



# Evaluation of the Employment Equity Programs

## Final Report

March 2019

**Evaluation of the Employment Equity Programs**

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# Table of Contents

- Highlights
- Purpose and Scope
- Key Findings
- Observations for Program Development
- Annexes
  - A: Program Logic Model
  - B: Methodology
  - C: Evaluation Questions
  - D: Technical Studies
  - E: Figures



# Highlights

## Evaluation Purpose and Scope

- This evaluation examines the relevance and performance of the Legislated Employment Equity Program; the Federal Contractors Program; and the Workplace Opportunities Program. They are administered by the Labour Program.
- These programs support the Employment Equity Act by improving workplace equity outcomes for the four designated groups in the federally regulated private-sector and provincially regulated employers that contract with the Federal government. The designated groups include: women, Indigenous peoples, persons with disabilities and members of visible minorities.
- The evaluation covers fiscal years 2011-12 to 2015-16 and complies with the 2016 Treasury Board Policy on Results as well as with Federal Administration Act requirements.

## Achieving Equitable Representation

- Since the development of the Employment Equity Act (1986), employers have made progress towards achieving a representative workforce. For example, representation of each designated group had increased substantially by 2015-16.
- Program activities contributed to this outcome by:
  - developing guidance materials to assist employers in undertaking a systematic review of their employment policies and practices;
  - offering one-on-one support to employers seeking to understand their obligations under the Act; and
  - providing timely notifications and advice to support employer reporting on employment equity.
- Despite these advancements, members of visible minorities were the only designated group to reach levels of labour market availability<sup>1</sup> (LMA) by 2015-16 in Canada.



1. Labour market availability refers to the number of individuals in a designated group who are available for hire, represented as a percentage of the total population. Proportional representation should equal labour market availability in the population overall, and across various sectors, jobs and salary ranges.

## Highlights (Cont'd)

- Overall, women earned lower salaries than men across all the designated groups. For example, there was a sizeable gap (approx.15%) in earnings between men and women in the top salary range (\$60,000 and above) in 2015.
- The salary gap was more pronounced among Indigenous women in that year. For example, there were 9.1% fewer Indigenous women making at least \$60,000 compared to all women at that salary range, and 24.4% fewer than all men.
- Earnings were also substantially lower for women with disabilities in 2015. In particular, there were 3.6% fewer women with disabilities making at least \$60,000 compared to all women at that salary range, and 18.9% fewer than all men.

### Effectiveness of Program Supports

- Evidence from the employer and contractor survey (in 2017) indicate that the vast majority of employers understood their employment equity obligations under the Act. This was supported by program activities, such as providing employers with information that clearly articulates their obligations.
- Key informants reported that awareness of employment equity obligations may be greater among human resource administrators and managers. Therefore, smaller companies with no human resource department or staff may require greater support from the program.
- Administrative data suggests that the approach to ensuring reporting on employment equity has been successful, with 100% of employer reports submitted on time. Activities that supported reporting included routine employer notifications in advance of reporting deadlines; new tracking mechanisms to promote coordination; and direct telephone follow-up.

### Observations for Program Improvement

- This evaluation does not make specific recommendations. However, it offers observations for program development in three main areas:
  - re-examining definitions of the designated groups;
  - the need for greater capacity/resources; and
  - enhancing performance measurement and access to information for the next evaluation period.



# Background

## Evaluation Scope and Purpose

- This evaluation examines the relevance and performance of the following programs administered by the Labour Program's Workplace Equity Division:
  - the Legislated Employment Equity Program;
  - the Federal Contractors Program; and
  - the Workplace Opportunities: Removing Barriers to Equity grants and contributions Program.
- The evaluation covers fiscal years 2011-12 to 2015-16 and complies with the 2016 Treasury Board Policy on Results as well as Federal Administration Act requirements for an evaluation of Workplace Opportunities by July 31, 2019.

## Program Description

- The Labour Program supports the objectives of the Employment Equity Act in creating equitable employment opportunities and correcting social disadvantages experienced by four designated groups<sup>2</sup>.
- The Act applies to the federally regulated private-sector (i.e. banking, communications, transportation, and 'other'<sup>3</sup> sectors), and provincially regulated employers that contract with the Federal government, comprising approximately 8% of the Canadian workforce.
- The Labour Program also ensures that federally regulated private-sector employers meet their legislated reporting obligations, and provincially regulated private-sector employers comply with the requirements of the Federal Contractors Program.

2. The designated groups include: women, Indigenous peoples, persons with disabilities and members of visible minorities.

3. The 'other' sectors include employers working in diverse industries such as: nuclear power generation; warehouse and storage; metal and ore mining; and professional, scientific and technical studies and others.



# Progress Towards Achieving a Representative Workforce

- As shown in Table 1, increases in representation have occurred for all four designated groups since the Act was implemented in the mid-1980s.
- For example, while still low, labour market representation has almost doubled for persons with disabilities between 1987 to 2015, increasing from 1.6% to 3.0%.
- Similarly, labour market representation has more than tripled for Indigenous peoples during this period, increasing from 0.7% in 1987 to 2.2% in 2015.
- Members of visible minorities are the only designated group whose representation rate in 2015 (21.2%) exceeded its labour market availability (17.8%). However, there continues to be underrepresentation of visible minorities in certain sectors (i.e., transportation and “other”) <sup>4</sup> (not shown in Table 1).
- Women’s labour market representation had not yet reached labour market availability by 2015, and levels of representation remained relatively stable from 1987 (40.9%) to 2015 (41.0%).

