

CAREER ADVANCEMENT IN CORPORATE CANADA: A Focus on Visible Minorities ~ An Early Preview



ABSTRACT

Demographers predict that before 2017, nearly half of all people working in major cities across the country will belong to a visible minority (VM) group. While we know about the work experiences of immigrants in general, much less is known about the experiences of visible minority workers—especially those working within large Canadian businesses.

This preview contains some preliminary findings from a much larger study launched in October 2006 by Catalyst Canada and the Diversity Institute in Management and Technology at Ryerson University. The goal of this research is to capture the experiences and perceptions of VM managers, professionals and executives employed in large Canadian companies and firms. We anticipate that results will identify opportunities for businesses to further benefit from the ethnic diversity of Canada's current and future workforce.

Preliminary findings:

- Fourteen (14) percent of all respondents possessed foreign educational credentials.
- About half of all visible minority (VM) respondents with foreign educational credentials felt their employers did not recognize these credentials as being "on par" with equivalent Canadian degrees, diplomas and certificates. Just one in four white/Caucasian respondents felt the same way.
- VM respondents who perceived that their foreign credentials were not currently being recognized as "on par" were the least satisfied with their careers and were more likely to plan to explore opportunities outside Canada.
- Overall, 14 percent of all respondents said they planned to explore career opportunities outside Canada. Over half (55 percent) of these belonged to a visible minority group.
- Overall, VM respondents reported being less satisfied with their careers than white/Caucasian respondents.



INTRODUCTION

In less than a decade, visible minorities are expected to represent one in five people in Canada's available workforce.¹ It's estimated that before 2017, nearly half of all people working in major cities across the country will belong to a visible minority group.²

While the labour market experiences of unemployed and under-employed immigrants have been well-documented, much less is known about the experience of visible minority workers. This is especially true when it comes to those employed in large Canadian businesses where skills and opportunity come together most directly.

The purpose of our current study is to fill this gap. Understanding the career development and advancement of visible minority workers in Canada will be especially vital in the face of an increasingly diverse labour market and an aging workforce.

This preview contains some preliminary findings from a much larger study which was launched in October 2006 by Catalyst Canada and the Diversity Institute in Management and Technology at Ryerson University ("The Diversity Institute"). A full report will be published in the summer of 2007.

The study, entitled *Career Advancement in Corporate Canada: A Focus on Visible Minorities*, uses quantitative and qualitative survey methods to capture the experiences and perceptions of visible minority managers, professionals and executives in large Canadian companies and firms. We anticipate the results will identify opportunities for businesses to further benefit from the ethnic diversity of Canada's current and future workforce.

VISIBLE MINORITY refers to a person, who is not an Aboriginal person, who is non-Caucasian in race or "non-white" in colour. We use the term "visible minority" in our research as it is widely understood within the Canadian context, and as it is now firmly entrenched in Canadian legislation. As visible minorities are not a homogeneous group, the research team will explore the experiences and perceptions of specific ethnic groups in subsequent research releases, data permitting.

A few relevant statistics

- Between 1996 and 2001, Canada's total population increased by about four percent. Over the same time period, the visible minority population expanded by 25 percent.³
- It is predicted that by 2011, visible minority workers will account for 100 percent of the net growth in Canada's labour force.⁴ They will also make up 100 percent of all net growth in population by 2031.⁵
- According to the 2001 Canadian Census, visible minority workers and staff made up more than 13 percent of the Canadian labour force.⁶ Yet they hold just three percent of senior management positions.⁷ And even if they have attained high levels of education, workers from visible minority groups are less likely to hold managerial or professional jobs than their white/Caucasian colleagues.⁸



VISIBLE MINORITY STATUS AND FOREIGN EDUCATIONAL CREDENTIALS

Over the next decade, success—for Canadian businesses in particular, and for the country as a whole—will depend to some extent on how we all address the challenges and opportunities posed by diversity. As Western societies experience a steady aging of their populations and increasingly diverse workforces, they will find themselves competing to attract, develop and retain skilled workers. These will mainly be talented immigrants, many of them belonging to visible minority groups.

This looming challenge has encouraged Catalyst and the Diversity Institute to release some early findings from our ongoing survey. We have chosen to focus on two critical issues: the recognition of workers' foreign educational credentials and career satisfaction among visible minority workers.

