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# HRM CASE STUDY: DIVERSITY MANAGEMENT: FACILITATING DIVERSITY THROUGH THE RECRUITMENT, SELECTION AND INTEGRATION OF DIVERSE EMPLOYEES IN A QUEBEC BANK

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## CASE DESCRIPTION

*This case focuses on the illustration and application of HRM workplace diversity management concepts. First, students will have to discuss the advantages of a diverse workforce and the steps involved in diversity management. Next, they must critique the HRM director's diversity plan. They will then be required to design and implement HRM practices in order to facilitate the recruitment, selection, integration and development of diverse employees. Finally, students will propose measures that evaluate the effectiveness of these HRM diversity practices.*

*The case has a difficulty level of 4 to 6: it is appropriate for HRM courses from senior level to second year graduate level (M.Sc. and MBA courses in HRM, staffing). Students are expected to prepare the case before coming to class. The case is designed to be discussed in one class of 3 hours. This fictitious pedagogical case was inspired in part by the real-life experiences of HR and employment equity managers in various Canadian organizations. The authors interviewed or met these individuals during the second author's seminars on diversity.*

## CASE SYNOPSIS

*In this case, participants will examine the situation of Françoise Roy, HRM manager of a bank in Quebec, Canada. Françoise had only been director of human resources at the People's Bank of Quebec (PBQ) for a little over a year when she undertook a huge project. This effort entailed encouraging diversity in the bank by increasing ethnic and cultural minority representation and by eliminating discrimination among the workforce. The Human Rights Committee had approved her action plan regarding employment equal opportunity. In order to achieve her goals, Françoise must now design and implement a workforce diversity action plan.*

*In this case study, students will first discuss the advantages of a diverse workforce and the steps in diversity management. Next, they must critique the HRM director's diversity action plan. They will then have to design and implement HRM practices in order to facilitate the recruitment,*

*selection, integration and development of a diverse workforce. Finally, students will be required to propose measures used to evaluate the effectiveness of these HRM diversity practices.*

## CASE INTRODUCTION

On February 27, 2003, Françoise Roy had a good reason to celebrate: finally, the Canadian Human Rights Commission had approved her employment equity plan. She had only been HR Director at People's Bank of Quebec (PBQ) for a little over a year, but she wanted to change things. She knew that in order to improve workforce representativeness and make discrimination a thing of the past, a lot would have to change in the minds of the people and in the organizational culture of that homogeneous Franco-Quebecer organization. Nevertheless, workplace diversity was one of her priorities, and she was determined to make it happen. But she wondered where to begin.

## LEGAL AND SOCIO-DEMOGRAPHIC CONTEXT

In 2001 there were over 700,000 immigrants in Québec, 500,000 of whom were members of visible minority groups. While at the turn of the 20th Century, most immigrants were from the United States or European countries, the percentage of immigrants from these countries gradually decreased, as immigration from Asia and other parts of the world increased. Slow at first, this change became more visible in the eighties. Today, the vast majority of immigrants are Asian (including South Asians) or Black.

Legislation has been adapted in order to deal with this new reality. **The Canadian Charter of Rights and Freedoms**, which is included in the 1982 Canadian Constitution Act, guarantees equality to every individual regardless of race, religion, national or ethnic origin, color, sex, age or disability. The law allows, however, programs which benefit members of certain groups (such as women, aboriginals, people with disabilities and visible minorities) which have historically been subject to discrimination. The **Employment Equity Act** is designed to improve job opportunities for these four specific groups; according to this Act, private and public sector employers operating in federally regulated industries that employ 100 or more employees must design, implement and monitor the results of equity plans in order to ensure representation of designated groups in their workforce. Since the 1996 amendments to the Employment Equity Act, the Canadian Human Rights Commission is responsible for ensuring that employers comply with its requirements. In 1998, the Commission began conducting audits.

