

Human Resources Management in Canada

Gary Dessler
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Edition



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Preface

Description and Approach

Human resources continue to provide a source of competitive advantage for organizations in a hypercompetitive, global environment. The fourteenth edition of *Human Resources Management in Canada* demonstrates how human resources are among the most important assets in organizations today. This course is designed to provide a complete, comprehensive review of human resources management (HRM) concepts and techniques in a highly readable and understandable form for a wide audience: students specializing in HRM, students in business programs, adult learners in supervisory or managerial roles, and existing or future small-business owners. Accordingly, this course exposes readers to both a breadth and depth of core issues, processes, and strategies aimed at maximizing how the human resources of the organization contribute to organizational success. The strategic importance of HRM activities is emphasized throughout the course by using recent examples from the Canadian employment landscape.

As in previous editions, the Canadian fourteenth edition provides extensive coverage of all HRM topics, such as job analysis, HR planning, recruitment, selection, orientation and training, career development, compensation and benefits, performance appraisal, health and safety, and labour relations. The scientific, evidence-based and academic contributions to the world of human resources are embedded throughout the book, blending updates from academic journals with practical discussion of HRM.

What's New

HR for HR Roles, Non-HR Management Roles, and Entrepreneurs

- As human resource functions are increasingly shared throughout the organization (with managers, business owners, and other executives), this book takes a broad, holistic, and comprehensive approach to human resource management. Thus, the content and structure of the book is developed in a manner to highlight the transferability of core HR concepts to many potential users of this information.

HR Professional Designations in Canada

- There have been significant changes to the HR designations in Canada over the last few years. Chapter 1 has been significantly modified to highlight what these changes are and how the designations vary by jurisdiction. To keep the national focus of this text, we have removed reference to any regional HR competencies. We have also removed the Ontario specific expert opinion box that focused on a limited view of the HR profession in Canada.

Introductory Videos

- Each chapter also includes a short (1–4 minute) introductory video by the Canadian author. This helps the reader identify the core topics in each chapter and engage in multiple learning formats (audio and visual).

Reorganization and Expansion of Broad HR Issues

- Each chapter was reorganized to start with a broad discussion of how the topic is strategically significant to employers and/or employees to bring readers into the significance of the issues presented. To aid with incremental learning, each chapter now presents core concepts and definitions first, and advance topics or comprehensive discussions later. To complement this approach, at the start of each chapter there is a section added called “where are we now” to indicate how the topic builds on the previous chapters.

Emergent Issues and Concepts

- Additional sections throughout the book were developed to build an awareness of emergent issues and concepts throughout the text. For example, Chapter 3 (HRM and technology) has an expanded section on knowledge work and human capital. Similarly, Chapter 6 (Recruitment) has new sections on twitter, crowdsourcing, LinkedIn and cloud-based recruitment techniques. Chapter 9 (Career and Management Development) has an updated discussion of change processes, career orientations, and coaching. Chapter 14 (Occupational Health and Safety) has an expanded discussion on employee wellness and stress.

New Running Case

- A new running case (Carter Cleaning Centre) is provided to illustrate the types of HRM challenges confronted by small-business owners and front-line supervisors. For each chapter, the case advanced the small business owner and HR managers dilemma in detail and the accompanying critical thinking questions provide an opportunity to discuss and apply the text material in a highly transferrable and practical way.

An Evidence-Based HR Approach

- The authors assume an evidence-based approach to the breadth of topics in the book, incorporating research from peer-reviewed academic journals to provide valid and reliable information to guide decision-making. This approach attempts to bridge the research–user gap and build confidence in the relevance, quality, and applicability of research findings.

Bridging Research and Practice: Expert Opinion Academic Viewpoint

- Canada Research Chairs from across Canadian universities in a wide variety of associated disciplines, such as human resource management, organizational behaviour, psychology, economics, social science, and other disciplines answer questions related to critical issues in the world of work from both HR and non-HR perspectives. These evidence-based discussions are aligned with key subtopics in each chapter and bring the reader into the academic discussions between and across reputable academic experts in Canada.

HR in the News

- Each chapter includes at least one HR in the News section aimed at maximizing the relevance and transferability of what students are learning. These are strategically placed in the text to align with the core content and highlight the theory versus practice differences that may be applicable. This contribution helps maximize the transferability of learning from each chapter by highlighting significant Canadian topics and experiences associated with employee and employer relationships.

HR by the Numbers

- Each chapter also includes an HR by the Numbers interactive element, a new visual that highlights the impact and trends of core concepts. These provide succinct and clear metrics associated with the concepts presented in each chapter, identifying practical issues

within the framework of the theory or ideals presented in the text. These are all relevant, current, thought-provoking, and visually appealing. This aligns with the focus on evidence-based HR.

Additional Features

- *Integrated chapters.* Rather than approaching topics as isolated silos, the book highlights areas of overlap in order to present HRM as an integrated set of topics.
- *Learning objectives.* Specific learning goals are defined at the beginning of each chapter and have an associated module in the text to help the reader identify the expected learning in each module.
- *End-of-chapter summaries.* At the end of each chapter, the summary reviews key points related to each of the learning objectives.
- *End-of-module and end-of-chapter quizzes.* To reinforce learning as it occurs, each module has a set of recall style questions aimed to help students remember and understand materials presented. Each chapter has an end-of-Chapter 10 item quiz to help learners assess their understanding of how materials learned can be applied and analyzed.
- *Critical thinking questions.* Each chapter contains multiple journal prompts that are individual or team-based questions designed to provoke critical thinking and stimulate discussion.
- *Current examples.* Numerous real-world examples of HRM policies, procedures, and practices at a wide variety of organizations, ranging from small service providers to huge global corporations, can be found throughout the text.
- *Key terms.* Key terms appear in boldface within the text, with pop-up definitions, and are listed at the end of each chapter.
- *Full-colour figures, tables, and photographs.* Throughout each chapter, key concepts and applications are illustrated with strong, full-colour visual materials.
- *Boxed features.* The four boxed features—*Workforce Diversity*, *Strategic HR*, *Entrepreneurs and HR*, and *Global HRM*—have been updated and revised where applicable.
- *Experiential exercises.* Each chapter includes multiple individual and group-based experiential exercises that provide learners with the opportunity to apply the text material and develop some hands-on skills.
- *Case incidents.* Case incidents can be found at the end of each chapter. These cases present current HRM issues in a real-life setting and are followed by questions designed to encourage discussion and promote the use of problem-solving skills.

Highlighted Themes

- *Workforce diversity.* The Workforce Diversity boxes describe some of the issues and challenges involved in managing the diverse workforce found in Canadian organizations. The broad range of types of diversity addressed include generational, age, ethnic, gender, racial, and religious.
- *Strategic HR.* These boxes provide examples that illustrate the ways in which organizations are using effective HRM policies and practices to achieve their strategic goals.
- *Entrepreneurs and HR.* Suggestions, examples, and practical hints are provided to assist those in smaller businesses who have limited time and resources to implement effective HRM policies and procedures.
- *Global HRM.* In recognition of the increasing impact of globalization, topics highlighted in the Global HRM boxes include cultural issues in retirement plans, employment contracts in Europe, and the importance of personal relationships for business success in China.

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About the Canadian Author



Dr. Nita N. Chhinzer

Dr. Nita N. Chhinzer is an Associate Professor of Human Resources at the Department of Management, University of Guelph. In 2016, she was recognized as one of the top 25 HR Professionals in Canada by the *Canadian HR Reporter*. From May 2012 to 2017, Chhinzer was the recipient of the prestigious Fellowship in Leadership, HRM and Work. Her research is concentrated on Strategic Human Resources Management, with a strong focus on downsizing practices, procedures, and ethics. Her program of research includes securing a stronger understanding of downsizing activity in the Canadian context, with an aim to affect public policy and legislation regarding layoffs. She has gained international recognition with conference participation including Athens, Greece; Paris, France; Dubai, UAE; and more than 50 North American speaking engagements.

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Part I Human Resources Management in Perspective

Chapter 1

The Strategic Role of Human Resources Management



Learning Objectives

- 1.1** Define human resources management and analyze how it relates to the management process.
- 1.2** Describe the value of HR expertise to non-HR managers and entrepreneurs.
- 1.3** Explain how HRM has changed over recent years to include a higher-level advisory role.

- 1.4 Identify tools to help make evidence-based HRM decisions.
- 1.5 Describe the core HR competencies and professionalism of the HRM function.
- 1.6 Discuss the internal and external environmental factors affecting human resources management policies and practices, and explain their impact.

Where Are We Now . . .

The purpose of this chapter is to explain what human resources management (also known as “HRM”) is, and why it’s important to all managers. We’ll see that human resources management activities—such as hiring, training, appraising, compensating, and developing employees—are part of every manager’s job. We will see that human resources management is also a separate function, usually with its own human resource or HR manager.

The Strategic Role of Human Resources Management

1.1 Define what human resources management is and analyze how it relates to the management process.

1.2 Describe the value of HR expertise to non-HR managers and entrepreneurs.

To understand what human resources management is, it’s useful to start with what managers do. An **organization** consists of people with formally assigned roles who work together to achieve the organization’s goals. A **manager** is responsible for accomplishing the organization’s goals, and does so by managing the efforts of the organization’s people.

Most writers agree that **managing** involves performing five basic functions: planning, organizing, staffing, leading, and controlling. In total, these functions represent the **management process**.