There is growing public consensus that the recognition of certain foreign credentials may be too restrictive and that this practice is harmful—both to the Canadian economy in general and to immigrant workers in particular, many of whom belong to visible minority groups.

(Note: In our survey, "foreign educational credentials" refers to any college/university degrees, diplomas or certificates that were earned outside of North America, western Europe and certain Commonwealth countries.)

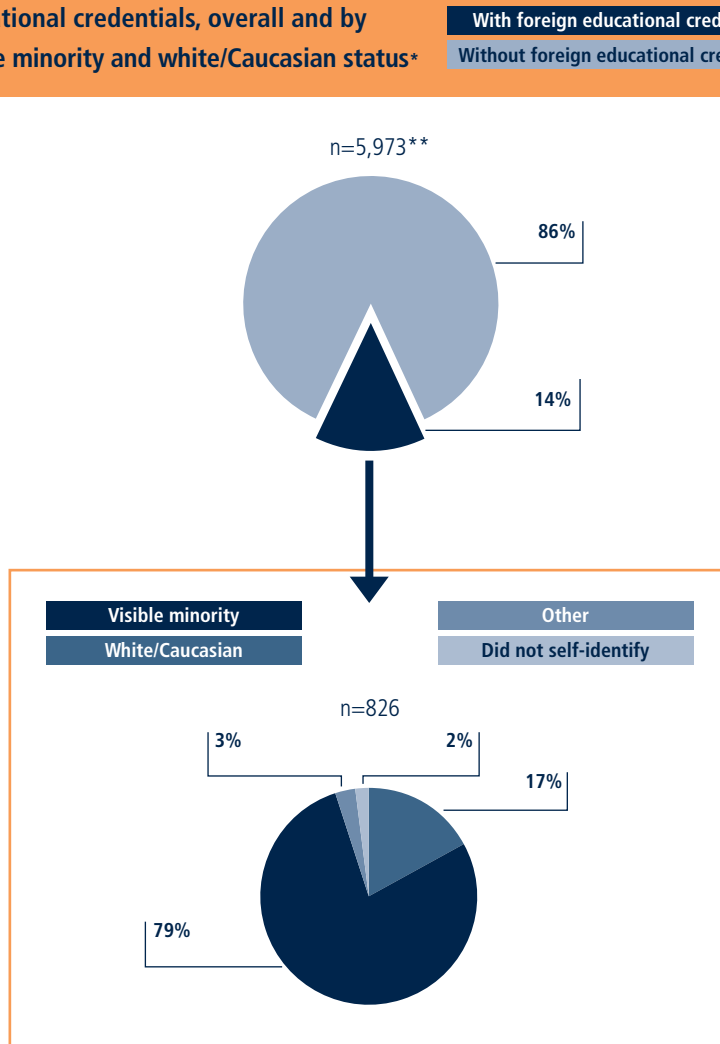
Most existing research has focused on access to employment for people who were largely educated in non-western societies. But relatively little is known empirically about the experiences and perceptions of people who earned their degrees and diplomas in countries outside North America and Europe—particularly those in the managerial and professional ranks of corporate Canada.

NOTE: The following material is derived from survey data available to the research team as of November 2006. The data come from responses of more than 6,000 pre-managers, managers, professionals and executives (see page 9 for details on terminology) working in large, publicly-traded and privately held companies and firms. For more information on the data and our methodology, please see the Appendix on page 9.

Highlights from our findings on: VISIBLE MINORITY STATUS AND FOREIGN EDUCATIONAL CREDENTIALS

- Our respondent population of pre-managers, managers, professionals and executives⁹ is highly educated. Overall, 69 percent possess a university/professional degree or higher.¹⁰
- More than three-quarters of VM respondents (80 percent) possess a university degree or higher, compared to just under two-thirds of white/Caucasian respondents (63 percent).
- Some 14 percent of respondents indicated they held foreign educational credentials. The majority of these (85 percent) had earned a Bachelor's degree or higher (see Figure 1).
- Seventy-nine percent of respondents with foreign educational credentials said they belonged to a VM group, compared to 17 percent who identified themselves as being white/Caucasian (see Figure 1).
- Nearly all VM respondents who held foreign educational credentials (98 percent) also indicated they had been born outside Canada.
- Among VM respondents with foreign educational credentials, the average length of experience in the Canadian workforce was 12 years.
- Approximately 48 percent of VM respondents with foreign educational credentials felt their employers did not recognize their educational credentials as being "on par" with equivalent Canadian degrees, diplomas or certificates. Only 23 percent of white/Caucasian respondents with foreign educational credentials felt the same way.