## WORKPLACE DIVERSITY IN THE BANKING SECTOR

In pursuance of the Canadian Constitution Act, banking is under the exclusive legislative jurisdiction of the federal government. Seven chartered banks, including the People's Bank of

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Quebec (PBQ), operate in Quebec. Each must comply with the Employment Equity Act's requirements. In addition, banks are required to deal with an increasingly diverse clientele. As a result, they have to manage diversity at two levels: in their own workforce, as they are legally bound to do, and in the market, by fulfilling their clients' needs. Globally, as a result of the efforts made during the past 15 years or so, visible minority representation in banks has reached a more-than-adequate level. In 2002, members of visible minority groups represented 18.6% of the workforce, while their rate of availability was only 12.6% in the general population of Canada. The state of affairs at the People's Bank of Quebec, however, was quite different.

### **PEOPLE'S BANK OF QUEBEC**

PBQ is a medium-sized bank which focuses on retail and small-business banking. In 2002, its workforce comprised about 7,000 employees, of which more than half were unionized. In 2001, its net financial revenues had increased about 10%, as had been the case for other small and medium banks. In 2002, PBQ's revenues had fallen by half - but that year had been a difficult one for most Canadian banks.

However, on the diversity front, Françoise knew that the PBQ was trailing behind. Indeed, in 2002, members of visible minority groups represented less than 6% of the workforce; the Bank's employees were almost entirely French-speaking Quebecois. Women constituted a significant proportion of the workforce, but were under-represented in management jobs. Indeed, while over 80% of administrative and office employees were women, they represented only 18% of senior managers. Since the introduction of the first Employment Equity Act, in 1986, several employment equity plans had been devised, but none had led to any concrete changes. Actually, no less than 9 people had held the position of Human Resource Director between 1986 and 2002, and it seemed that dealing with this sensitive issue had never been a top priority. Françoise, the tenth HR Director since 1986, was fully aware of the magnitude of the challenge.

### **FRANÇOISE ROY, RH DIRECTOR**

Françoise joined PBQ at the beginning of 2002, shortly after the Human Rights Commission had begun to verify the bank's compliance with the Employment Equity Act. Young, open minded and energetic, she fully intended to move this initiative forward. For her, it wasn't only about complying with legal standards. She knew that among minority groups, there were competent and talented people which the Bank would benefit from having in its ranks. She was also convinced that, with a more diversified workforce, the Bank would be better able to respond to the needs of its increasingly diverse clientele. According to Françoise, it was a matter of performing better, rather than simply complying with legal requirements. She had thus carefully devised her first equity plan, which she was eager to implement. However, in the course of the on-going verification process, the

Human Rights Commission demanded to verify the content of the plan. Patiently, Françoise waited for the Commission to approve of her plan. She didn't want to risk starting to implement it, only to have changes required after a couple of months. Finally, after several months, Françoise obtained the Commission's approval and was able to go ahead with the implementation.

### FRANÇOISE'S DIVERSITY ACTION PLAN

	Activities	Timeline
1.	SET RULES AND PRACTICES WHICH PROMOTE DIVERSITY	
	1.1 Design and implement a global equity policy	Mar-03
	1.2 Design and implement an anti-harassment policy which protects members of diversity groups	Mar-03
	1.3 Design and implement a staffing policy	June-Oct. 2003
	1.4 Train managers on the requirements of the Employment Equity Act	June-03
	1.5 Implement a rewards program to recognize the efforts of managers and employees who adopt practices that promote diversity	Aug-03
2.	ELIMINATE OBSTACLES TO DIVERSITY IN RECRUITMENT AND SELECTION PRACTICES	
	2.1 Set up a process to facilitate recruitment and selection of employees from minority groups	Aug-03
	2.2 Improve the visibility and image of the Bank in minority groups	Aug-03
	2.3 Train managers on the staffing and recruitment policies as well as the selection tools which promote diversity	Aug-03
3.	ELIMINATE OBSTACLES TO DIVERSITY IN TRAINING PRACTICES	
	3.1 Develop a training program on equity and diversity in the workplace and train managers (step 1) and employees (step 2)	Sep-03
4.	ELIMINATE OBSTACLES TO DIVERSITY IN INTEGRATION AND CAREER MANAGEMENT PRACTICES	
	4.1 Set up a mentoring system for employees from minority groups	Oct-03
	4.2 Develop a succession plan which provide promotion opportunities for certain categories of employees from minority groups	
5.	CIRCULATE INFORMATION INTERNALLY REGARDING THE PROGRAM	
	5.1 Devise and implement an internal communication strategy for diversity-related matters	Aug-03
	5.2 Publish articles on diversity in the Bank's internal house organ	Continuously, from March 2003 on