Table 1. Progress in Representation in the Federally Regulated Private Sector

Designated Group	Labour Market Representation		Labour Market Availability
	1987	2015	2011/12
Women	40.9%	41.0%	48.2%
Persons with Disabilities	1.6%	3.0%	4.9%
Indigenous Peoples	0.7%	2.2%	3.5%
Visible Minorities	5.0%	21.2%	17.8%

Data sources: Employment Equity Annual Report, 2016 (ESDC); National Household Survey, 2011; Canadian Survey on Disability, 2012 (Statistics Canada).



# Inequalities Persist in the Labour Market

- As shown in Table 2, women received lower wages than men on average in 2015. For example, there was a 15.3% gap in earnings between men (59.8%) and women (44.5%) in the top salary range (\$60,000 and above). In the lowest salary range (below \$50,000), there was a 12.7% gap between men (22.9%) and women (35.6%).
- Importantly, the wage gap was even greater for women who belonged to more than one designated group. For example, Indigenous women (43.7%) represented a 20.8% larger share of the workforce in the lowest salary range (below \$50,000), compared to all men (22.9%).

Table 2. Representation by salary range, sex and designated group in 2015.

	All		Indigenous peoples		Persons with disabilities		Visible minorities	
Salary range	Men	Women	Men	Women	Men	Women	Men	Women
\$60,000 and above	59.8%	44.5%	57.5%	35.4%	56.3%	40.9%	55.3%	43.7%
\$50,000 to \$59,999	17.3%	19.9%	16.8%	20.8%	19.1%	22.3%	16.4%	18.2%
Below \$50,000	22.9%	35.6%	25.7%	43.7%	24.6%	36.8%	28.3%	38.1%

Data source: Employment Equity Annual Report 2016, Legislated Employment Equity data (ESDC).

- Further analysis not shown above revealed that inequalities persisted in the types of jobs occupied by the designated groups, even where representation exceeded labour market availability overall.
- Key examples of inequalities that persisted in 2015 include:
  - Women only earned \$0.87 for every dollar earned by men on average<sup>5</sup>.
  - Representation of Indigenous peoples was below labour market availability for all job categories (with the exception of manual labourers). This was the most pronounced at the highest levels of management (See Annex E, Figure 6).
  - Persons with disabilities were underrepresented in every occupation, and this underrepresentation was particularly pronounced at the supervisory levels (See Annex E, Figure 7).
- Visible minorities were the exception. They showed increased representation in many occupation types, and exceeded labour market availability in the relatively higher paying middle management and professional categories (See Annex E, Figure 8).

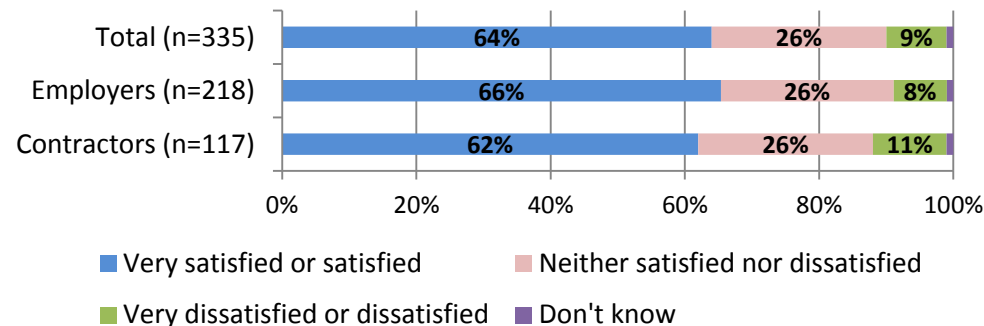
5. Moyser, M. (2017). Women and Paid Work. In Women in Canada: A Gender Based Statistical Report.



# Clients are Highly Satisfied with Available Supports

- As shown in Figure 1, survey results indicate that employers and contractors were predominantly satisfied with available supports in 2017. Only 9% of respondents reported any level of dissatisfaction.

Figure 1. Satisfaction with tools, materials, and supports in 2017



Data source: Employer and Contractor Survey, ESDC, 2017.

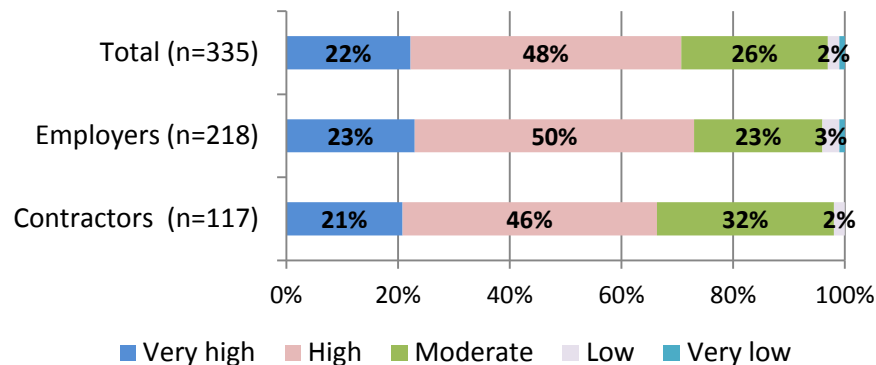
- Further analyses not shown above revealed that most Labour Program recipients have accessed available tools, yet there is room for improvement in terms of uptake, for example:
  - certain tools were favoured over others, such as templates and guides; and
  - less than 60% of Federal Contractors Program respondents used the tools and materials directly intended for them, with the exception of the goal setting tools.
- Direct assistance from the Labour Program was only accessed by 63% of the Federal Contractors Program respondents, and nearly half (49%) of Legislated Employment Equity Program respondents.
- Employer and contractor interviewees noted potential ways to increase usage, such as improvements to the website, and streamlining and emphasizing content to aid the user.