Figure 1: Percentage of respondents with foreign educational credentials, overall and by visible minority and white/Caucasian status*



*Percentages may not add up to 100 percent due to rounding.

**Sample used in this figure is less than the total 6,051 survey respondents as one percent of respondents did not indicate whether or not they possessed foreign credentials.

Some thoughts about our preliminary findings on:

VISIBLE MINORITY STATUS AND FOREIGN EDUCATIONAL CREDENTIALS

The issue of foreign credentials extends beyond those seeking entry to the labour market, to professionals, managers, and executives who have been in the Canadian labour market for some time. While we cannot say at this stage why they hold these perceptions, the fact that they do is a new and important contribution to our understanding of the experiences of visible minorities in the workplace. How recognition of foreign educational credentials affects career satisfaction and other work experiences will be addressed by the research team in our full report.

Figure 2: Percentage of respondents who felt their foreign educational credentials were recognized "below par," by visible minority and white/Caucasian status



VISIBLE MINORITY STATUS, CAREER SATISFACTION AND FUTURE PROSPECTS

Career satisfaction is an important measure of how people feel about their current jobs and their future prospects. Even at this early stage in our research, important perceptual differences have emerged which relate to respondents' visible minority status.

Highlights from our findings on:

VISIBLE MINORITY STATUS, CAREER SATISFACTION AND FUTURE PROSPECTS

- There are indications, even at this early stage in our research, that VM respondents felt less satisfied with their careers compared to white/Caucasian respondents.
- Overall, 14 percent of all respondents, regardless of visible minority status, reported they were planning to explore career opportunities outside Canada.
- However, 24 percent of respondents with foreign educational credentials (most born outside Canada and belonging to a VM group) said they planned to seek career prospects outside the country, compared to 12 percent of respondents who did not have such credentials.
- We did observe some gender differences in respondents' levels of career satisfaction. These differences will be explored more thoroughly in the full report.



Figure 3: How survey respondents measure up on the Career Satisfaction Scale

Respondents rated four survey items measuring career satisfaction on a scale of one (strongly disagree) to five (strongly agree).¹¹ Responses to these four survey items were used to calculate an overall “score” of career satisfaction.



LESS SATISFIED

MORE SATISFIED

Survey respondents who were LESS satisfied with their careers tended to belong to these groups:

- Visible minority respondents
- Those born outside Canada
- Those who hold foreign educational credentials
- Visible minority respondents with foreign educational credentials
- Visible minority respondents who feel their foreign educational credentials are recognized as “below par” compared to equivalent Canadian credentials
- Those planning to explore career opportunities outside Canada

Survey respondents who were MORE satisfied with their careers tended to belong to these groups:

- White/Caucasian respondents
- Those born in Canada
- Those who do not hold foreign educational credentials
- Visible minority respondents without foreign educational credentials
- Visible minority respondents who feel their foreign educational credentials are recognized “at or above par” with equivalent Canadian credentials
- Those not planning to explore career opportunities outside Canada

Some thoughts about our preliminary findings on:

VISIBLE MINORITY STATUS AND CAREER SATISFACTION

At this early stage we are not able to state definitively that simply having foreign educational credentials is a cause for lower levels of career satisfaction. This issue will be a core focus of future analysis. However, it is clear that respondents with foreign educational credentials—and especially VM respondents—did report feeling less satisfied with their careers.

IN CONCLUSION

Our findings to date should serve as a signal to Canadian corporations and firms that real opportunities exist for them to further leverage the talents of their workforce.

A sizeable proportion of visible minority respondents with foreign educational credentials working for large employers felt their organizations did not recognize these credentials as being “on par” with equivalent Canadian degrees, diplomas and certificates. Compared to white/Caucasian respondents, VM respondents felt less satisfied with their careers and more VM respondents planned to explore opportunities outside Canada for future career prospects.

Our findings raise an intriguing hypothesis: that a perceived lack of recognition for foreign educational credentials affects both respondents’ level of career satisfaction and their plans to explore career opportunities outside Canada. This hypothesis will be tested further as we continue to collect and analyze our data.

We also noted some clear differences in the perceptions of visible minority and white/Caucasian respondents across the limited set of variables explored in this preview.