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## IMPLEMENTATION CHALLENGES

Françoise truly believed in her equity plan. However, she knew that it would take time to implement and fix the situation. Even if she managed to attract record numbers of applicants from minority groups, would PBQ managers hire them? And if they were hired, how would they fit in the Bank's tightly knit, French Quebecois environment? The real challenge, for Françoise, was to change employees' thinking. Remembering some of the managers' previous comments, she felt a little bit concerned. More than once, when preparing to conduct an interview with a candidate from a different cultural or ethnic background, a manager had chuckled "Quite the name!" How many times had she been answered, having asked a manager why a highly qualified candidate from a minority group had not been hired, "She wouldn't have fit in the team" or "Our clients wouldn't have been comfortable dealing with him"? She suspected that some of the managers were hiding behind their team or their clientele, but that they were in fact the ones who were prejudiced.

The bank's CEO, Pierre Belanger, had ensured Françoise that he supported her in her efforts to hire a representative workforce. He had even written her a letter to that effect, and all managers had received a copy of it. Nevertheless, the young HR Director felt that other managers did not see diversity as a priority. Some of them may have even seen it as a hindrance, thinking "My team works fine as it is. Why would I want to change things and hire employees from minority groups who may not fit in with the others? I just don't see the point." This kind of thinking was very common among the Bank's employees and managers. Françoise had noticed members of minority groups were even reluctant to identify themselves as such, for fear of being accused of "wanting to take advantage of their minority status" to get ahead.

*What HRM practices can facilitate the recruitment, selection and integration of diverse employees? How can I implement my diversity action plan in this context?* She wondered.

## APPENDIX 1

The *Canadian Charter of Rights and Freedoms* is part of the *Canadian Constitution Act, 1982*, which is the supreme law in Canada. It guarantees certain rights, among which is the right of equality:

**Subsection 15(1)** : Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, color, religion, sex, age or mental or physical disability.

The Charter's Section 15(1) thus prohibits discrimination. Subsection 15(2), however, allows (without making them mandatory) for certain laws or programs that favor disadvantaged individuals

or groups. Indeed, if it weren't for this subsection, programs which specifically benefit members of these groups would constitute a violation of subsection 15(1).

**Subsection 15(2):** Subsection (1) does not preclude any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups including those that are disadvantaged because of race, national or ethnic origin, color, religion, sex, age or mental or physical disability.

It is the *Employment Equity Act* (1995), at the federal level, which actively protects members of minority groups by imposing certain obligations on targeted employers. This Act applies to federal public sector agencies, state-owned enterprises and private employers operating in federally regulated industries which employ more than 100 people. Four groups are protected by this Act: women, members of visible minority groups, aboriginals and people with disabilities:

**Section 5:** Every employer shall implement employment equity by

- (a) identifying and eliminating employment barriers against persons in designated groups that result from the employer's employment systems, policies and practices that are not authorized by law; and
- (b) instituting such positive policies and practices and making such reasonable accommodations as will ensure that persons in designated groups achieve a degree of representation in each occupational group in the employer's workforce that reflects their representation in (i) the Canadian workforce, or (ii) those segments of the Canadian workforce that are identifiable by qualification, eligibility or geography and from which the employer may reasonably be expected to draw employees.

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