved in contractor programs (federal or municipal) were owned by non-Canadian (mostly US and German) firms. Contractor firms were also more likely to belong to core industries, such as electrical/electronics and transportation, rather than to food or metal fabricating. Another important typical characteristic related to size is the existence of a formalized human

resource policy, higher wage levels, workforce performance reviews and the use of more sophisticated and formal recruitment channels. Also the "climate" in these companies seems to be somewhat more "sensitive" to race-related issues, i.e., fewer racial harassment cases were reported. In unionized contractor companies, employee interest organizations were more likely to be involved in equity or race-related issues, although there was little evidence that employers consulted unions on equity issues (similar Benimadhu and Wright, 1991:24).

Management respondents in companies complying with contractor programs were more likely to be white female human resource managers between twenty-five and forty-five years old. Equity policy knowledge of managers and floor respondents and employee acceptance of equity programs was somewhat, but not significantly, higher in contractor companies.¹³ Managers interviewed in contractor firms were not less likely to use ethno-racial stereotypes during interviews. Six respondents of twenty-one contract compliance companies used derogatory and cynical terms when talking about minority issues, in comparison to four respondents out of sixteen non-contractor firms. Twelve out of twenty-one respondents in contractor companies denied the desirability of equity programs for visible minorities, in contrast to twelve out of sixteen respondents in non-contractor companies.

Significant correlations between the ethnoracial or gender composition of the workforce and compliance with the contractors' program was not found. Implementation of equity policies is not the result of internal pressures or constraints resulting from a workforce's composition nor does the participation in contract compliance programs have a significant impact on employment. No correlation was found between an increase of minority employment and participation in equity programs. Participation in employment equity is not an expression of a business awareness, nor is it an outcome of voluntary efforts. Rather it is a result of external pressures to comply with legal requirements when doing business with public agencies.

Knowledge about Employment Equity

From what was stated above, we do not know for sure how effectively legislations shape the acceptance of policies and whether attitudes in the public or among managerial decision-makers have an impact on the implementation of equity programs. To answer these questions, we

will take a closer look at attitudes towards employment equity as indicated in the Toronto survey of 1990.

If one draws a general conclusion, the analysis of attitudes indicates that many managerial and floor respondents did not correctly understand the intentions and the goals of equity programs and policies. Employment equity was, in some cases, mistaken for pay equity or wholly identified with US affirmative action, which if mentioned in Canada has a negative meaning. As one respondent expressed it, a "coercive, contra-productive and costly quota system."

Only 68% of all interviewed managers and 40% of the floor respondents demonstrated in the interviews a fair or good knowledge of Canadian employment equity programs, their content, targets, objectives and intentions. Sixty percent of the managers but only 15% of the floor respondents, gave a correct definition of employment equity. Half of the managers and 15% of the floor respondents gave a correct definition of "systemic discrimination." These findings are not satisfying, but compared with the study done by Billingsley and Muszynski (1985) knowledge has improved. Among those who had an opinion about equity in 1985, 47% could not name any specific measure and only 6% gave a correct definition.

Desired Target Groups and Fields of Equity Programs

What were desired primary targets of equity activities in the opinion of management and floor respondents? Managers preferred females as target groups and floor respondents visible minorities. Only one-fifth of all respondents recommended the inclusion of three or four official target groups, in particular disabled persons and aboriginal peoples.

In 1990, 44% of management (1985: 46%) and 54% of floor respondents favoured recruiting, as well as hiring and selection, as main fields of employment equity activities. Training and placement decisions were the next frequently cited activities. The so-called Pay Equity Program was rated low among floor respondents (only 5% of whom were in its favour) as well as among managers (only 10% of whom were in favour).¹⁴ Nine out of ten of floor respondents answering the question about desired fields of activities had three or more fields of equity activities in mind. Managers were much more reluctant. Only two out of five managers mentioned three or more desired fields.