For example, career satisfaction was lower overall among VM respondents. While it’s too soon to identify the factors that might account for this difference, we do know that career satisfaction is critical to employee engagement,¹² and that this, in turn, has an important impact on productivity.

If our full analysis confirms that a key segment of the leadership cadre of Canada’s business community feel their skills and training are not being fully utilized, the implications for competitiveness, growth and productivity would be significant.



LOOKING FORWARD

As we proceed to analyze the full set of data from the Catalyst/Diversity Institute survey, we will look at various factors affecting the career experiences of both visible minority and white/Caucasian managers, professionals and executives.

An important dimension of our next release will be to explore the intersection of gender and visible minority status in the workplace. As well, if possible, we will conduct and report on sub-analyses by specific ethnic groups, industry and rank.



Below is a list of topics that are being addressed in our survey and that will be reported on in summer 2007:

WORKPLACE PERCEPTIONS AND EXPERIENCES

- Do visible minority (VM) persons in the workplace experience a poorer “cultural fit” than their white/Caucasian counterparts?
- Do VM persons feel the same level of support from their managers as white/Caucasian workers and staff?
- What types of networking and mentoring opportunities are available to VM persons in the workplace?
- What factors are important to the retention of VM workers and staff?
- What are the factors that affect individuals’ levels of career satisfaction?

CAREER DEVELOPMENT AND ADVANCEMENT

- Do VM workers and staff perceive barriers to their career development and advancement in the Canadian workplace?
- What strategies do VM workers and staff adopt, and how effective are they in facilitating their own advancement opportunities?

ORGANIZATIONAL PRACTICES

- What practices and policies do organizations adopt, and what is their effectiveness in enabling VM workers and staff to excel professionally?
- What are the differences between organizations’ and employees’ perceptions of organizational practices that attempt to attract, motivate, and retain VM workers and staff?



APPENDIX

METHODOLOGY AND DATA

The research team invited FP500 companies and firms to participate in the study, along with the top 20 Canadian law firms and Catalyst Canada member organizations.

Organizations which agreed to participate were asked to provide an e-mail list for all—or for a randomly selected subset—of their executives, managers, pre-managers and professionals.

These individuals were then sent an e-mail invitation introducing the research and requesting their time to complete an online survey.

The participating organizations did not provide any type of identifying demographic information (such as ethnicity) about the potential respondents, and all survey responses were guaranteed to be both confidential and anonymous.

The collection of online survey data was staggered in four waves, starting from October 11, 2006 and ending on February 22, 2007.

RESPONDENT PROFILES

This preview utilized an interim dataset of responses that contains survey data collected in the first month after launch [n=6,051]. Ninety-six (96) percent of respondents self-identified their ethnicity. Figure 4 (see page 10) shows the demographic characteristics of the 6,051 respondents.

TERMINOLOGY

Pre-managers

These are individuals who are potentially “in the pipeline” for managerial roles; they are typically one or two levels/grades/bands below managerial ranks.

Managers

In a company/organization, these are individuals in levels/grades/bands who are seen as being “in the pipeline” for senior management or senior leadership roles.

In a professional services firm, these are individuals in administrative roles within the firm, such as Director of Human Resources or Manager of Associates.

Professionals

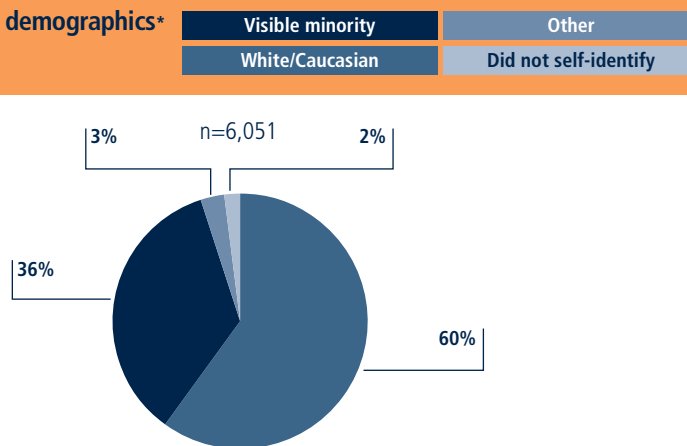
These are individuals who provide a particular skill or expertise, but who do not have direct reports or people management as one of their key responsibilities.