Human resources management (HRM) refers to the management of *people* in organizations. Human resources professionals are responsible for ensuring that the organization attracts, retains, and engages the diverse talent required to meet operational and performance commitments made to customers and shareholders. Their job is to ensure that the organization finds and hires the best individuals available, develops their talent, creates a productive work environment, and continually builds and monitors the organizations workforce. They have the primary responsibility for managing the workforce to improve organizational performance and achieve the organization’s strategic goals.¹

The aim of this text is to help every manager develop the skills he or she needs to carry out the human resources management–related aspects of his or her job, such as recruiting, selecting, training, appraising, and incentivizing employees, as well as providing them with a safe and fulfilling work environment.² In addition, the reader’s role as an employee can be informed through establishing an awareness of the factors (strategic, legal, political, structural, etc.) that impact how individuals, teams, or units are recruited, selected, evaluated, developed, compensated, and removed from the employment relationship.

More specifically, HRM involves formulating and implementing HRM systems (such as recruitment, performance appraisal, and compensation) that are aligned with the organization’s strategy to ensure that the workforce has the competencies and

organization

A group consisting of people with formally assigned roles who work together to achieve the organization’s goals.

manager

Someone who is responsible for accomplishing the organization’s goals, and who does so by managing the efforts of the organization’s people.

managing

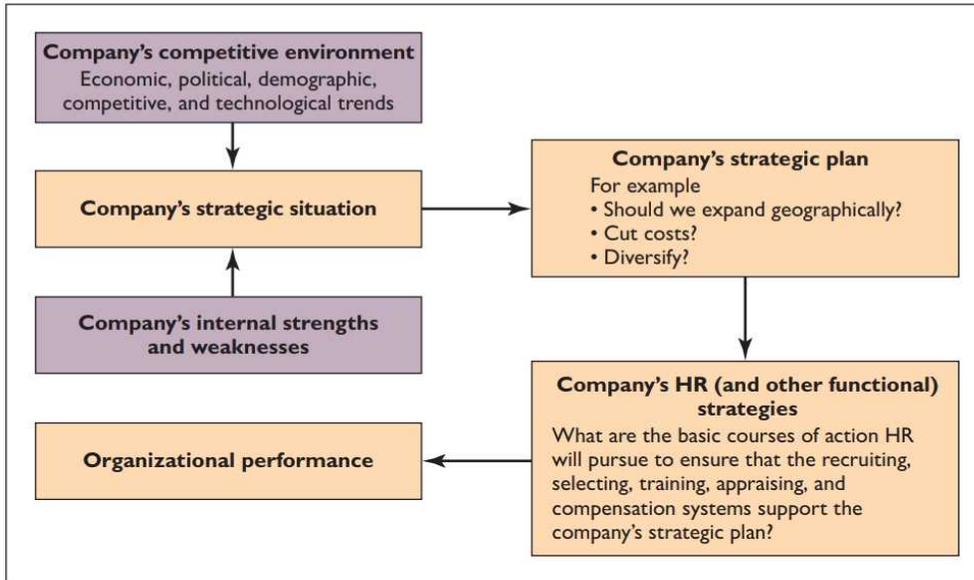
To perform five basic functions: planning, organizing, staffing, leading, and controlling.

management process

The five basic functions of planning, organizing, staffing, leading, and controlling.

human resources management (HRM)

The management of people in organizations to drive successful organizational performance and achievement of the organization’s strategic goals.

Figure 1.1 Linking Company-wide and HR Strategies

SOURCE: © Gary Dessler, Ph.D., 2007.

behaviours required to achieve the organization's strategic objectives. It is crucial that the HR strategy be aligned with the company's strategic plan (see Figure 1.1).

As per Figure 1.1, a company's competitive environment and internal strengths or weaknesses impact the company's strategic situation, and that strategic situation impacts the strategic plan. Traditionally, organizational goals are viewed from the top of the firm down to front-line employees as a *chain* or a *hierarchy of goals*. At the top, the organizational leader(s) sets long-term or strategic goals (such as "double sales revenue to \$16 million in fiscal year 2020"). The top management team then set goals for the units that flow from, and make sense in terms of accomplishing, the leader's goals. Then their subordinates set goals, and so on down the chain.³

Strategy and Human Capital

A **strategic plan** is the company's overall plan for how it will match its internal strengths and weaknesses with its external opportunities and threats to maintain a competitive position. The strategic planner asks, "Where are we now as a business, and where do we want to be?" He or she then formulates a strategic plan to help guide the company to the desired destination.⁴ When Yahoo! tries to figure out whether to sell its search business to concentrate on offering more content, or when Apple branches out into selling watches, they engage in strategic planning.

Strategic plans are similar to, but not the same as, *business models*. Those investing in a business will ask top management, "What's your business model?" A business model "is a company's method for making money in the current business environment." It pinpoints whom the company serves, what products or services it provides, what differentiates it, its competitive advantage, how it provides its product or service, and most importantly, how it makes money.⁵ For example, Google doesn't make money by requiring people to pay for searches; it makes money by offering targeted paid advertisements based on what people are searching for.

A **strategy** is a course of action. Every organization has a strategy, which can be formally developed, or emerges from organizational activity. Some organizations use the terms mission, objectives, or goals to refer to strategy, but essentially strategy addressing what the business is doing.⁶

strategic plan

The company's plan for how it will match its internal strengths and weaknesses with external opportunities and threats in order to maintain a competitive advantage.

strategy

A course of action the company can pursue to achieve its strategic aims.

strategic management

The process of identifying and executing the organization's strategic plan by matching the company's capabilities with the demands of its environment.

human capital

The knowledge, education, training, skills, and expertise of an organization's workforce.

Finally, **strategic management** is the process of identifying and executing the organization's strategic plan by matching the company's capabilities (strengths and weaknesses) with the demands of its environment (its competitors, customers, and suppliers, for instance).

Employers can't intelligently design their human resource policies and practices without understanding the role of these policies and practices in achieving the companies' strategic goals. Just as financial capital (money) is required for an organization to operate, the knowledge, education, training, skills, and expertise of a firm's workforce is required as valuable **human capital**. Service occupations such as consultant and lawyer continue to emphasize education and knowledge. The proliferation of IT-related businesses such as Google and Facebook demand high levels of human capital. However, even "traditional" manufacturing jobs such as assembly-line jobs are increasingly high-tech. Similarly, bank tellers, retail clerks, bill collectors, mortgage processors, and package deliverers today need a level of technological sophistication they didn't need a few years ago. Therefore, in our increasingly knowledge-based economy, "the acquisition and development of superior human capital appears essential to firms' profitability and success."⁷

Research studies over the past two decades have confirmed that effective HR practices are related to better organizational performance.⁸ Organizational benefits range from employee empowerment to extensive training that affects the productivity of employees.⁹ The resource-based view of the firm suggests that human resource practices contribute to the development of embedded knowledge of a firm's culture, history, processes, and context, which are non-imitable.¹⁰ More specifically, three HR practices (profit sharing, results-oriented performance appraisal, and employment security) have a statistically significant positive impact on important accounting measures of performance (return on assets and return on equity).¹¹ High-performance HR practices (comprehensive employee recruitment and selection procedures, incentive-based compensation and performance management systems, and extensive employee involvement and training) have a positive relationship with employee retention, productivity, and corporate financial performance (gross rate of return on capital).¹²

Why Is Human Resources Management Important to All Managers?

Perhaps it's easiest to answer this by listing some mistakes managers *don't* want to make. For example, no manager wants to:

- hire the wrong person for the job
- experience high turnover
- have employees work below performance expectations
- waste time with useless interviews
- have the company taken to court because of discriminatory actions
- have the company cited under occupational safety laws for unsafe practices
- have some employees think their salaries are unfair relative to others in the organization
- allow a lack of training to undermine a department's effectiveness
- commit any unfair labour practices

In addition, throughout one's career, he or she may spend time as a HR manager. About one-third of the top HR managers in Fortune 100 companies moved to HR from other functional areas.¹³ Including members in the HR team who have had careers that from outside of HR may give the firm's HR efforts a more strategic emphasis, and these individuals may sometimes be better equipped to integrate the firm's human

resource efforts with the rest of the business.¹⁴ For example, Pearson (which publishes this text) promoted the head of one of its publishing divisions to the role of Chief Human Resource executive at its corporate headquarters.

HR is critical in a variety of public and private sector organizations alike. As of 2017, about 76.54 percent of the 15.26 million employed persons in Canada worked in the private sector, while the remaining 23.46 percent worked in the public sector.¹⁵ Statistically speaking, most people graduating from university, college, or private training programs in the next few years either will work for small businesses or will create new small businesses of their own, than compared to the past, usually without a designated HR department.¹⁶ Thus, entrepreneurs, employees, HR managers, and all managers in small, medium, and large businesses should be educated on human resources management.

The Evolution of HRM

1.3 Explain how HRM has changed over recent years to include a higher-level advisory role.

A Brief History of HRM

Is it accurate to say that HRM existed tens of thousands of years ago? Ancient armies and other organized efforts always required attracting, selecting, and training workers. Until the later 1800s, personnel tasks like these were mostly just part of every manager's job. At that time, labour problems began arising in many of the post-Industrial Revolution's new factories. Soon employers were setting up "welfare offices" and "welfare secretaries" to manage areas such as factory washrooms and "safety bureaus" to oversee plant safety.