Table 8: Training Programs by Company Size 1985 and 1990

Number/Size of Employees in Organization	All Firms	Small (50-199)	Mid (200-499)	Large (500+)
Training and Upgrading Program for Employees (1990)	N=37	N=21	N=6	N=10
No	70%	76%	100%	40%
Yes	30%	24%	0%	60%
Management Training in Race Relations (1985)	N=18	N=8	N=6	N=4
No	78%	88%	67%	75%
Yes	22%	12%	33%	25%

Source: Toronto survey; Billingsley and Muszynski (1985)—from their Toronto survey. A subsample (matching companies from this 1990 Toronto survey).

Table 9: Desired Fields of Equity Activities, Toronto Surveys

Multiple Response of Respondents	N=93	%	N=49	%	%
Not Answered or No Field Mentioned	20	49	8	40	—
Recruiting/Sourcing	17	23	11	27	15
Hiring/Selection	15	21	11	27	31
Training & Development	12	16	8	20	3
Placement/Transfer/Job Evaluation	8	11	7	17	6
Benefits/Payment	7	10	2	5	—
Compensation	7	10	—	—	—
Employment Conditions at Workplace	4	6	—	—	—
Lay-Off/Recall/Disciplinary Action	3	4	2	5	—

Source: Toronto survey (N = 37); Billingsley and Muszynski (1985).

Attitudes towards Government Intervention

Billingsley and Muszynski (1985) uncovered a relationship between attitudes and action in their survey "No Discrimination Here," which

covered 199 Metropolitan Toronto organizations. Many employers perceiving equity policies as ineffective, or as unwanted interference into their business affairs, had implemented no anti-discrimination or equal opportunity clauses.

Billingsley and her co-author found that only 34% of the managers perceived equity policies as beneficial. Twenty five percent expected no additional costs. Forty percent foresaw major economic and social costs, 47% believed in no benefits at all from equity programs. Minor costs were cited in 18% of the 1985 survey and some costs were expected in 58% of all responses.¹⁵

The 1990 follow-up study found similar patterns. The responses to a number of questions about employment equity, enforced by law and government, ranged from positive support and cautious rejection to strong and sometimes emotional opposition. For the most part, employees and managers were not in favour of a strong program, i.e., quota systems, mandatory data collection or preferential programs. Such policies are often perceived as too costly and as unnecessary government intervention into employment and "private" business affairs.¹⁶

As mentioned in earlier studies too, a strong resentment exists in Canada against so-called "imported American quota-systems." In the 1985 survey, 58% of the respondents believed employment equity means "quota systems." Many employers reacted by defending instantly their policy with statements like, "We hire and promote the most qualified person." Others assume that the legislation would force them to hire "unqualified" or "less able" minorities in order to fill racial quotas, which would then lead to lower job performance standards, reduced productivity and work morale, or to increased racial tensions and operating costs (such as more staff, committees or training).¹⁷ Some respondents saw no need for such legislation because "race is not a criteria in our company." According to Billingsley, such an overreaction may signal ambiguous awareness about the subjectivity of the "most qualified" designation. Whereas suitability criteria, e.g., educational and job-related credentials have their merits, acceptability criteria like "fit" are highly subjective and oriented towards desired behaviour "like us," leading to "cloning" of applicants.

Although the vast majority of respondents did not support discriminatory practices, and although a good number agreed to anti-discriminatory measures as being desirable (see below), many

respondents in the 1990 survey rejected the need for monitoring employment activities in their own organizations. As in prior studies, they saw no need for such measures since they were "following non-biased policies." Others feared that race-related employment policies would "stir up more problems than they solved" or pointed to the danger of a "backlash from the majority." With some plausibility, they realize that the removal of exclusionary barriers and subtle privileges would lead to a redistribution of resources (jobs, income, power, status) endangering traditional social, political and cultural hierarchies (Billingsley and Muszynski, 1985:vi).