# Employers are Aware and Comply with their Reporting Obligations

- As shown in Figure 2, the employer and contractor survey indicated that most respondents (70%) had high or very high levels of understanding of the Act and their employment equity obligations under it in 2017. Another 26% of respondents reported moderate levels of understanding.

Figure 2. Level of understanding of employment equity obligations in 2017



Data source: Employer and Contractor Survey, ESDC, 2017.

- Additional findings from employer and contractor key informants, indicated that awareness may be concentrated in senior or managerial levels and among human resources staff. Companies with no human resource department or staff may have less understanding of their obligations, and may thus require greater support.
- In terms of reporting, administrative data revealed that employers and contractors met their employment equity obligations. Compliance procedures for the Legislated Employment Equity Program were effective, with 100% of files successfully closed.
- Federal Contractors Program compliance assessments were required to occur within 18 months of the start of the contracts. Ultimately, there was 100% compliance with reporting by contractors, based on the administrative data reviewed.
- Importantly, compliance procedures focused on report completion rather than organizations' substantive progress or improvement in employment equity.



# Employers are Aware and Comply with their Reporting Obligations (Cont'd)

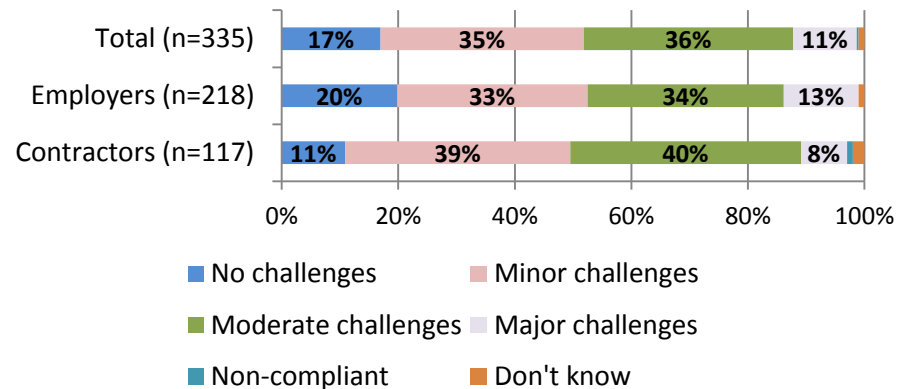
- Key informants within the federal government in 2017 considered the Labour Program's approach to enforcement to be collegial and collaborative. They consider that this promotes compliance without having to resort to using the administrative monetary penalties under the Act.
- Key informants external to the federal government considered in 2017 that the enforcement mechanisms ineffectual due to their focus being predominantly placed on submission of annual reports, as opposed to being focused on meeting representation targets.
- Expert key informants indicated in 2017 that employers and contractors are underperforming in terms of having proper representation of designated groups within their organizations. They suggested:
  - creating a tool to help companies develop a business case for employment equity, which demonstrates cost-effective approaches, while highlighting the benefit of employment equity to senior management;
  - adding a legislative requirement that employers spend a certain percentage of their budgets on employment equity; and
  - strengthening staffing for Employment Equity Program operational personnel to enable them to contact employers more frequently.



# Barriers to Employment Equity Still Need to be Addressed

- As shown in Figure 3, only 52% of employers and contractors surveyed in 2017 reported minor or no challenges in meeting reporting requirements or in collecting, analyzing, and reviewing human resource policies and practices.

Figure 3. Identifying barriers and implementing measures to address or remove them in 2017.



Data source: Employer and Contractor Survey, ESDC, 2017.

- In key informant interviews, employers and contractors reported specific barriers to employment equity, such as:
  - biases/discriminatory assumptions;
  - the nature of certain types of work;
  - a lack of openness in the hiring process;
  - structural factors that limited educational opportunities; and
  - a lack of recognition of education, skills and qualifications.
- Key informants expressed the need for more information regarding best practices for removing barriers, specifically relevant to their organizational contexts.



# Communication and Cooperation with Government Agencies and Stakeholders is Improving

- Communication and cooperation with stakeholders, including the Canadian Human Rights Commission, contracting departments, and other governmental stakeholders, was considered adequate to support the Program, according to key informant interviews.
- However, Labour Program officials noted that receiving information from the Commission on completed audits would be very useful to inform programming design and development.
- It was noted by both Labour Program and Commission key informants that the relationship between the Labour Program and the Commission is improving and that roles and responsibilities are becoming clearer.
- However, all employer organizations reported limited collaboration and communication between the Labour Program and their organizations (i.e., one or a few times per year) and that more would be beneficial.
- Suggestions for improving communication with the Labour Program from employer organizations related predominantly to wanting increased provision of telephone contact and access.



# The Workplace Opportunities Program Facilitated Information Sharing with Employers

- The Workplace Opportunities was initiated near the end of the evaluation period (2014-15) and focused on building employer capacity to hire and retain designated group employees.
- Given that few projects had been completed by the time the evaluation was undertaken, it was challenging to measure changes in employers' capacity.
- However, early results indicate that three of the nine grants and contributions projects had been completed by 2015-16, with the remainder on track to achieve expected results.
- Key informant funding recipients reported that the projects facilitated opportunities for employers and stakeholders to engage in dialogue and exchanges regarding employment equity, diversity, and inclusion.
- Program activities also enabled information sharing, raising awareness of barriers by connecting employers to designated group members and advocates, and providing content to support the development of tools and resources.
- Particular examples of promising tools and resources developed by the Program through Workplace Opportunities and documented by administrative data include:
  - production of a marketing video;
  - technical assistance to individual employers;
  - workshops engaging wide ranges of stakeholders;
  - a comprehensive recruitment framework;
  - the development of business cases;
  - presentation models; and
  - tools for corporate change and partnership building, among others.