Executives

These are officials holding the most senior positions in the organization. They include the CEO and those individuals reporting directly to the CEO. Executives are responsible for the organization’s policy and strategic planning, and for directing and controlling the functions of the organization.



Figure 4: Respondent demographics*



*Percentages may not add up to 100 percent due to rounding.

VISIBLE MINORITY RESPONDENTS

	OVERALL (N=2,148)	WOMEN** (N=990)	MEN** (N=1,139)
AVERAGE AGE	40.5	40.3	40.6
% WITH UNIVERSITY/ PROFESSIONAL DEGREES	80.2	74.8	84.9
YEARS IN LABOUR FORCE	15.6	16.4	15.0
YEARS IN CURRENT ORGANIZATION	9.8	10.8	8.9
YEARS IN CURRENT ROLE	3.5	3.5	3.5
% MANAGERS	36.4	37.7	35.3
% PROFESSIONALS	38.3	37.0	39.3
% PRE-MANAGERS	17.5	18.5	16.7
% EXECUTIVES	7.7	6.7	8.6

WHITE/CAUCASIAN RESPONDENTS

	OVERALL (N=3,621)	WOMEN** (N=1,815)	MEN** (N=1,754)
AVERAGE AGE	43.1	42.6	43.7
% WITH UNIVERSITY/ PROFESSIONAL DEGREES	63.3	58.4	68.8
YEARS IN LABOUR FORCE	21.8	21.7	21.8
YEARS IN CURRENT ORGANIZATION	13.5	13.5	13.3
YEARS IN CURRENT ROLE	4.4	4.2	4.7
% MANAGERS	47.3	49.7	44.8
% PROFESSIONALS	29.9	28.3	31.5
% PRE-MANAGERS	11.0	12.3	9.6
% EXECUTIVES	11.9	9.8	14.1

**Number of men and women do not add up to the overall number due to 71 respondents who did not identify their genders.

¹ A. Bélanger and E.C. Malenfant, *Population Projections of Visible Minority Groups, Canada, Provinces and Regions, 2001-2017*, (Ottawa: Statistics Canada, 2005)

² A. Bélanger and E.C. Malenfant, *Population Projections of Visible Minority Groups, Canada, Provinces and Regions, 2001-2017*, (Ottawa: Statistics Canada, 2005)

³ Statistics Canada, "Canada's Ethnocultural Portrait: The Changing Mosaic," <http://www12.statcan.ca/english/census01/products/analytic/companion/etoimm/canada.cfm>

⁴ Human Resources Development Canada (HRDC), "Knowledge Matters: Skills and Learning for Canadians," <http://www11.sdc.gc.ca/sl-ca/doc/summary.pdf>

⁵ Government of Canada, "Helping Immigrants Achieve Their Full Potential," http://www11.sdc.gc.ca/sl-ca/doc/section5_e.shtml

⁶ Human Resources and Social Development Canada, "Fact Sheet On Members Of Designated Groups, 2001 Census". http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/lo/lsw/we/ee_tools/data/eedr/annual/2001/facts-2001.shtml&hs

⁷ J.L. MacBride-King and P. Benimadhu, *Toward Maximizing the Talents of Visible Minorities—Potential, Performance and Organizational Practices*. (Ottawa: Conference Board of Canada, 2004).

⁸ J.L. Kunz, A. Milan, and S. Schetagne, *Unequal Access: A Canadian Profile of Racial Differences in Education, Employment and Income* (Toronto: Canadian Race Relations Foundation, 2001).

⁹ For definitions of the terms *pre-manager*, *manager*, *professional* and *executive* please see Appendix on page 9.

¹⁰ According to 2001 Census data, the overall population with a university education is approximately 25.8 percent. Statistics Canada, "Population 15 years and over by highest level of schooling, by province and territory, 2001 Census (table)," <http://www40.statcan.ca/l01/cst01/educ43d.htm>

¹¹ Career satisfaction is measured using a 4-item scale ($\alpha=0.86$) from: J.H.Greenhaus, S.Parasuraman, and W.M. Wormley, "Effects Of Race On Organizational Experiences, Job Performance, Evaluations, and Career Outcomes," *Academy of Management Journal*, vol. 33 no. 1 (1990), pp. 64-87.