The apprehension of government intervention among businesses is not typically Canadian. According to a survey by Louis Harris & Associates of 404 senior executives at US corporations drawn from the *Business Week 1000* in June 1991, 65% of respondents insisted that business will open up its hiring and promotion practices without affirmative-action laws. Even so, more than half said their companies needed to do a better job in hiring minorities, and 44% were not satisfied with their progress in hiring women into top management. Asked about the "troubles affirmative action had caused their company," 6% of respondents answered "a lot," 39% "some", and 53% "not much." Twenty six percent said their companies worried "very much" about government enforcement action and 45% said they worried "somewhat." Fear of private lawsuits was estimated as "very important" by 20% (and "somewhat" by 42%). However such fears were less prominent than rational expectations about "the benefit of having different types of people in the workforce" ("very important" 50%, "somewhat" 36%) and the changing makeup of the labour supply ("very important" 52%, "somewhat" 36%).

Acceptance of Equity Measures in the Organization

Respondents were also asked about the acceptance of employment equity in their organization. In only nine, or 24%, of the companies a positive acceptance was reported, while in fourteen, or 38%, it was described as "poor."¹⁸ A positive response was significantly correlated with a manager's positive attitude towards employment equity. On the other hand, legitimating their own negative or ambivalent attitudes, some managers cited employee resistance against increased equal representation of minorities and other target groups. Therefore the

findings about employee acceptance may be somewhat biased, reflecting projections of management respondents or socially desirable answers.

The Toronto survey indicates that the upper and middle levels of management are more negative and pessimistic about equity policies. Asked about their opinion towards employment equity, management respondents (32%) have a more conservative and skeptical attitude in comparison with floor respondents (20%). A positive and supportive attitude was displayed by 30% of the managers and by 55% of the floor respondents. Education of a respondent was significantly correlated with knowledge about and attitudes towards employment equity, including answers about a company's involvement, commitments and accomplishments.

Managers were reluctant to support special policies for visible minorities. Only 35% of the management respondents¹⁹ in comparison with 75% of the floor respondents answered positively to the question of the "desirability of a special policy towards visible minorities" (1985: 24% for and 76% against). These results indicate that support for equity programs is not as unpopular among lower occupational groups as commentators of public opinion often assume.²⁰

Within the organizational hierarchy departmental supervisors, forepersons and charge-hands interviewed on the floor-level were particularly reluctant to accept the new multi-ethnic reality in the workplace. Some expressed fear of lacking knowledge, foreign language abilities, awareness of cultural sensitivities and the experience necessary to handle cultural diversity successfully. Older, white and male employees felt more likely to be threatened, thematizing "reverse discrimination" and loss of seniority. In fact equity policies do question, to some extent, traditional "old-boy networks," prevalent male favouritism and the exclusive "gatekeeper" function of traditional benefit plans and seniority rules. Furthermore they raise the peer group's fears of competition for past and future privileges, for example, jobs for sons and daughters.

Richard Jenkins and John Solomos (1987:215f) come to a similar conclusion in their assessment of barriers to the concept of equal employment opportunity in Britain. Management and trade-union representatives (in office or on the floor) in white, male-dominated organizations often give only lukewarm or half-hearted support, pay lip-service and show either a lack of commitment or downright open hostility and opposition. Jenkins and Solomos explain this by the climate

of popular racism (and sexism) in and outside the organization and by the competition for scarce jobs and resources among majority and minority workers. A further barrier is the informality and lack of accountability of many employment procedures, in particular recruitment (interviews, selection, record-keeping, word-of-mouth recruitment channels, etc.).

In general the majority of human resource managers interviewed took a formal and legalistic approach towards compliance with legislation. They did not embrace legislation out of "good business sense," but out of fear of government fines, a negative corporate public image and customer, union or employee pressure.²¹ Because of lack of identification and commitment to the goals of equity programs, compliance requirements are often ignored or only partly followed. For example, concentration only on data collection and official reports does not really help to improve the position of the target groups. However, although older and male managers tended to be more sceptical about the necessity, advantages and outcome of anti-discriminatory employment equity legislation, they expressed at least a willingness to follow the legislation, if implemented, out of a desire to do "what is right and legal."

Compared with the findings of earlier studies, equity activities and awareness has increased, though on a low level. Special programs for the so-called four designated groups, race-related management training, participation in workshops, formal equity commitments by senior management, data collection and even the establishment of employment equity committees and coordinators have improved. But there is still a long way to go.