# Evidence Suggests Improvements in Efficiency and Effectiveness

- Based on interviews with Program officials, a number of strategies were undertaken to improve services between 2011-12 to 2015-16, such as:
  - offering more resources online;
  - developing templates; and
  - using internal resources to develop materials and databases and the development of a performance measurement strategy in 2015.
- Program officials noted that they are delivering the Employment Equity Programs with fewer resources than in the past, which provides anecdotal evidence of cost-effectiveness.
- The document and literature review identified evidence of measures taken to improve efficiency and effectiveness during the evaluation period such as:
  - simplifying the Employment Equity Program reporting process; and,
  - streamlining the Minister's annual reports to parliament.
- However, the changes the Labour Program underwent as well as the absence of a performance measurement framework and relevant financial data earlier in the evaluation period made it problematic to assess cost-effectiveness.



# Strong Alignment with Government Priorities

- The Programs were found to align with the Government of Canada priorities in several ways, including by
  - contributing to fair and inclusive workplaces;
  - supporting federal government priorities related to diversity as a Canadian value;
  - contributing to workforce participation of the four designated groups;
  - addressing the ESDC departmental strategic outcomes of “safe, fair, and productive workplaces and cooperative workplace relations”; and
  - promoting more equitable job outcomes in the federally regulated sector and the broader Canadian context.

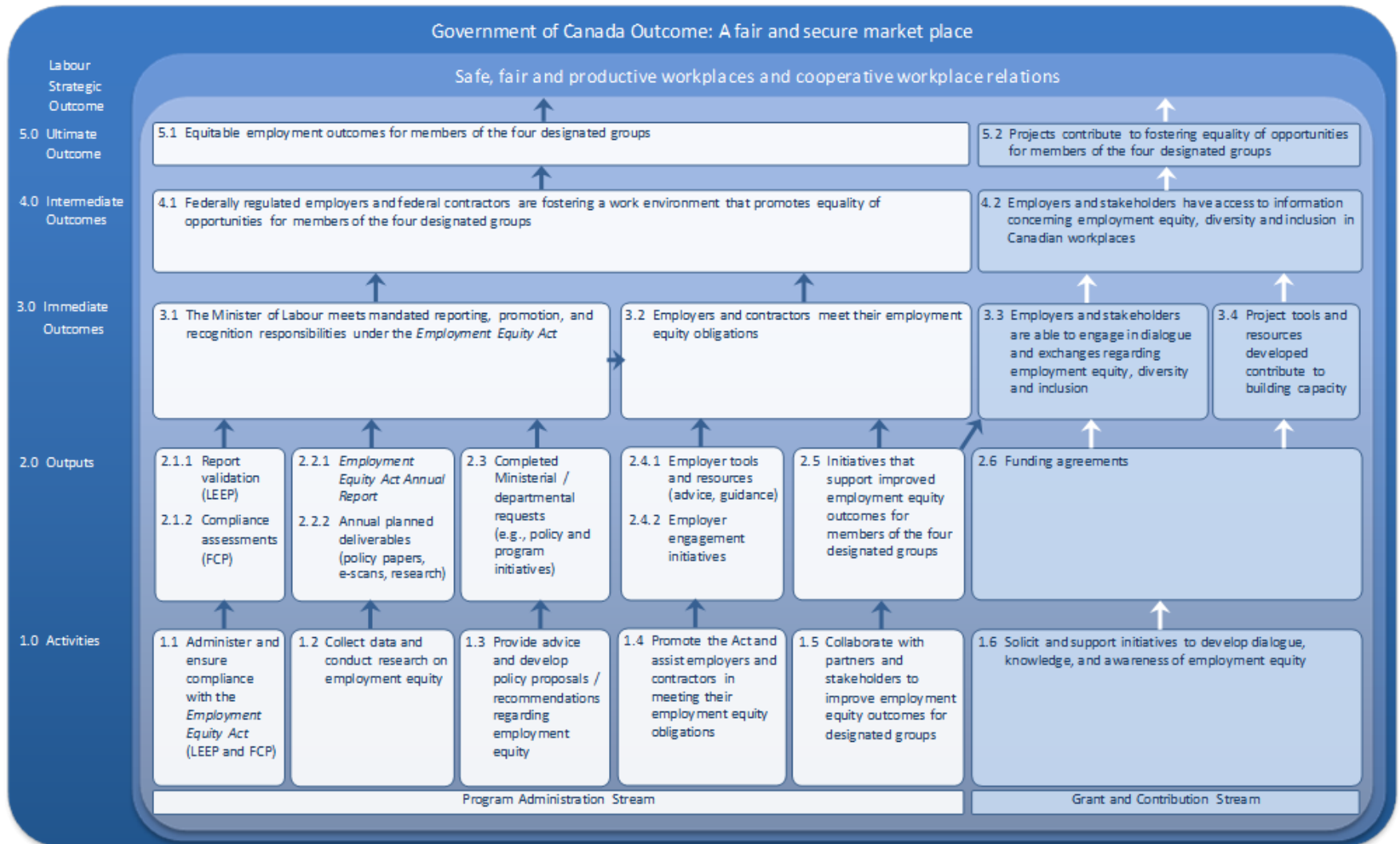


# Observations for Program Development

1. Enhance performance measurement in the next program cycle. In the current cycle, initially there was a lack of:
  - a performance measurement strategy;
  - administrative data to assess cost-effectiveness of program delivery; and
  - access to recent audits conducted by the Canadian Human Rights Commission.
2. The Labour Program should be given access to audit reports produced by Canadian Human Rights Commission. This would provide them with valuable information to meaningfully inform program planning, such as:
  - measures taken by Legislated Employment Equity Program employers to implement employment equity;
  - results achieved; and
  - consultations undertaken.
3. Revisit and expand definitions of the designated groups according to recent labour market trends and the criteria set out in the Act. In particular, explore the possible inclusion of:
  - LGBTQ2+;
  - older and younger workers, veterans; and
  - immigrants as designated groups.
4. Finally, there is a need for greater capacity/resources to enable the Labour Program to conduct research, and to promote and foster public awareness and understanding of the purpose of the Act.