By the early 1900s, employers had set up the first "hiring offices," training programs, and factory schools. These early stages of human resources management were known as personnel management. In these early firms, personnel managers took over hiring and firing from supervisors, ran the payroll departments, and administered benefits plans. As expertise in testing emerged, personnel departments played a greater role in employee selection and training.¹⁷

New union laws in the 1930s expanded the role of HR to help the employer deal with unions. Later, equity-oriented laws in the 1970s and 1980s made employers more reliant on personnel management to avoid discrimination claims.¹⁸

Around that time, globalization made gaining a competitive edge through engaged employees—and therefore personnel management—increasingly important. Today, economic and demographic trends (such as the aging population, for instance) make finding, hiring, and motivating employees more challenging, while the existence of more high-tech and service jobs means employers must excel at managing employees' knowledge, skills, and expertise (human capital) through aptly renamed human resources management departments.¹⁹

In the 1980s and 1990s, technological advances resulted in outsourcing much of the operational HR activities. **Outsourcing** involves contracting with outside vendors to handle specified business functions on a permanent basis. Although using outside experts to provide employee counselling and payroll services has been common for many years, the outsourcing of other specific HR functions, including pension and benefits administration, recruitment, management development, and training, has become increasingly common.²⁰ For example, Air Canada, CIBC, BMO Financial Group, Hewlett-Packard Canada, IBM Canada, Calgary Health, and TELUS have all outsourced part or all of their administrative HR functions.²¹

More recently, the role of HR departments has evolved to that of helping their organizations achieve their strategic objectives.²² HR activities have become universal, where not only the HR department but also often line managers have responsibilities

outsourcing

The practice of contracting with outside vendors to handle specified business functions on a permanent basis.

related to employees as they move through the stages of the human-capital life cycle: selection and assimilation into the organization, development of capabilities while working in the organization, and transition out of the organization.

For example, hiring managers in some companies bypass human resources management to find candidates directly via LinkedIn. When someone applies for a job at Google, his or her information goes into a system that matches the recruit with current Google employees based on interests and experiences. In a process Google calls “crowd-sourcing,” Google employees get a big say in who the company hires.

Shared Responsibility for Talent Management

Some experts say that if current trends continue, many aspects of HR and talent management will become “fully embedded in how work gets done throughout an organization [distributed], thereby becoming an everyday part of doing business.”²³ Thus, somewhat ironically, we seem to be shifting in some respects back toward the time before the first personnel departments, when line managers did more of the HR tasks. Figure 1.2 highlights core job requirements that are found in non-HR roles that were

Figure 1.2 HR and Senior Manager Roles

Human resources managers (NOC code 0012) perform some or all of the following duties:

- Plan, organize, direct, control and evaluate the operations of human resources or personnel departments
- Plan human resource requirements in conjunction with other departmental managers
- Co-ordinate internal and external training and recruitment activities
- Develop and implement labour relations policies and procedures and negotiate collective agreements
- Administer employee development, language training and health and safety programs
- Advise and assist other departmental managers on interpretation and administration of personnel policies and programs
- Oversee the classification and rating of occupations
- Organize and conduct employee information meetings on employment policy, benefits and compensation and participate actively on various joint committees
- Direct the organization’s quality management program
- Ensure compliance with legislation such as the Pay Equity Act.

Senior managers - financial, communications and other business services (NOC code 0013) perform some or all of the following duties:

- Determine the company’s mission and strategic direction as conveyed through policies and concrete objectives which are met through the effective management of human, financial and material resources
- Authorize and organize the establishment of major departments and associated senior staff positions
- Allocate material, human and financial resources to implement organizational policies and programs; establish financial and administrative controls; formulate and approve promotional campaigns; and approve overall human resources planning
- Select middle managers, directors or other executive staff; delegate the necessary authority to them and create optimum working conditions
- Represent the organization, or delegate representatives to act on behalf of the organization, in negotiations or other official functions.

SOURCE: Statistics Canada, National Occupational Classification (NOC) 2011. Reproduced and distributed on an “as is” basis with the permission of Statistics Canada.

traditionally limited to the HR department, thus providing further evidence for the permeation of HR skills throughout the organization. Therefore, to succeed in their respective roles, all potential managers must be aware of the basics of HR.

The New HR Manager

It's more complicated being an HR manager today.²⁴ Tasks such as formulating strategic plans and making data-based decisions require new competencies and skills. HR managers can't just be good at traditional personnel tasks such as hiring and training. Instead, they must "speak the CFO's language" by defending HR plans in measurable terms (such as return on investment).²⁵ To create strategic plans, the HR manager must understand strategic planning, marketing, production, and finance.²⁶ As companies merge and expand abroad, they must also be able to formulate and implement large-scale organizational changes, drive employee engagement, and redesign organizational structures and/or work processes. None of this is easy.

Additionally, HR professionals often serve as subject-matter experts or in-house consultants to line managers, offering advice on HR-related matters, formulating HR policies and procedures, and providing a wide range of HR services. When asked, "Why do you want to be an HR manager?" many people basically say, "Because I'm a people person." Being sociable is certainly important, but it takes much more than that to succeed. What does it take to be an HR manager today?

HR's transformation has been underway for several years, but progress has been somewhat inconsistent because of lack of senior management support and the fact that many non-HR managers still view HR as a cost centre. Many HR professionals need to acquire more broad-based business knowledge and skill sets to be considered and respected as equal business partners by other executives in the company.²⁷ In a few organizations, HR remains locked in an operational mode; processing forms and requests, administering compensation and benefits, managing policies and programs, and overseeing hiring and training.²⁸ Many HR experts (industry and academic) realize the changing the face of HR. Dr. Rick Hackett's perspectives of the profession and hot topics for the future are highlighted in the Expert Opinion box that follows.

Expert Opinion:

ACADEMIC VIEWPOINT



Dr. Rick Hackett

Identification: Dr. Rick Hackett, Professor and Canadian Research Chair in Organizational Behaviour and Human Performance, and Fellow of Canadian Psychological Association

Affiliation: DeGroote School of Business, McMaster University

Focus: Executive/managerial assessment, leadership, HR recruitment, testing, selection, work attitudes, absenteeism, and performance assessment.

1. In your expert opinion, who is responsible for managing the added value associated with human resources (employees) in an organization?

My one-word answer: Everyone. Responsibility for managing employees in an organization might start at the executive level (executives develop the mission and vision that essentially drive the organizational strategy), but all stakeholders (employees, managers, specialists) facilitate the execution. We rely on people to express the values that facilitate goal attainment. This typically involves HR playing a strategic role in ensuring the alignment of the organization's mission with its culture, through talent management practices and processes.

2. What are some of the hot topics being researched in the world of HRM now that existing and future managers should know about?

- I. Data Analytics: In recent years, there has been a lot of discussion of big data, specifically concerning how we can best garner value from talent analytics employed on large, multi-sourced, and fast changing individual, team, and organizational streams of data.
- II. Diversity: How best to leverage workplace diversity to enhance both employee and organizational well-being.
- III. Contingent Workforce and the “Gig Economy”: Organizations have a smaller core workforce with an increasing dependence on contingent workers who straddle many jobs. What this means for talent management is demanding much attention.
- IV. Intrapreneurship: Innovation *within* organizations calls for exploring what infrastructures support knowledge sharing and disruption of the status

quo. Survival in today’s hyper-competitive, digitally savvy, and dynamic environment requires ongoing innovations.

- V. The impact of technology on work: This includes the disruption caused by the introduction of artificial intelligence, bots, and robots, which are fundamentally changing how work is done, and in many cases, resulting in considerable job displacements.

3. Why should those who manage human resources in an organization use academic articles in peer-reviewed journals to inform their decisions?

Simply keeping up with day-to-day job demands make it difficult for managers to manage effectively. Researchers should work with media teams at their research centres (e.g., universities, government agencies) to write practitioner-targeted articles. Evidenced-based management rests heavily on researchers effectively communicating to practitioners.

SOURCE: Reprinted by permission from Dr. Rick D. Hackett.

Many employers are changing how they organize their HR functions. For one thing, the traditional HR organization tends to divide HR activities into separate “silos,” such as recruitment, training, and employee relations, and apply these the same throughout the whole company. Alternatively, companies like IBM split their employees into three segments for HR purposes: executive and technical employees, managers, and rank-and-file employees. Separate HRM teams (for instance, consisting of recruitment, training, and pay specialists) focus on each employee segment. This helps ensure that the employees in each segment get the specialized testing, training, and rewards they require.²⁹

There are other configurations as well.³⁰ For example, some employers create *transactional HR teams*. These teams provide specialized support in day-to-day HR activities (such as changing benefits plans), usually through centralized call centres and outside vendors (such as benefits advisors). Specialized *corporate HR teams* assist top management in top-level issues such as developing the personnel aspects of the company’s long-term strategic plan. *Embedded HR teams* have HR generalists (also known as *relationship managers* or *HR business partners (HRBP)*) assigned to functional departments such as sales and production. They provide the selection and other assistance the departments need. In contrast, *centres of expertise (COEs)* are like specialized HR consulting firms within the company. For example, a COE might provide specialized advice in organizational change to the company’s department managers.

Evidence-Based HRM

1.4 Identify tools to help make evidence-based HRM decisions.

A major contribution of HRM is making decisions based on **evidence-based HRM**. This involves the use of data, facts, analytics, scientific rigour, critical evaluation, and critically evaluated research or case studies to support human resources management proposals, decisions, practices, and conclusions.³¹ Put simply, evidence-based HRM means using the best-available evidence in making decisions about the HRM practices you are focusing on.³² The evidence may come from *actual measurements* (such as how did the trainees like this program?). It may also come from *existing data* (such as what happened

evidence-based HRM

Use of data, facts, analytics, scientific rigour, critical evaluation, and critically evaluated research/case studies to support human resources management proposals, decisions, practices, and conclusions.

to company profits after we installed this training program?). Or it may come from published *research studies* (such as what does the research literature conclude about the best way to ensure that trainees remember what they learn?). Throughout this text, we will show you how managers can use evidence to make better HRM decisions by highlighting areas of research that are instrumental to the HRM realm. This is identified in the text where needed.