An unsolved problem is the conflict between employment equity legislation (concerned with the equal representation of target groups based on merit) and seniority rights (concerned with preference based upon length of stay within an organizational unit). Because hiring of target groups did not start until recently they are at a great disadvantage at every economic downturn or in cases of lay-offs. Seniority tends to perpetuate the subordinate position of target groups but is, on the other hand, the key to unionization. Thus the Canadian unions are in a dilemma as they fight simultaneously for equality, solidarity, fairness and seniority rights. As long as many union members perceive equity legislation as an obstacle to seniority, the struggle to reduce discrimination in the workplace is handicapped.

Attitudes and Company Characteristics

The available data of the Toronto survey allow a breakdown of attributes of respondents in relationship to company characteristics. Reported acceptance among employees is correlated with a higher acceptance among managers and floor interview partners. In other words, respondents in these companies are more tolerant, politically liberal or sensitive towards related topics of immigration, refugees and racism.

However it is not clear whether a causal relationship exists between management opinions and employee attitudes. Is a mutual contact-reinforcement pattern at work? Do equality programs and policies receive substantial support by employees once they are effectively communicated by elites? Or are experience and beneficial impact themselves the best propagators? Have ignorance and prejudices first to be overcome before programs of fairness and social equality are implemented? Or will acceptance be created by implementation?

For the Toronto sample the thesis that compliance with contract programs increases attitudinal acceptance does not hold, except for the fact that perception of real accomplishments seems to be supportive.²² But the point is that such accomplishments have to be communicated to and felt by employees, and not only written on paper. According to available data, attitudes follow interests. A high employee acceptance can be found in non-unionized companies (with few or no seniority systems), in firms with a high percentage of unskilled blue collar, female employees or with a high percentage of employed visible minorities (Asians, East Indians) and immigrants employed in "secondary," low-wage jobs. Such companies also seem to have a comparatively "good" organizational climate with few or no reported cases of sexual or racial harassment. In other words, equity programs are most favourably perceived by the beneficiaries of such policies—women and minorities. If it is effectively realized, these groups are supportive to the implementation of employment equity because it will most likely improve their secondary labour market status.

Determinants of Minority Employment

Can good will of employees, tolerant attitudes of managerial decision-makers and legal regulations alone change social inequality and ethno-racial discrimination in employment? What is the role and impact of

labour market structures (labour market segmentation) and organizational constraints in determining employment outcomes? What accounts for a given employment representation and for changes in the relative employment of minorities? To answer such questions, a variable model was applied that was based on the author's prior analysis of migrant labour employment in the former West Berlin, Germany. It distinguishes policies, attitudes and employment outcomes and assumes that company and labour market constraints significantly influence employment.²³

The dependent variables (a) "employment representation of minority employees" and (b) "changes in minority employment over time" were operationalized into four ratios: (a1) the percentages of visible minority, blue collar workers and of visible minority, female blue collar employees in relationship to all blue collar employees; and (b1) the change of visible minority employment per organization; respectively, visible minority blue collar employment between 1984 and 1990. The following independent variables (comprising interval/ratio and dummy variables) were chosen:

- (A) company characteristic variables measuring: (i) external economic and internal organizational factors that influence employment—company size, (ii) percentage of unskilled of all blue collar employees, (iii) turnover, (iv) percentage of labourers in shift-work, (v) average hourly wage of skilled and unskilled workers, (vi) representation of a union in a firm, (vii) time trends in company employment between 1986 and 1990, (viii) recruitment of labourers from the neighbourhood, and (ix) local labour market composition (the percentage of minorities living in the firm's neighbourhood);
- (B) human resource and equity policy variables: (i) formalization of human resource functions, (ii) use of formal and informal recruitment channels and selection criteria, (iii) participation in contract compliance programs, and (iv) special efforts to recruit minority employees;
- (C) management attitudes: (i) desired target groups and fields of equity efforts, (ii) personal opinion about employment equity and minority advancement, and (iii) acceptance of equity policy in the organization.²⁴