# Annex A: Program Logic Model for the Employment Equity Programs and Workplace Opportunities, 2015



## Annex B: Methodology

Four lines of evidence informed the current evaluation:

- 1) Document and literature review.
- 2) Administrative data review, which involved analysis of two key datasets administered by the Workplace Equity Division: the Legislated Employment Equity Program data and Federal Contractors Program Access database.
- 3) Employer and contractor study involving both key informant interviews and a survey.
  - The interviews with employers and contractors focused on employers covered by the Legislated Employment Equity Program (n=9) and Federal Contractors Program (n=4). Key informants were selected based on: size of company, sector and geography. The study also included a survey with Legislated Employment Equity Program employers and Federal Contractors Program contractors (n=335). The response rate for employers was 48% (n=218) and for contractors it was 43% (n=117).
- 4) Key informant interviews (n=31) were conducted with a wide range of Program stakeholders (Table 3).

**Table 3: Distribution of interviews by key informant category**

Key informant category	# of key informants
EEP program officials	5
Contracting departments	3
Inter- and intra-departmental organizations	4
LEEP or FCP employer or employee associations	3
Canadian Human Rights Commission auditors	3
Employment equity experts	5
WORBE funding recipients	8
Total	31



# Annex C: Evaluation Questions

## Relevance

1. To what extent is the Program needed to address employment equity for the four designated groups? Are the programs aligned with Government of Canada priorities?
  - 1.1 Extent to which persons in the designated groups are underrepresented in workplaces covered by the Program.
  - 1.2 Evidence that the objectives of the Program are in line with federal government priorities.

## Performance

2. To what extent do educational tools, promotional materials, and support to employers contribute to compliance with the Employment Equity Act?
  - 2.1 Extent to which federally regulated private-sector employers and contractors are reached by program activities.
  - 2.2 Evidence that the Program has supported the Minister of Labour in meeting its mandated reporting, promotion, and recognition responsibilities under the Employment Equity Act.
  - 2.3 Material and support are clear, accessible, used and responsive to the needs of employers and contractors.
  - 2.4 Evidence that employers and contractors are meeting their employment equity obligations.
  - 2.5 Evidence that the Program contribute to employers' and contractors' awareness and understanding of the Employment Equity Act.
  - 2.6 Evidence that the Program is contributing to federally regulated employers and contractors fostering a work environment that promotes equality of opportunities for members of the four designated groups, by sector.
3. To what extent does the use of mechanisms of enforcement help to correct and/or prevent non-reporting?
  - 3.1 Percentage of employment equity reports that are compliant with the requirements of the Employment Equity Act, by fiscal year, by sector (Legislated Employment Equity Program)
  - 3.2. Percentage of required compliance assessments completed within six months of initiation, by fiscal year. (Federal Contractors Program)
  - 3.3 Percentage of compliance assessments that are found to be either compliant or non-compliant. (Federal Contractors Program)
  - 3.4 Extent to which enforcement mechanisms are used to promote compliance with the Employment Equity Act (Legislated Employment Equity Program and Federal Contractors Program)



## Annex C: Evaluation Questions (Cont'd)

4. Are the mechanisms of communication and cooperation between the Labour Program and its stakeholders and partners (e.g., the Canadian Human Rights Commission, Public Services and Procurement Canada, and other contracting departments) adequate?
  - 4.1 Frequency, type and effectiveness of communication between the Labour Program and its partners/stakeholders. (Legislated Employment Equity Program and Federal Contractors Program)
  - 4.2 Frequency, type and effectiveness of communication between the Labour Program and employers/contractors covered by the Employment Equity Act. (Legislated Employment Equity Program and Federal Contractors Program)
5. To what extent do Workplace Opportunities funding agreements contribute to employers' capacity to shape their workplace diversity strategies using the tools that are developed and leveraging partnerships that are created?
  - 5.1 Extent to which employers are contributing financially or in-kind resources to the Workplace Opportunities-funded projects.
  - 5.2 Extent to which employers and stakeholders engage in dialogue and exchanges regarding employment equity, diversity and inclusion.
  - 5.3 Extent to which project tools and resources developed under Workplace Opportunities contribute to employer and industry capacity to shape workplace diversity strategies.
  - 5.4 Employers and stakeholders have access to information concerning employment equity, diversity and inclusion in Canadian workplaces.
6. Are there alternative designs or delivery approaches that could be more cost-effective in achieving program expected outcomes?
  - 6.1 Evidence of cost-effective program delivery.
  - 6.2 Evidence from international/domestic best practices and lessons learned about effective approaches to implementing/ensuring equitable employment for targeted groups.



## Annex D: Technical Studies

### Descriptions

#### Literature and Document Review

A review of the literature on relevant issues was conducted in 2018. As well, a review of the program's internal documentation was carried out to elucidate program activities.