Today's HR professionals need to be able to measure the value and impact of their organization's human capital and HRM practices. The use of various **metrics**, or statistics, to measure the activities and results of HR is now quite common. Traditional operational measures focused on the amount of activity and the costs of the HR function (such as number of job candidates interviewed per month, cost per hire, and so on), but today's measures need to reflect the quality of people and the effectiveness of HRM initiatives that build workforce capability. These new measures provide critical information that can be linked to organizational outcomes such as productivity, product or service quality, sales, market share, and profits. For example, the percentage of first-choice job candidates accepting a job offer indicates the strength of the organization's employment brand in the marketplace and directly affects the quality of the workforce.³³

Strategic HRM Tools

Managers use several tools to translate the company's strategic goals into HRM policies and practices in an evidence-informed way. These tools include the strategy map, the HR scorecard, and the digital dashboard.

Strategy Map The **strategy map** summarizes how each department's performance contributes to achieving the company's overall strategic goals. It helps the manager and each employee visualize and understand the role his or her department plays in achieving the company's strategic plan. Management gurus sometimes say that the map clarifies employees' "line of sight." It does this by visually linking their efforts with the company's ultimate goals.³⁴

Many organizations are using the **balanced scorecard** system, which includes measures of the impact of HRM on organizational outcomes. The balanced scorecard approach translates an organization's strategy into a comprehensive set of performance measures. It includes financial measures that tell the results of actions already taken. It complements the financial measures with operational measures of organizational, business unit, or department success that will drive future performance. It balances long-term and short-term actions and measures of success relating to financial results, customers, internal business processes, and human capital management.³⁵ For example, one measure relating to HRM is the percentage of senior management positions with subordinates who are fully job-ready to move to the management role when or if the position becomes vacant (known as succession planning).

Managers use special scorecard software to quantify the relationships between (1) the HR activities (amount of testing, training, etc.), (2) the resulting employee behaviours (for instance, customer service), and (3) the resulting firm-wide strategic outcomes and performance (such as customer satisfaction and profitability).³⁶ The HR scorecard stems from the "balanced scorecard" planning approach, which aims to balance hard data such as financial measures with soft data such as customer satisfaction in assessing a company's performance.

Digital Dashboards The saying "a picture is worth a thousand words" explains the purpose of the digital dashboard. A **digital dashboard** presents the manager with desktop graphs and charts, showing a computerized picture of how the company is doing on all the metrics from the HR scorecard process. As per Figure 1.3, a top Southwest Airlines manager's dashboard might display real-time trends for various strategy-map

metrics

Statistics used to measure activities and results.

strategy map

A strategic planning tool that shows the "big picture" of how each department's performance contributes to achieving the company's overall strategic goals.

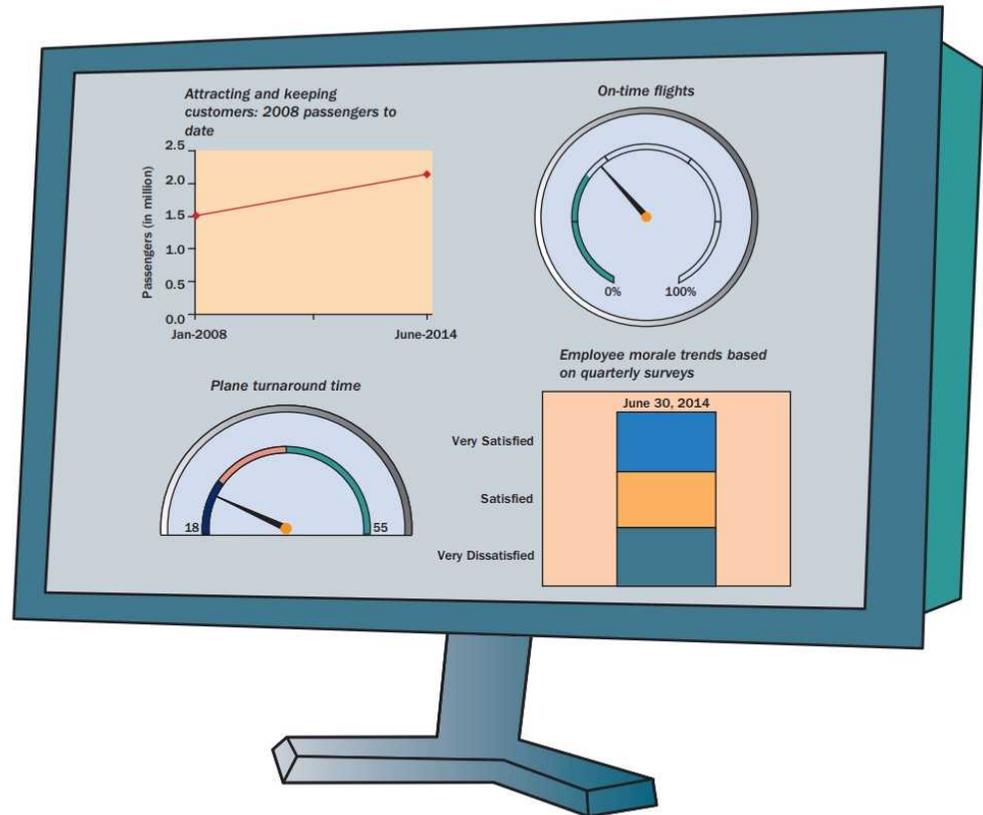
balanced scorecard

A measurement system that translates an organization's strategy into a comprehensive set of performance measures.

digital dashboard

Presents the manager with desktop graphs and charts, a computerized picture of where the company stands on all those metrics from the HR scorecard process.

Figure 1.3 A Sample of a Digital Dashboard



activities, such as fast turnarounds and on-time flights. This enables the manager to take corrective action. For example, if ground crews are turning planes around slower today, financial results tomorrow may decline unless the manager takes action.

Growing Professionalism in HRM

1.5 Describe the core HR competencies and professionalism of the HRM function.

Today, HR practitioners must be professionals in terms of both performance and qualifications.³⁷ Every profession has several characteristics:

1. A common body of knowledge
2. Benchmarked performance standards
3. A representative professional association
4. An external perception as a profession
5. A code of ethics
6. Required training credentials for entry and career mobility
7. An ongoing need for skill development; and
8. A need to ensure professional competence is maintained and put to socially responsible uses

certification

Recognition for having met certain professional standards.

Certification by a professional body indicates that certain professional standards have been met. Professionalism of the HR practitioner can be signalled through certification.

The HR professional designation in Canada is in the midst of a major change. Traditionally, those working in HR could be professionally certified with the nationally

recognized Certified Human Resources Professionals (CHRP) designation. In the past, the provincial associations governing the professional designation worked relatively cohesively, promoting and recognizing the common CHRP designation under the Canadian Council of Human Resources Associations (CCHRA).

However, as a result of recent changes, Ontario has formed its own association and is governed independently from the other jurisdictions. In 2015, the Ontario-based Human Resources Professionals Association (HRPA) replaced CHRP with a three-tiered designation: (1) Certified Human Resources Professional (CHRP), (2) Certified Human Resources Leader (CHRL), and (3) Certified Human Resources Executive (CHRE).

Accordingly, in 2016, the CCHRA (covering all jurisdictions in Canada, except Ontario) renamed itself as the Chartered Professionals in Human Resources (CPHR).³⁸ It replaced the CHRP designation across Canada with a new designation of a Chartered Professional in Human Resources (CPHR, the same name and acronym as the governing body).³⁹ This was due in part to the representation of CHRP as a junior or entry-level designation by the Ontario association (thereby depreciating the value of the CHRP), and in part as a reaction to market confusion regarding the designations in Canada.

Now, those who secured the CHRP designations in the affiliated associations in the past are now recognized with the CPHR designation (outside of Ontario). Table 1.1 provides clarity on the designations and associations in HR in Canada, as of 2018.

At the time this chapter was last updated (September 2018), the impact of the multiple designations on the labour market perceptions of the professional designation were unknown. Pragmatically, most HR professionals feel that a common national designation would be in the best interest of HR professionals, but also understand the complex political and structural environment of professional associations.

Advertised jobs in HR appeared either to value both the CHRL and CPHR designations or to suggest that a professional designation in HR was a desired attribute, rather than a requirement, without referring to which designation would be considered. The impact of this change should be unfolding in the labour market in the near future.

Other important associations for HR specialists include the Canadian Industrial Relations Association; WorldatWork for compensation and rewards issues; health and safety associations, such as the Industrial Accident Prevention Association, the Construction Safety Association, and Safe Communities Canada; and the Canadian Society for Training and Development.

Table 1.1 HR Associations by Province and Designation

Jurisdiction	HR Association	Designation	Link
British Columbia and Yukon	Chartered Professionals in Human Resources of British Columbia and Yukon (CPHR BC & Yukon)	CPHR	www.cphrbc.ca
Alberta, Nunavut, and Northwest Territories	Chartered Professionals in Human Resources of Alberta (CPHR Alberta)	CPHR	www.cphrab.ca
Saskatchewan	Chartered Professionals in Human Resources Saskatchewan (CPHR Saskatchewan)	CPHR	www.cphrsk.ca
Manitoba	Chartered Professionals in Human Resources Manitoba (CPHR Manitoba)	CPHR	www.cphrmb.ca
New Brunswick	Chartered Professionals in Human Resources New Brunswick (CPHR New Brunswick)	CPHR	www.cphrnb.ca
Nova Scotia	Chartered Professional in Human Resources Nova Scotia (CPHR Nova Scotia)	CPHR	www.cphrns.ca
Prince Edward Island	Chartered Professionals in Human Resources of Prince Edward Island Association (CPHR PEI)	CPHR	www.cphrpei.ca/
Newfoundland and Labrador	The Chartered Professionals in Human Resources Newfoundland and Labrador (CPHR NL)	CPHR	www.cphrnl.ca
Quebec	L'Ordre des Conseillers en Ressources Humaines Agréés	CPHR	www.ordrecrha.org
Ontario	Human Resources Professionals Association (HRPA)	CHRP, CHRL, CHRE	www.hrpa.ca/

In addition to the international and national level broad HR-related designations, a series of more specialized or specific professional designations in Canada allows those who may be interested in specialized areas to gain recognition for a deeper level of subject matter expertise. These include the Group Benefits Associate (GBA), Registered Professional Recruiter (RPR), Canadian Payroll Manager (CPM), Certified Employee Benefits Specialist (CEBS), Canadian Management Professional (CMP), and Certified Training and Development Professional (CTDP) designations.