Table 10: Determinants of Minority Employment Representation²⁵

Independent Variables	Blue Collar Visible Minority Employees of All Blue Collar Employees	Blue Collar Visible Minority Females of All Blue Collar Employees
Average Blue Collar Hourly Wage	-.53*** (4.13)	-.66** (4.01)
Company Size (Log)	—	.29* (1.75)
Neighbourhood Recruitment	.35** (2.69)	—
R Square	.46	.23
Adjusted for R Square	.41	.29
Standard Error	14.91	12.01
R and Significance	13.66***	8.30**

Standardized Regression Coefficients and T-Ratios in Parenthesis, * p<0.1, ** p<0.01, *** p<0.001
Source: Toronto survey (N=37)

After selecting and testing these variables using standard sociological procedures (factor analysis, bivariate, variance and multiple regression analysis) three significant outcomes were found confirming prior observations: (1) employment changes of minority employees over time follow overall employment patterns and are not necessarily related to contract compliance status;²⁶ (2) the involvement in contract compliance programs or other equity-related activities, human resource policies and attitudes of managers have no significant impact on employment representation of blue collar minority employees, in contrast to the influence of (3) labour markets and organizational characteristics. These latter factors, net of human resource policies and attitudes, explain between 23% and 46% of the variation in employment representation outcomes of minorities and minority females, as opposed to explaining only to 24% and 34% in the Berlin survey. Since company characteristics and contextual labour market factors such as wage levels, company size and existing labour pools cannot be ordinarily changed by legislative acts or human resource decisions, my findings corroborate the importance of "structural" conditions of organizations and segmented labour markets and the signal function of wages. Additional research

should, in the future, more intensely examine the impact of these internal and external conditions explaining employment variation (similarly Kellough, 1990: 564).

These preliminary findings do not attempt to draw generalized conclusions about the reasons for the relative ineffectiveness of equity policies because many questions remain unanswered. Under what circumstances can policies support and commitment of company actors (unions, employees, management) overcome labour market and economic constraints? Can a strong legislation with noticeable economic and political rewards and punishments override external and internal organizational constraints as Leck and Saunders (1992) suggest? Also the fact that a considerable degree of variation of a workforce's composition is still unexplained (between 54% and 77%) leaves many questions open to future research.

Summary and Conclusions

This report has tried to give a detailed view about the possible reasons for the successes, failures and supposed inefficiency of Canadian equity policies that are designed to bring more fairness and equality to employment and the workplace and to improve employment representation of so-called visible minorities. Although in some spectacular cases organizations have succeeded in achieving employment equity, and even ardent opponents concede that EE has helped to increase in public, among law makers and minority groups awareness of discriminatory practices, particularly in employment (Marsden, 1993:197), progress of equity policies remains slow.

The analysis of firm-level data in the blue collar segment of the manufacturing industry of Metro Toronto, in 1990, suggests that internal and external characteristics of companies and segmentation patterns determine employment opportunities of minorities more significantly than employment equity measures, attitudes of company actors or human resource policies. Federal and municipal contract compliance programs and voluntary appeals seem in their current shape not adequate instruments to overcome the discrimination and inequalities embedded in labour markets and in faulty human resource practices. Flanagan's observation regarding the United States that "contract compliance activity and other government programs aimed at ending market discrimination cannot reasonably be expected to eliminate the

income, occupation and unemployment differentials of minorities" (Flanagan, 1974:490) might be true for Canada.

It is difficult to draw a final conclusion from these findings. The results could be used against equity measures, confirming criticism from conservatives that government intervention in favour of anti-discrimination, employment equity, equal opportunity and contract compliance policies are in vain and a waste of resources. On the other hand, some might conclude that stronger legislation is needed for non-regulated private companies, i.e., goals and timetables, penalties and incentive schemes etc. (Jain, 1989). Finally those in favour of the status quo might argue that the time span since equity programs have been established on the federal, provincial and municipal level in Canada is yet too short to make a serious assessment of the legislative impact. As in the US, programs must be running for some substantial period of time before effects can be evaluated (Leonard, 1984).