#### Administrative File and Data Review

An analysis of administrative data from the Labour Program's Legislated Employment Equity Program and Federal Contractors Program Access database was conducted in 2017.

#### Key Informant Interviews

Interviews were conducted in 2017 with 31 key informants, including Labour Program officials, Contracting departments, governmental organizations, employer or employee associations, Canadian Human Rights Commission auditors, experts, and Workplace Opportunities funding recipients.

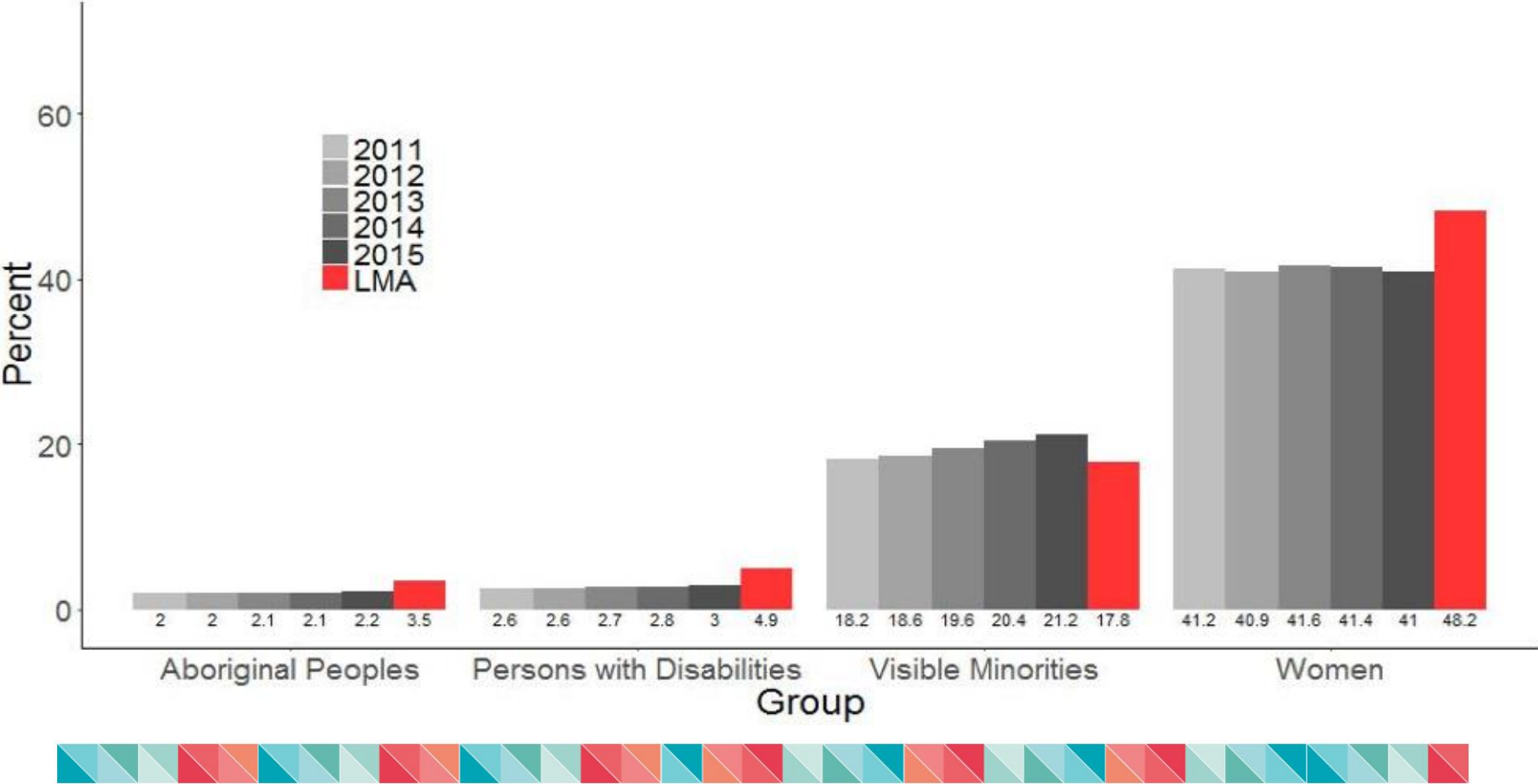
#### Employer and Contractor Study

A survey of 335 Legislated Employment Equity Program and Federal Contractors Program employers was carried out in 2017. In addition, interviews were conducted with 13 employers from these programs in 2017.