Ethics

The professionalization of HRM has created the need for a uniform code of ethics, as agreement to abide by the code of ethics is one of the requirements of maintaining professional status. Since what is ethical or unethical is generally open to debate (except in a few very clear-cut cases such as wilful misrepresentation), most codes do not tell employees what they should do. Rather, they provide a guide to help employees discover the best course of action by themselves.⁴¹ Increasingly, HR departments are being given a greater role in providing ethics training and monitoring to ensure compliance with the code of ethics. Some organizations have such a commitment to ethics that they have a full-time ethics officer. However, a survey of Ontario HR professionals found that 78.2 percent had been coerced into doing something morally or legally ambiguous at least once in their careers.⁴²

The most prevalent ethical issues confronting Canadian organizations today pertain to security of information, employee and client privacy, environmental issues, governance, and conflicts of interest.⁴³ The major reasons for the failure of ethics programs to achieve the desired results are lack of effective leadership and inadequate training. Positive outcomes associated with properly implemented ethics programs include increased confidence among stakeholders, such as clients, partners, and employees; greater client, customer, and employee loyalty; decreased vulnerability to crime; reduced losses due to internal theft; and increased public trust.⁴⁴

In recent years, the concept of **social responsibility** has frequently been discussed as an important manifestation of ethics. A company that exercises social responsibility attempts to balance its commitments, not only to its investors but also to its employees and customers, other businesses, and the community or communities in which it operates. Mountain Equipment Co-op (MEC) is an example of a company that considers socially responsible approaches to all aspects of its business—selecting and designing products, manufacturing MEC-brand products, transporting products and people, greening operations, engaging employees, equipping members, supporting the community, driving economic performance, and governing the co-operative. It examines every aspect of a product's life cycle from a social responsibility perspective including the resources that go into making and shipping it, as well as the satisfaction of the employees and the members who take the products home.⁴⁵

Social responsibility

A company's approach to balancing its commitments, not only to its investors but also to its employees and customers, other businesses, and the community or communities in which it operates.

Environmental Influences on HRM

1.6 Discuss the internal and external environmental factors affecting human resources management policies and practices, and explain their impact.

There are numerous external and internal environmental influences that drive the strategic focus of HRM. To be effective, all managers, including those with responsibility for HR, must monitor the environment on an ongoing basis, assess the impact of any changes, and be proactive in responding to such challenges. Table 1.2 illustrates the major external and internal environmental influences on HRM.

Table 1.2 External and Internal Environmental Influences on HRM

External	Internal
Economic conditions: affect supply and demand for products, impacting quantity and quality of employees required and ability to pay/give benefits	Organizational culture: values, beliefs, and norms of organizational members
Labour market issues: changes to the workforce composition, including gender, education levels, experience, as well as protected groups (visible/ethnic minorities, women, Indigenous, disabled) and generational differences (traditionalists, baby boomers, Gen X-ers, Gen Y-ers)	Organizational climate: the atmosphere's impact on employee motivation, job performance, and productivity
Technology: controlling data and privacy	Management practices: organizational structure and employee empowerment
Government: abiding by provincial and national standards	
Globalization: managing the workforce in an intense, hypercompetitive global economy	
Environment: managing sustainability and corporate social responsibility	

External Environment Influences

Six major external environmental influences on HRM will be discussed: economic conditions, labour market issues, technology, government, globalization, and environmental concerns.

Economic Conditions Economic conditions affect supply and demand for products and services, which in turn have a dramatic impact on the number and types of employees required as well as on an employer's ability to pay wages and provide benefits. When the economy is healthy, companies often hire more workers as demand for products and services increases. Consequently, unemployment rates fall, resulting in more competition for qualified employees, thus training and retention strategies increase in importance. Conversely, during an economic downturn, some firms reduce pay and benefits to maintain workers' jobs. Other employers are forced to downsize by offering attractive early retirement and early leave programs or by terminating or laying off employees. Unemployment rates rise and employers are often overwhelmed with the number of high quality applicants when vacancies are advertised.

Productivity refers to the ratio of an organization's outputs (goods and services) to its inputs (people, capital, energy, and materials). Canada's relatively low productivity growth rate is of concern because of increasing global competition. To improve productivity, managers must find ways to produce more outputs with current input levels or use fewer resources to maintain current output levels. In most organizations today, productivity improvement is essential for long-term success.

Employment trends in Canada have been experiencing dramatic change. The **primary sector**, which includes agriculture, fishing and trapping, forestry, and mining, now represents only 4 percent of jobs. Employment in the **secondary sector** (manufacturing and construction) has decreased to 17 percent of jobs. The sector that has grown to dominate the Canadian economy, representing 79 percent of jobs is the **tertiary or service sector**, which includes public administration, personal and business services, finance, trade, public utilities, and transportation/communications.⁴⁶

Since all jobs in the service sector involve the provision of services by employees to individual customers, effectively managing and motivating human resources is critical. Although there are some lesser-skilled jobs (for example, in housekeeping and food services), many service-sector jobs demand highly knowledgeable employees.

Labour Market Issues

Increasing Workforce Diversity Canada's workforce is among the most diverse in the world. *Diversity* refers to the attributes that humans are likely to use to tell themselves,

productivity

The ratio of an organization's outputs (goods and services) to its inputs (people, capital, energy, and materials).

primary sector

Jobs in agriculture, fishing and trapping, forestry, and mining.

secondary sector

Jobs in manufacturing and construction.

tertiary or service sector

Jobs in public administration, personal and business services, finance, trade, public utilities, and transportation/communications.

Table 1.3 The Four Generations

	Traditionalists 1922–1945	Baby Boomers 1946–1964	Generation X-ers 1965–1980	Generation Y-ers 1981–2000
Notes	Grew up in an era of hardship, including a war and the Great Depression.	The largest group in the workforce. Grew up in a time of major optimism and change amidst the moon landing and the women's movement.	This group grew up as divorce rates skyrocketed. First technology-literate generation.	Beginning to enter the workforce. Expect to change jobs frequently.
Attitudes, Values, and Expectations	<ul style="list-style-type: none"> • Loyalty • Respect for authority • Dedication • Sacrifice • Conformity • Honour • Privacy • Stability • Economic conservatism 	<ul style="list-style-type: none"> • Optimism • Involvement • Team orientation • Personal growth and gratification • Youthfulness • Equality • Career focus 	<ul style="list-style-type: none"> • Independence • Self-reliance • Pragmatism • Scepticism • Informality • Balance 	<ul style="list-style-type: none"> • Confidence • Diversity • Civic duty • Optimism • Immediate access to information and services
Key Characteristics	<ul style="list-style-type: none"> • Compliant • Detail oriented • Hard-working • Fiscally frugal • Trustworthy • Risk averse • Long-term focused 	<ul style="list-style-type: none"> • Driven to succeed • Team player • Relationship focused • Eager to add value • Politically savvy in the workplace • Competitive 	<ul style="list-style-type: none"> • Flexible and adaptable • Creative • Entrepreneurial • Multitasker • Results driven • Individualistic 	<ul style="list-style-type: none"> • Collective action • Expressive and tolerant of differences • Eager to accept challenges • Innovative and creative

SOURCE: Buahene, A. K., & Kovary, G. (2007). *Loyalty unplugged: How to get, keep & grow all four generations*. Xlibris Corporation. Reprinted by permission from Adwoa K. Buahene.

“that person is different from me.” These attributes include demographic factors (such as race, gender, and age) as well as values and cultural norms.⁴⁷ In Canada, while there are four protected groups (members of visible minorities, women, Aboriginal peoples, and persons with disabilities), diversity is used broadly to describe differences in people in many aspects (such as gender identification, nationality, age, etc.) that are identified with the individual regardless of their place of employment.

Generational Issues Another aspect of diversity is generational differences. There are four generations in the workplace, and nearly half of all Canadians say they have experienced a clash with workers older or younger than themselves. In contrast, about one-quarter of workers say they don't notice age differences, and another one-quarter think this situation provides an excellent learning opportunity. Table 1.3 outlines attitudes, key characteristics, and expectations of the four generations.

Education Approximately 54 percent of Canada's population has some post-secondary education (trades, college, or university).⁴⁸ Given the higher expectations of the better-educated labour force, managers are expected to ensure that the talents and capabilities of employees are fully utilized and that opportunities are provided for career growth.

On the other hand, a startlingly high proportion of Canadians (26 percent) have only marginal literacy skills, meaning their ability to understand and use printed and written documents in daily activities to achieve goals and to develop knowledge is limited. A frightening reality is that inadequate reading and writing skills have replaced lack of experience as the major reason for rejecting entry-level candidates.⁴⁹ Figure 1.4 provides a recent breakdown of literacy levels in Canada. Functional illiteracy is exacting a toll not only on individual social and economic opportunities, but also on organizations' accident rates and productivity levels.

contingent/non-standard workers

Workers who do not have regular full-time employment status.

Non-standard or Contingent Workers

The labour market has undergone major structural changes with the growth of **contingent (or “non-standard”) workers**, that is, workers who do not fit the traditional

Figure 1.4 Literary Levels of Canadians (16–64 years old)

Level 1: 17% of Canadians
This level represents individuals with very low levels of literacy skills. They may be unable to follow written instructions at work or determine correct measurements required for task completion.
Level 2: 32% of Canadians
This level includes individuals who can comprehend material that is simple and straightforward. While they can read, they generally score poorly on tests involving reading. They can cope on a non-complex, daily level, but face difficulty with more complex demands, such as learning new job skills.
Level 3: 37% of Canadians
The majority of Canadians are at the level 3 literacy level. This skill level involves the ability to integrate multiple sources of information, or solve complex problems.
Level 4 & 5: 13% of Canadians
This is the highest literacy level. Individuals at this level have higher-order information processing skills.