¹² J.K. Harter, T.L. Hayes, and F.L. Schmidt, "Business-Unit-Level Relationship Between Employee Satisfaction, Employee Engagement, and Business Outcomes: A Meta-Analysis," *Journal of Applied Psychology*, vol. 87 no. 2, (2002) pp. 268-279.



ACKNOWLEDGMENTS

The Catalyst-Ryerson research team is grateful to the individuals who devoted their time and effort to this first research preview of the *Career Advancement in Corporate Canada: A Focus on Visible Minorities* study.

We are grateful for the continued guidance and insight provided by the *Career Advancement in Corporate Canada: A Focus on Visible Minorities* study Research Advisory Board.

A special thanks to all who reviewed preliminary findings as well as the draft preview, and who provided critical feedback and editorial commentary along the way.

The Catalyst-Ryerson team would also like to extend our gratitude to all of the respondents—their participation is truly invaluable.

Thank-you to Deborah Gillis (Executive Director, Catalyst Canada) and Wendy Cukier (Associate Dean, Faculty of Business, Ryerson University) for providing their support and guidance.

Sonya Kunkel (former Senior Director, Catalyst Canada) co-directed this research with Margaret Yap, PhD. (The Diversity Institute of Management and Technology, Ryerson University).

Ruchika Bhalla (Associate, Catalyst Canada) managed all aspects of survey sample, launch and fielding. Laura Jenner (Associate, Catalyst Canada), Alicia Sullivan (Research Assistant, Catalyst Canada), Geetika Bagga (Research Assistant, Ryerson University), and Charity-Ann Hannan (Research Assistant, Ryerson University) performed data analysis and assisted with the drafting of this research preview. Special thanks to Ruchika Bhalla, and Kirsten Stanger (Associate, Catalyst Canada), for fact-checking this report.

As well, a special thanks to Ulrike Balke (Art Director, Ulrike Balke Art & Design) who completed the design and layout of the report; Claire Tallarico and Kathleen Powderley, for their continued work to publicize the series and for their strategic advice on media dissemination; and Evelyne Michaels for her invaluable editorial support.

Finally, Catalyst thanks the following organizations for sponsoring this study:

RBC Financial Group, *Lead sponsor*

IBM Canada, *Participating Sponsor*

Deloitte & Touche, *Participating Sponsor*

Ontario Ministry of Citizenship and Immigration, *Supporting Sponsor*



ABOUT CATALYST

Catalyst is the leading research and advisory organization working with businesses and the professions to build inclusive environments and expand opportunities for women at work, with offices in New York, San Jose, Toronto, and Switzerland. As an independent, nonprofit membership organization, Catalyst conducts research on all aspects of women's career advancement and provides strategic and web-based consulting services globally. In addition, Catalyst honors exemplary business initiatives that promote women's leadership with the annual Catalyst Award.



ABOUT THE DIVERSITY INSTITUTE

The Diversity Institute in Management and Technology is located in the Faculty of Business at Ryerson University in Toronto, Canada. The Diversity Institute undertakes diversity research with respect to gender, race/ethnicity, disabilities and sexual orientation in the workplace. Our goal is to generate new, interdisciplinary knowledge about diversity in organizations to contribute to the awareness and the promotion of equity in the workplace.

© 2007 by **CATALYST AND THE DIVERSITY INSTITUTE IN MANAGEMENT & TECHNOLOGY**

NEW YORK 120 Wall Street, 5th Floor, New York, NY 10005-3904; (212) 514-7600; (212) 514-8470 fax

SAN JOSE 2825 North First Street, Suite 200, San Jose, CA 95134-2047; (408) 435-1300; (408) 577-0425 fax

SWITZERLAND c/o KPMG Fides, Landis+Gyr-Strasse 1, 6300 Zug, Switzerland;

+41-(0)44-208-3152; +41-(0)44-208-3500 fax

TORONTO 8 King Street East, Suite 505, Toronto, Ontario M5C 1B5; (416) 815-7600; (416) 815-7601 fax

email: caninfo@catalyst.org; www.catalyst.org

The Diversity Institute in Management & Technology, Faculty of Business,

Ryerson University, Toronto, Ontario M5B 2K3; (416) 979-5000 x.7268; (416) 979-5294 fax

email: diversity.institute@ryerson.ca; www.ryerson.ca/faculties/business/diversityinstitute/

Unauthorized reproduction of this publication or any part thereof is prohibited.

Catalyst Publication Code R67; ISBN# 0-89584-266-1