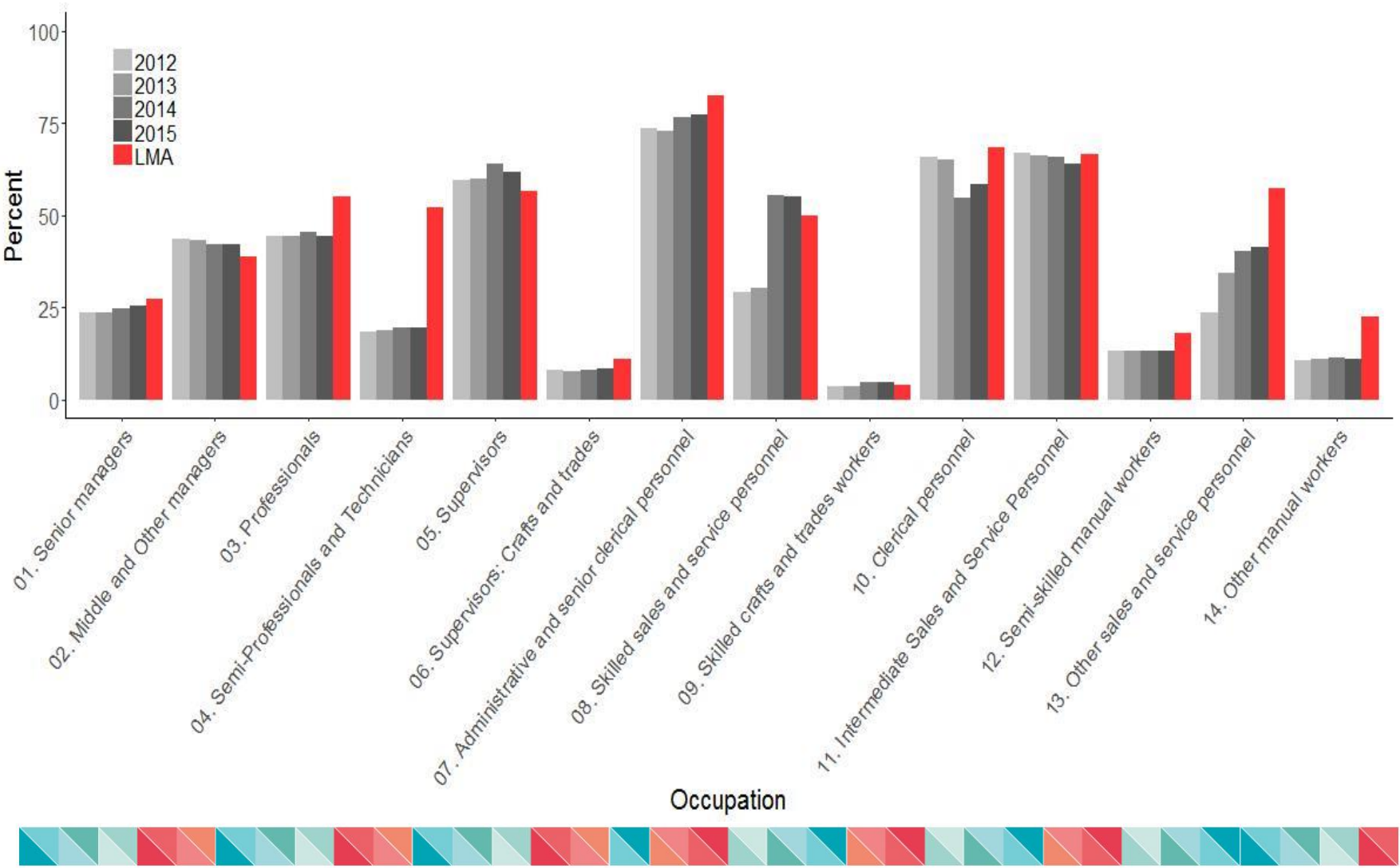
# Annex E: Figures (Cont'd)

Figure 4. Representation of Designated Groups during the Evaluation Period. Legislated Employment Equity Program data.