SOURCE: Statistics Canada, Longitudinal and International Study of Adults (LISA), 2012, <http://www.statcan.gc.ca/pub/75-006-x/2016001/article/14322-eng.htm>

definition of permanent, full-time employment with the same employer on an indeterminate basis. These non-traditional workers are often used by companies to provide flexible, on-demand labour, without the same guarantees for continued employment, employee development, or benefits that regular full-time employees are given.

The forms of employment involving part-time, fixed-term, temporary, home, and standby workers; those who have more than one job; and the self-employed have become so significant numerically that they now affect about one-third of the workforce. More women fall into this category than men.⁵⁰ Non-standard work is often poorly paid, offers little or no job security, and is generally not covered by employment legislation.

Technology

Twitter, Facebook, videoconferencing, and other technology-aided setups can make it seem as if everyone were in the same room. Five main types of digital technologies are driving this transfer of functionality from HR professionals to automation (mobile applications, gaming, cloud computing, data analytics and talent analytics). Employers increasingly use *social media* tools such as Twitter, Facebook, and LinkedIn (rather than traditional employment agencies) to recruit new employees.

Employers also increasingly use *mobile applications*, for instance, to monitor employee location and to provide digital photos at the facility clock-in location to identify workers. The feedback, fun, and objectives inherent in *gaming* support many new training applications, and websites such as Knack, Gild, and True Office enable employers to inject gaming features into training, performance appraisal, and recruiting. *Cloud computing* and more intuitive user interfaces enable employers to monitor and report on things such as a team's goal attainment and to provide real-time evaluative feedback. Finally, *data analytics* basically means using statistical techniques, algorithms, and problem solving to identify relationships among data for the purpose of solving particular problems (such as what are the ideal candidate's traits, or how can I tell in advance which of my best employees is likely to quit?). When applied to human resources management, data analytics is called *talent analytics*.

As one example, talent analytics is revolutionizing how employers look for job candidates. For example, one employer reportedly operated for many years on the assumption that the school candidates attended, the grades they had, and their references were the only things that mattered. A retrospective talent analytics study showed that these traits didn't matter at all. What mattered were things such as if candidates résumés were grammatically correct, if candidates completed degrees started, if candidates were successful in prior jobs, and if candidates were able to succeed with vague instructions.⁵¹

Technological change also affects the nature of jobs.⁵² Technology can make working in and managing a dispersed workforce easier and can enable people to work anywhere and anytime. The workplace of today includes “hotels, cafes and conference venues, as well as public areas of lounges and airports.”⁵³ However, it has also brought new concerns, as the line between work and family time has become blurred.⁵⁴

Questions concerning data control, accuracy, the right to privacy, and ethics are at the core of a growing controversy brought about by new information technologies. Sophisticated computerized control systems are used to monitor employee speed, accuracy, and efficiency in some firms. More firms are also monitoring employee email, voice-mail, telephone conversations, and computer usage, and some now monitor employee behaviour using video surveillance.⁵⁵

Government

Various laws enacted by governments have had, and will continue to have, a dramatic impact on the employer–employee relationship in Canada. One of the factors that makes employment law in Canada so challenging is that there are 14 jurisdictions involved. Each of the 10 provinces and three territories has its own human rights, employment standards, labour relations, health and safety, and workers' compensation legislation. In addition, about 10 percent of the workforce (including employees of the federal government and Crown corporations, chartered banks, airlines, national railways, and the Canadian Armed Forces) is covered by federal employment legislation.

Although there is some commonality across jurisdictions, there is also considerable variation. For example, minimum wage, overtime pay requirements, vacation entitlement, and grounds protected under human rights legislation vary from one province/territory to another. Furthermore, some jurisdictions have pay equity and employment equity legislation while others do not. This means that companies with employees in more than one jurisdiction have different rules applying to different employees. There are, however, certain laws that apply to all employers and employees across Canada, such as employment insurance and the Canada/Quebec Pension Plan.

globalization

The emergence of a single global market for most products and services.

Globalization The term **globalization** refers to the emergence of a single global market for most products and services. This growing integration of the world economy into a single, huge marketplace is increasing the intensity of competition and leading most organizations to expand their operations around the world.⁵⁶ Firms in other parts of the world are also seeing human resources as a source of competitive advantage.

There are increasing numbers of multinational corporations—firms that conduct a large part of their business outside the country in which they are headquartered and that locate a significant percentage of their physical facilities and human resources in other countries. As multinational companies jockey for position, many transfer operations abroad, not just to seek cheaper labour but to tap into new markets. For example, Toyota had thousands of sales employees based in America, while GE had over 10 000 employees in France. The search for greater efficiencies prompts some employers to *off-shore* (export jobs to lower-cost locations abroad, as when Dell offshored some call-centre jobs to India). Some employers offshore even highly skilled jobs such as lawyers.⁵⁷

Managing the “people” aspects of globalization is a big task for any company that expands abroad—and for its HR managers.⁵⁸ Globalization means that HR professionals

need to become familiar with employment legislation in other countries and need to manage ethical dilemmas when labour standards are substantially lower than those in Canada.

Environmental Concerns Environmental concerns have suddenly (some might say finally) emerged as an issue for people, particularly the younger generations.⁵⁹ Sustainability, climate change, global warming, pollution, carbon footprints, extinction of wildlife species, ecosystem fragility, and other related issues are increasingly important to people around the world. There is increasing evidence that interest in environmental issues is motivating the behaviour of employees, and that they are concerned about whether they work for environmentally responsible companies.

Companies such as Fairmont Hotels have made environmental stewardship a priority for over 20 years. They have found that developing a reputation as an environmental leader and demonstrating corporate social responsibility have not only helped them gain market share, but have also been a strong employee retention tool.⁶⁰

Internal Environment Influences

How a firm deals with the three internal environmental influences of organizational culture, organizational climate, and management practices has a major impact on its ability to meet its objectives.

Organizational Culture **Organizational culture** consists of the core values, beliefs, and assumptions that are widely shared by members of an organization. Culture is often conveyed through an organization's mission statement, as well as through stories, myths, symbols, and ceremonies. It serves a variety of purposes:

- communicating what the organization *believes in* and *stands for*
- providing employees with a sense of direction and expected behaviour (norms)
- shaping employees' attitudes about themselves, the organization, and their roles
- creating a sense of identity, orderliness, and consistency
- fostering employee loyalty and commitment

All managers with HR responsibilities play an important role in creating and maintaining the type of organizational culture desired. For example, they may organize recognition ceremonies for high-performing employees and be involved in decisions regarding symbols, such as a logo or the design of new company premises. Having a positive culture has a positive impact on employer branding, recruitment, retention, and productivity.

Organizational Climate **Organizational climate** refers to the prevailing atmosphere, that exists in an organization and its impact on employees.⁶¹ It can be friendly or unfriendly, open or secretive, rigid or flexible, innovative or stagnant. The major factors influencing the climate are management's leadership style, HR policies and practices, and the amount and style of organizational communication. The type of climate that exists is generally reflected in the level of employee motivation, job satisfaction, performance, and productivity. HR professionals play a key role in helping managers throughout the firm establish and maintain a positive organizational climate.

Management Practices Management practices have changed considerably over the past decade, with many HRM implications. For example, the traditional bureaucratic structure with many levels of management is being replaced by flatter organizational forms using cross-functional teams and improved communication. Since managers have more people reporting to them in flat structures, they cannot supervise their employees as closely, and employee **empowerment** has greatly increased.

organizational culture

The core values, beliefs, and assumptions that are widely shared by members of an organization.

organizational climate

The prevailing atmosphere that exists in an organization and its impact on employees.

empowerment

Providing workers with the skills and authority to make decisions that would traditionally be made by managers.

Chapter Summary

1.1 Define what human resources management is and analyze how it relates to the management process.

Management is a process of planning, organizing, staffing, leading, and controlling organizational resources. HRM refers to the management of people in organizations. Strategic HRM involves linking HRM with strategic goals and objectives to improve business performance. Increasingly, HR professionals are becoming strategic partners in strategy formulation and execution.

1.2 Describe the value of HR expertise to non-HR managers and entrepreneurs.

Activities of employee management, empowerment, training, and guidance are often shared between managers in the organization (executive and line managers) and HR professionals. Therefore, line managers, executives, and HR managers are all influential in and influenced by effective human resources management.

1.3 Explain how HRM has changed over recent years to include a higher-level advisory role.

Human resources activities involve using the best-available evidence in making decisions about the human resources management practices that the organization is focused on. This includes the ability to collect, interpret, and communicate relevant metrics while aligning decisions, policies, and practices to the organizational strategy. Tools used to achieve this include the strategy map, the HR scorecard, and the digital dashboard.

1.4 Identify tools to help make evidence-based HRM decisions.

Evidence-based human resources management means using the best available evidence in making decisions (from actual measurements, existing data, or research studies) about human resources management practices. Tools include the strategic map, balanced scorecard, and digital dashboard.

1.5 Describe the core HR competencies and professionalism of the HRM function.

There are professional designations in Canada that may be influential in building expertise and careers in management or human resources management. However, more specific designations are important to indicate specialized skillsets.

1.6 Discuss the internal and external environmental factors affecting human resources management policies and practices, and explain their impact.

A number of external factors have an impact on HRM, including economic factors, labour market issues, technology, government, globalization, and environmental concerns. Internal factors impacting HRM include organizational culture, organizational climate, and management practices.