In view of the dramatic demographic,²⁷ social, cultural and political changes in the past, present and future, the hope for a reversal of equity programs is not very likely. The changes ahead dictate the need to address the issues of racism, equal employment and multicultural co-existence on all societal levels, including the private business sector. Anti-racist, equality-oriented policies, the stabilization of attitudes of mutual tolerance and ethno-racial harmony, in other words the establishment of positive race relations, seem to be the only alternative to a destructive backlash into ethno-cultural strife, social segregation and political division. Equity policies in employment and multiculturalism in private and public affairs contribute to the objective of social peace and political harmony. However this should not prevent the reassessment of the costs and benefits of the current program and of improvements in current legislation. Ideas and proposals exist in abundance awaiting only a will to act on the part of legislators, the public and the actors involved to bring them to life.

Notes

¹ The author thanks the Department of Sociology at the University of Toronto (professors Isajiw, Reitz and Simpson), the Social Planning Council of Metro Toronto and the German Research Fund (*Deutsche Forschungsgemeinschaft*) in Bonn for research support. He also is grateful for helpful comments by Bonita Samuels on an earlier draft at the Institute for Research in Social Science at the University of North Carolina at Chapel Hill.

- ² "Employment equity opportunity" is a uniquely Canadian term used to represent the specifics of Canada's concept of affirmative action. It was coined to counteract the negative connotation associated in Canada with the American term "affirmative action" which had, over time, become associated with quotas (Finlayson, 1990:63; Jain, 1989:595).
- ³ The term "visible minority" arises from whites' concept of themselves. Whites do not perceive themselves as a race but rather as the norm and therefore "not visible." Clearly the term, which springs from unconscious concepts of Anglo-Saxon dominated society, does not fit a real entity, nor is it easy to operationalize (see Jain, 1989:607, endnote 2 and 3). Nevertheless, for purposes of this report the term is used because it is still employed in Canada within public discourse, in race relations legislation, in statistical reports of Statistics Canada, and by other employment equity and human rights agencies.
- ⁴ Under voluntary programs, employers are only asked to sign a certificate of commitment and allow access to reports if reviewed. Mandatory employment equity means that employers would have to set equity goals and timetables, consult and report their progress annually, and be periodically reviewed. But no plan has to be submitted and no penalty is provided for failure.
- ⁵ Fourteen companies were chosen from a 1984 Metro Toronto survey undertaken by Billingsley and Muszynski (1985). Twenty three organizations were selected from a random list of several hundred companies compiled on the basis of information of business and trade indexes, of public information accessible through the Ontario Ministry of Labour, the Canadian Manufacturers Association, the German-Canadian Chamber of Trade and Commerce, the annual report of the Federal Ministry for Employment and Immigration, and additional information from field experts, consultants and researchers.
- ⁶ A similar DFG funded study about labour migrants in seventy-seven companies of the manufacturing industry of West Berlin was undertaken by the author and others between 1986 and 1988 at the Freie Universitaet Berlin, Forschungsstelle Arbeitsmigration, Fluechtlingsbewegungen und Minderheitenpolitik (Gillmeister, Kurthen, Fijalkowski 1989).
- ⁷ Smith and Welch (1984) have reported the opposite effect whereby affirmative action has increased demand for high skilled minorities and left out the lower and less skilled.
- ⁸ See also the analysis of race discrimination cases reported in the *Canadian Human Rights Reporter* (1980-1987) by Andiappan et. al., (1989).
- ⁹ Barriers to entry into the internal labour market include non-ability oriented screening devices, credentialism, unfair employment tests and interviews, narrow channels of recruitment, misconceptions of job candidates and job stereotypes, and exclusive policies set up by employee organizations and trade unions (City of Toronto: *Equal Opportunity Background Report* 1983:10).
- ¹⁰ The following results have to be interpreted cautiously because, as mentioned earlier, companies with a perceived "good" equity record were more likely to take part in the survey. The relative over-representation of larger companies also has had an impact on the relative highly number of companies involved in equity efforts. According to estimates, only about one third of those companies declining to participate in the survey had employment equity policies.