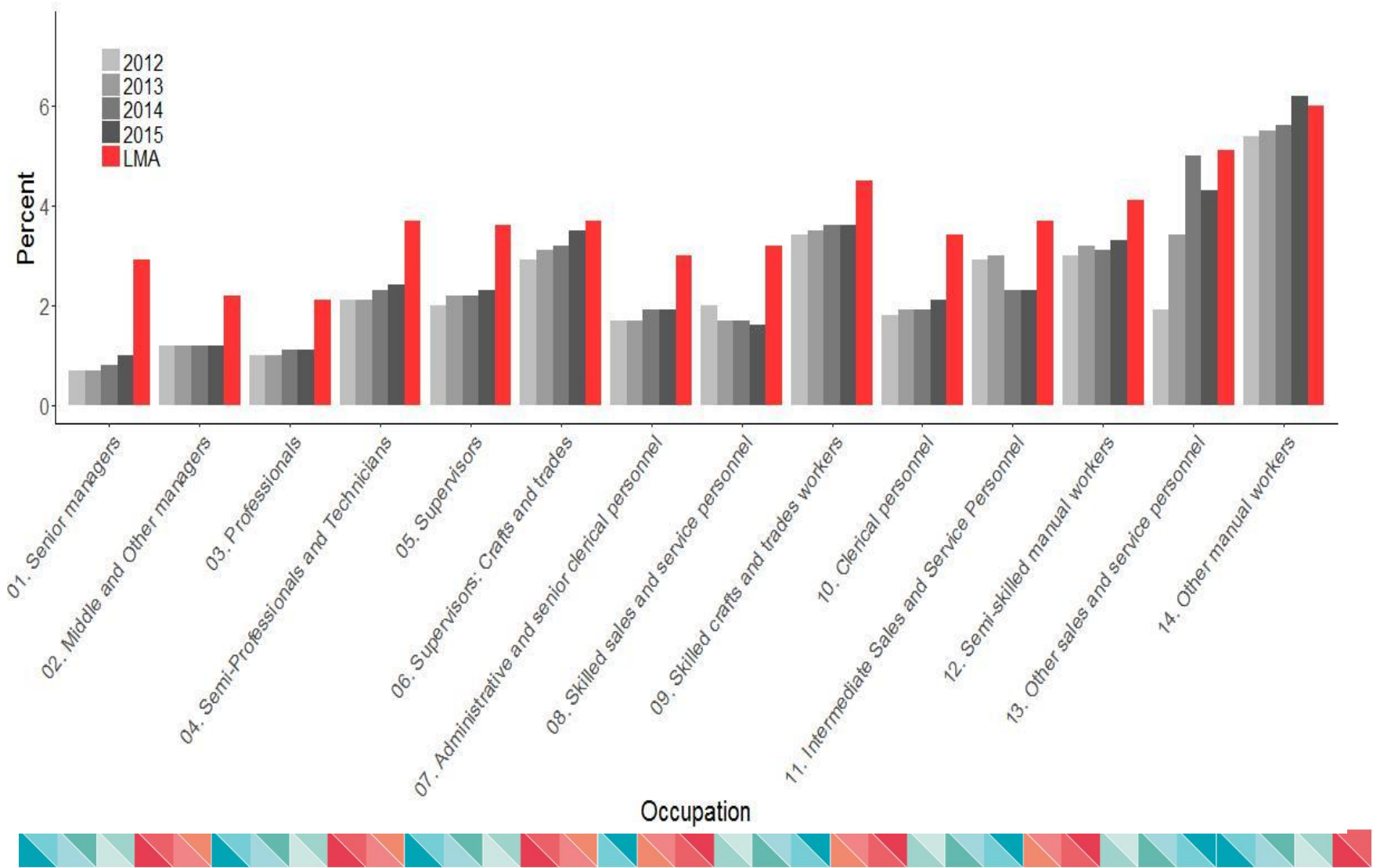
# Annex E: Figures

Figure 5. Representation of women over time by occupation type. Legislated Employment Equity Program data.



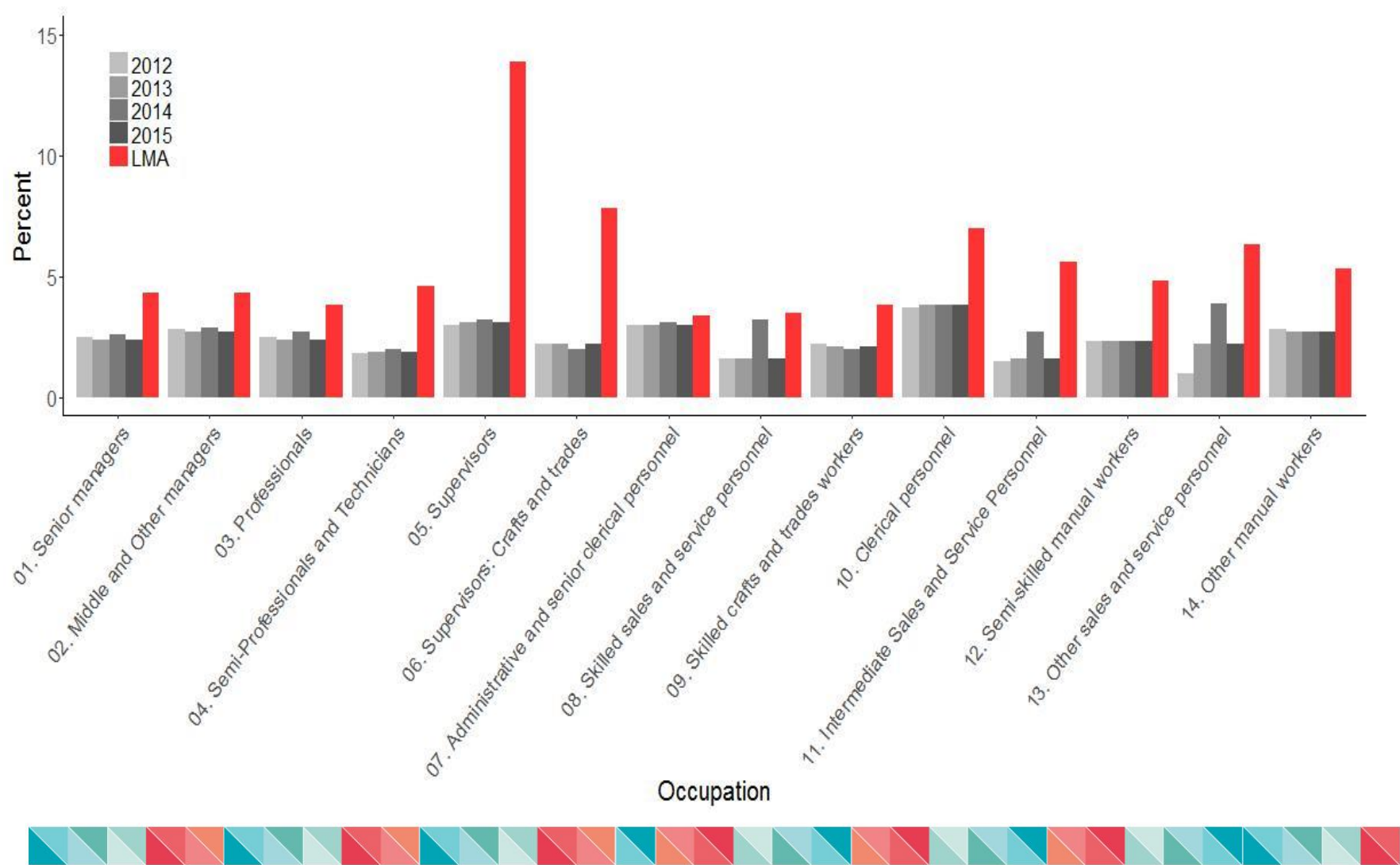
# Annex E: Figures (Cont'd)

Figure 6. Representation of Indigenous people over time by occupation type. Legislated Employment Equity Program data.



# Annex E: Figures (Cont'd)

Figure 7. Representation of persons with disabilities over time by occupation type. Legislated Employment Equity Program data.



# Annex E: Figures (Cont'd)

Figure 8. Representation of visible minorities over time by occupation type. Legislated Employment Equity Program data.