Case Incident

Jack Nelson's Problem

As a new member of the board of directors for a local bank, Jack Nelson was being introduced to all the employees in the home office. When he was introduced to Ruth Johnson, he was curious about her work and asked her what the machine she was using did. Johnson replied that she really did not know what the machine was called or what it did. She explained that she had only been working there for two months. She did, however, know precisely how to operate the machine. According to her supervisor, she was an excellent employee.

At one of the branch offices, the supervisor in charge spoke to Nelson confidentially, telling him that "something was wrong," but she didn't know what. For one

thing, she explained, employee turnover was too high, and no sooner had one employee been put on the job than another one resigned. With customers to see and loans to be made, she continued, she had little time to work with the new employees as they came and went.

All branch supervisors hired their own employees without communication with the home office or other branches. When an opening developed, the supervisor tried to find a suitable employee to replace the worker who had quit.

After touring the 22 branches and finding similar problems in many of them, Nelson wondered what the home office should do or what action he should take. The banking firm was generally regarded as a well-run institution that had grown from 27 to 191 employees in the

past eight years. The more he thought about the matter, the more puzzled Nelson became. He couldn't quite put his finger on the problem, and he didn't know whether to report his findings to the president.

Questions

1. What do you think is causing some of the problems in the bank's branches?
2. Do you think setting up an HR unit in the main office would help?
3. What specific functions should an HR unit carry out? What HR functions would then be required by supervisors and other line managers? What role should the Internet play in the new HR organization?

Source: C. George, 1985. *Supervision in action: The art of managing others*, 4th ed. Pearson Education.

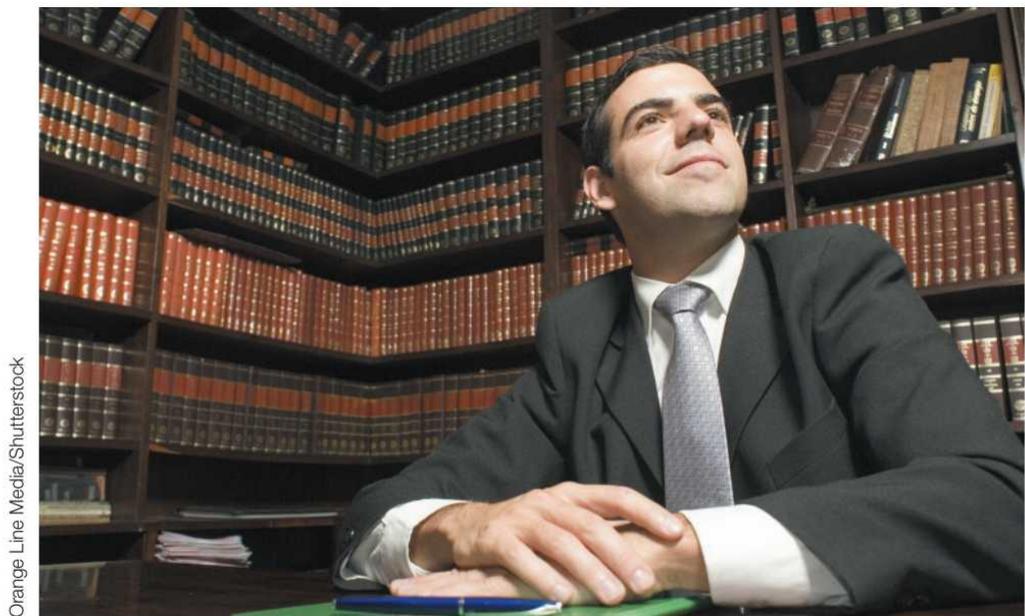
Key Terms

- | | | |
|--|-------------------------------|-----------------------------------|
| balanced scorecard, p. 9 | management process, p. 2 | productivity, p. 13 |
| certification, p. 10 | manager, p. 2 | secondary sector, p. 13 |
| contingent/non-standard workers, p. 14 | managing, p. 2 | social responsibility, p. 12 |
| digital dashboard, p. 9 | metrics, p. 9 | strategic management, p. 4 |
| empowerment, p. 17 | organization, p. 2 | strategic plan, p. 3 |
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| human capital, p. 4 | outsourcing, p. 5 | tertiary or service sector, p. 13 |
| human resources management (HRM), p. 2 | primary sector, p. 13 | |

Chapter 2

The Changing Legal Emphasis

Compliance and Impact on Canadian Workplaces



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Learning Objectives

- 2.1** Explain how employment-related issues are governed in Canada.
- 2.2** Discuss at least five prohibited grounds for discrimination under human rights legislation.
- 2.3** Describe the requirements for reasonable accommodation.
- 2.4** Describe behaviour that could constitute harassment, and explain the employers' responsibilities regarding harassment.
- 2.5** Describe the purpose of employment equity programs.
- 2.6** Explain the role of minimums established in employment standards legislation and the enforcement process.
- 2.7** Identify how privacy legislation impacts employees.

Where Are We Now . . .

Every HR action you take as a manager—from interviewing applicants to training, appraising, and rewarding them—has an equal employment implication. Therefore, the purpose of this chapter is to provide you with the knowledge to deal more effectively with equal employment questions on the job. The main topics we cover are human rights legislation (including harassment and discrimination), employment equity, employment and labour relations, and the privacy legislation.

The Legal Framework for Employment Law in Canada

2.1 Explain how employment-related issues are governed in Canada.

In Canada, a survey of 451 HR professionals indicated that the most critical piece of knowledge required in a HR role was business acumen—followed by employment law, legislative awareness, and talent management.¹ While HR professionals are expected to provide guidance, training, programs, and policy developments that are legally defensible, the actions of supervisors and managers as agents of the organization must also abide by legislated rules and regulations. Given the risk of expensive lawsuits and their impact on employer branding or reputation, an awareness of employment law within the organization must extend beyond the HR team.

A number of distinct sets of responsibilities exist between the employee and employer, including formal and informal expectations. There is a mutual expectation of each party to maintain the employment relationship by fulfilling their own responsibilities within the relationship. For example, there may be an implied, informal expectation from an employee's point of view that as long as they attend work for the scheduled number of hours, they can expect job security and continued employment from the employer. Such informal and personalized expectations are difficult to manage and correct if one party feels that the other has violated the expectations within the mutual relationship. As a result, the influence and impact of formal expectations (largely established through legislation and the interpretation of it) play a significant role in the Canadian workplace.

The primary objective of most employment legislation in Canada is to prevent employers from exploiting paid workers, assuming that an implicit power imbalance exists in the employment relationship (in favour of the employer).² While employers have a right to modify employee work terms and arrangements according to legitimate business needs, employees have a right to be protected from harmful business practices. In this regard, the government's role is to balance employee and employer needs through the development and maintenance of employment legislation, as highlighted in Figure 2.1. While there is a large focus on legislation protecting employees, the legislation also protects employers. The judicial system provides a forum for interpreting legislation according to the precedents that past judicial rulings have established.

Hierarchy of Employment Legislation in Canada

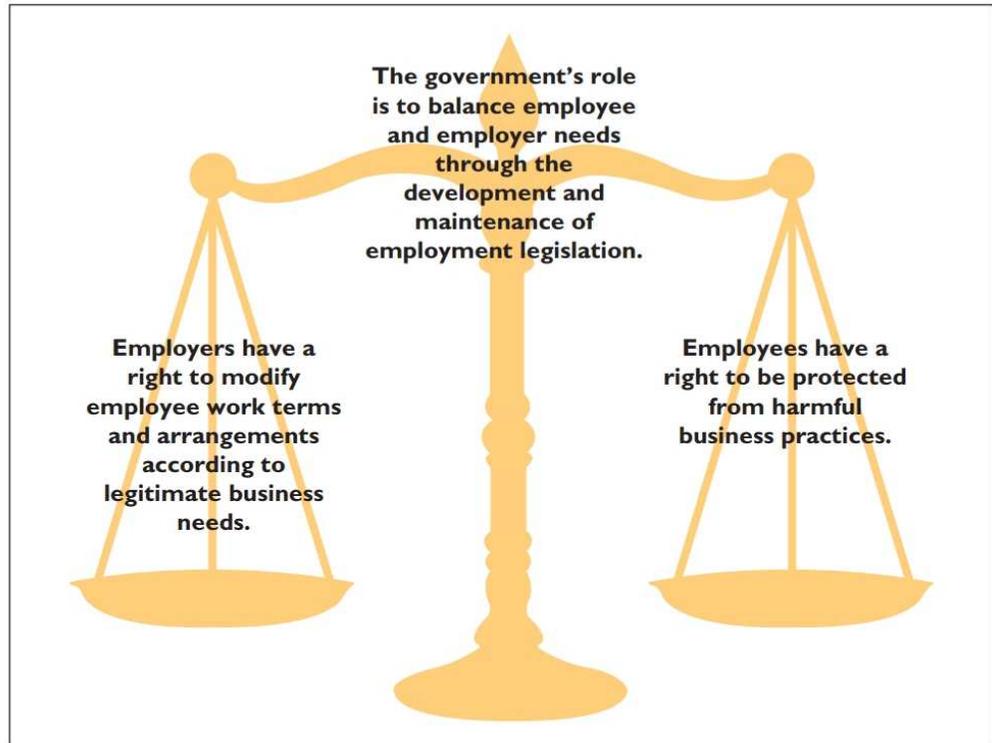
The government sets the legislation. How the legislation is interpreted can influence formal and informal expectations in the Canadian workplace. Previous interpretations of the laws impact how the laws get interpreted in the future for two reasons. One important aspect is the doctrine of **stare decisis**, which refers to the notion that decisions of a higher court (e.g., the Supreme Court of Canada) can act as the binding authority on lower court decisions within that same jurisdiction (e.g., provincial courts). The second important consideration is **precedent**, which refers to how the decision or interpretation

stare decisis

The decisions of a higher court can act as the binding authority on a lower court decisions within that same jurisdiction.

precedent

The decision or interpretation of a court of another jurisdiction can act as a persuasive authority regarding how legislation is to be interpreted and applied in other jurisdictions.