- ¹¹ An EEO statement can range from a vague phrasing, merely indicating in advertising that "this company does not discriminate on the basis of race, colour or national origin," to a set of written policies followed by all personnel to ensure that no criteria other than skills and experience are used in the selection of employees (cf. Billingsley and Muszynski, 1985:32).
- ¹² A comparison with US surveys (see *Business Week* July 8, 1991: 50-63) shows that 78% of companies made special efforts to recruit minorities, 40% set numerical goals and 34% of the companies offered special in-house training programs.
- ¹³ Attitudes of floor and management respondents toward employment equity, also, were significantly correlated with size. Knowledge about equity policies and programs, about "systemic" discrimination, as well as their perception of the need for equity activities was better.
- ¹⁴ In smaller companies in particular, pay equity raised many objections, as it was on the public agenda during the research period. Pay equity was often bluntly rejected as "counterproductive" and "unfair." It could, in fact, threaten established job hierarchy and psychological job ranking systems, including unequal work evaluation standards that traditionally favour males.
- ¹⁵ According to Jain and Hackett's survey from 1987, 60% of the EE and 48% of the non-EE organizations "perceived EE as having an inflationary impact on recruitment and training costs" (Jain and Hackett, 1992: 107). See for other concerns about equity budgeting Benimadhu and Wright (1991:25).
- ¹⁶ The somewhat poisoned debate about costs and benefits lacks a sober comparison of the costs of discrimination and the costs of equity efforts from the perspective of employees, employers, governments and the society. There are yet no comprehensive studies assessing these issues. Few have analyzed any aspects of the societal costs of discrimination and exclusion of talented workers which entail economic costs to society as well as to employers and minority individuals. For instance lower national output, excessive welfare and penal system costs on the national level, lower productivity, more labour conflicts on the plant level, in addition to a damaged image and court costs if an employer is found guilty in open or hidden discrimination (Jain, 1989, endnote 5).
- ¹⁷ On the other hand, many employers complained about the work-ethics of young Canadian-born workers and emphasized their positive experience with hard-working immigrants or non-whites, particularly from Asia.
- ¹⁸ In Benimadhu and Wright's (1991:24) survey among federally regulated companies 40% of organizations reported some employee backlash of the program.
- ¹⁹ In the 1985 survey, 24% of the responding companies answered positively about the desirability of a special policy for minorities. Differences were found by size. Mid-sized organizations with 100 to 499 employees were at least likely to embrace race-related policies, perhaps because they would need new systems and personnel to implement policy changes (Billingsley and Muszynski, 1985:76).
- ²⁰ A poll published in the *Toronto Star* (February 8, 1990) found that 58% of the population support affirmative hiring quota for women (while 35% opposed it), 67% are for disabled quotas (while 27% are opposed), and 54% are for visible minority quotas (but 37% are opposed). Support was highest in Québec and lowest in Western Canada.

- ²¹ Jain and Hackett (1989:197) found in their 1985 survey that organizations implementing EE programs were motivated by government pressure, better human resource utilization and public relations advantages (see also Jain and Hackett, 1989:197; Benimadhu and Wright, 1991:23; Jain and Hackett, 1992:108).
- ²² A relationship between positive perception of equity as human resource tool and involvement in equity programs was found by Jain and Hackett (1992:108).
- ²³ Sample size and lack of data did not allow sophisticated time series and cross-sectional analysis taking into account, for example, occupational and salary changes over time net of other environmental factors (see Flanagan, 1976:494ff).
- ²⁴ From a methodological point of view the survey was hampered by the small sample size, response bias, lack of time series data and limited access to reliable company statistics.
- ²⁵ Results for the analysis of employment changes are not shown because findings were marginal except for a non-significant trend in employment changes in organizations following contract compliance, and having a higher equity acceptance among employees.
- ²⁶ See for similar findings regarding visible minorities Jain and Hackett (1992) and Benimadhu and Wright (1991). In the latter surveys only female representation increased in companies complying with equity programs.
- ²⁷ Fifty-three percent of immigrants to Canada now come from less developed countries. Women and visible minorities will soon constitute Canada's biggest source of labour force growth (Finlayson, 1990: 85).

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