Figure 2.1 Government's Role in Balancing Employer and Employee Needs

SOURCE: Data from Chhinzer, N. (2013).

of a court of another jurisdiction can act as a persuasive authority regarding how legislation is to be interpreted and applied in other jurisdictions.

1. As highlighted in Figure 2.2, the broadest level of guaranteed protection for all persons residing in Canada is constitutional law, particularly the Charter of Rights and Freedoms. The regulations set forth in the Charter are not employment specific, but all employers must abide by them because they are fundamental, guaranteed rights to all persons residing in Canada.
2. Provincial and territorial Human Rights legislation ensure that the rights of every Canadian are protected and that all persons are treated with equality and respect. Discrimination based on protected grounds as outlined in the legislation is prohibited in both the employment relationship and the delivery of goods and services. Therefore, while the human rights codes are broad in that they extend beyond just the employment relationship, they have a significant impact on workplace practices.
3. In Canada, employers and employees must abide by a series of employment-specific legislation, such as employment standards acts, which vary slightly by jurisdiction. There is a great deal of commonality to the legislation across jurisdictions, but there are also some differences. For example, vacations, statutory holidays, and minimum wage standards are legislated in all jurisdictions, but entitlements vary based on jurisdiction. Therefore, a company with employees in more than one province/territory must monitor the legislation in each of those jurisdictions and keep HR policies and practices current whenever legislation changes. Ensuring legality across multiple jurisdictions can be complex, because it is possible for a policy, practice, or procedure to be legal in one jurisdiction and illegal in others.
4. There are ordinary laws that specifically regulate some areas of HRM—occupational health and safety (occupational health and safety acts are reviewed in Chapter 14),

Figure 2.2 Multiple Layers of Canadian Legislation Affecting Workplace Practices

SOURCE: Based on Chhinzer, 2011.

union relations (labour relations acts are reviewed in Chapter 16), as well as pensions and compensation (pay equity acts, the Income Tax Act, and others are discussed briefly in Chapters 11–12).

5. Even more specific is the issue of contract law, which governs collective agreements and individual employment contracts. Contract law imposes specific requirements and constraints on management and employee policies, procedures, and practices. For example, a collective bargaining agreement is a contract regarding the terms and conditions of employment that both employees and employers must abide by legally. In nonunionized situations, individual employment contracts are often signed prior to the commencement of the employment relationship and constitute individualized legal agreements that employees and employers must abide by.

Tort Law

In addition to the legislation, Canada has also inherited the English system of tort law. **Tort law** is primarily judge based law, whereby a victim is provided compensation for losses or damages in civil court (not criminal court). Tort law is often separated into two categories: intentional torts (e.g., assault, battery, trespass, and intentional affliction of mental distress) and unintentional torts (e.g., negligence based on events in which harm is caused by carelessness).

To avoid flooding the courts with complaints of relatively minor infractions, the government in each jurisdiction creates special regulatory bodies to enforce compliance with the law and aid in its interpretation. Such bodies, which include Human Rights Commissions and Ministries of Labour, develop legally binding rules called **regulations** and evaluate complaints.

Within these various levels of legislation there is a sense of hierarchy, as identified earlier in Figure 2.2. The more general the impact of the legislation, the more it supersedes lower levels of legislation. For example, a collective bargaining agreement cannot agree to wages less than the minimum wage established in the applicable provincial employment standards act. Likewise, an employment standards act cannot violate the minimums set forth in the Charter of Rights and Freedoms.

tort law

Primarily judge based law, whereby a victim is provided compensation for losses or damages in civil court (not criminal court).

regulations

Legally binding rules established by special regulatory bodies created to enforce compliance with the law and aid in its interpretation.

HR in the News

DO CONTRACT WORKERS GET THE SAME ENTITLEMENTS AS EMPLOYEES?³

Lawrence and Marilyn Kennan both worked for Canac. In October 1987, Canac shifted them from employees to independent contractors. Given that business was slow for Canac, Lawrence and Marilyn also picked up a part-time contract with competitor (Cartier Kitchens) from 2007 to 2009. However, they continued to work primarily for Canac. In 2009, Canac seized the contractual relationship with both independent contractors, giving them no notice, pay in lieu of notice, or statutory entitlements. In the company's view, these two were independent contractors. However, Lawrence and Marilyn sued Canac, indicating that they were entitled to notice and statutory entitlements, given that they had a work almost exclusively for Canac for a long time.

This case revolved around the nature of the employer–employee relationship. The relationship an individual has with

an employer can fall into one of three primary categories; employee, dependant contractor, or independent contractor. The primary difference between the dependent and independent contractor is the concept of exclusivity. In this case, the Ontario Court of Appeal determined that although the company felt that these contractors were independent contractors, the fact that the work they completed was primarily for Canac indicated they were dependant contractors and thus awarded them 26 months of reasonable notice on termination.

Therefore, managers, entrepreneurs, and HR managers must clearly differentiate the concepts of dependant versus independent contractors, especially during times of termination or contract renewals. In addition, a worker's employment status should consider the full course of their relationship with the employer rather than a snapshot at a single point in time.

There are two opposing interpretations of Canadian legislation. Employees often choose to view the regulations as a statutory floor and expect to receive higher than the minimum requirements (more than the minimum wage, minimum entitlement for vacation days, minimum entitlement for severance pay, etc.). In contrast, employers often prefer to view legislated guidelines as a contractual ceiling and align maximum commitment levels to the minimums established in the guidelines. HR professionals play a critical role in balancing these divergent sets of expectations, with obligations toward both the employees and employers. The concept of what defines an “employee” is quite complicated, given that high use of contingent workers (as highlighted in Chapter 1). The HR in the News box above provides an interesting case regarding when a contractor can be entitled to the same rights as an employee.

Legislation Protecting the General Population

- 2.2** Discuss at least five prohibited grounds for discrimination under human rights legislation.
- 2.3** Describe the requirements for reasonable accommodation.
- 2.4** Describe behaviour that could constitute harassment, and explain the employers' responsibilities regarding harassment.

Human rights legislation makes it illegal to discriminate, even unintentionally, against various groups. Reactive (complaint driven) in nature, the focus of such legislation is on the types of acts in which employers should *not* engage. Included in this category are:

1. The *Charter of Rights and Freedoms*, federal legislation that is the cornerstone of human rights in Canada, and
2. *Human rights legislation*, which is present in every jurisdiction.

The Charter of Rights and Freedoms

The cornerstone of Canada's legislation pertaining to issues of human rights is the Constitution Act, which contains the **Charter of Rights and Freedoms**. The Charter applies to the actions of all levels of government (federal, provincial and territorial, and municipal) and agencies under their jurisdiction as they go about their work of creating laws. The Charter takes precedence over all other laws, which means that all legislation must meet Charter standards; thus, it is quite far-reaching in scope.

There are two notable exceptions to this generalization. The Charter allows practices to infringe on Charter rights if they can be demonstrably justified as reasonable limits in a "free and democratic society." Since "demonstrably justified" and "reasonable" are open to interpretation, many issues challenged under the Charter eventually end up before the Supreme Court of Canada, the Charter's ultimate interpreter. The second exception occurs when a legislative body invokes the "notwithstanding" provision, which allows the legislation to be exempted from challenge under the Charter.

The Charter provides the following fundamental rights and freedoms to every Canadian, including but not limited to:

1. Freedom of conscience and religion,
2. Freedom of thought, belief, opinion, and expression, including freedom of the press and other communication media,
3. Freedom of peaceful assembly, and
4. Freedom of association.

In addition, the Charter provides Canadian multicultural heritage rights, First Nations' rights, minority language education rights, equality rights, the right to live and work anywhere in Canada, the right to due process in criminal proceedings, and the right to democracy.³

Section 15—**equality rights**—provides the basis for human rights legislation, because it guarantees the right to equal protection and benefit of the law without **discrimination**, in particular without discrimination based on race, national or ethnic origin, colour, religion, sex, age, or mental or physical disability.⁴

Human Rights Legislation

Every person residing in Canada is protected by **human rights legislation**, which prohibits intentional and unintentional discrimination in employment situations and the delivery of goods and services. Human rights legislation is extremely broad in scope, affecting almost all aspects of HRM when applied to the employment relationship. An important feature of human rights legislation is that it supersedes the terms of any employment contract or collective agreement. For these reasons, supervisors and managers must be thoroughly familiar with the human rights legislation of their jurisdiction and their legal obligations and responsibilities specified therein.

Human rights legislation prohibits discrimination against all Canadians in a number of areas, including employment. To review individual provincial and territorial human rights laws would be confusing because of the many but generally minor differences among them, often only in terminology (e.g., some provinces use the term "creed," others use "religion"). All jurisdictions prohibit discrimination on the grounds of race, colour, religion or creed, sex, marital status, age, disability, and sexual orientation. Some, but not all, jurisdictions further prohibit discrimination on the basis of family status, nationality, ethnic origin, and various other grounds. This creates a challenging situation for organizations operating in more than one jurisdiction because protected grounds for discrimination varies by jurisdiction. Figure 2.3 indicates the types of complaints received by the Canadian Human Rights Commission (federal level) in 2016 by



Eray/Fotolia

The freedom of religion is protected under the Charter of Rights and Freedoms and applies to all levels of government.

Charter of Rights and Freedoms

Federal law enacted in 1982 that guarantees fundamental freedoms to all Canadians.

equality rights

Found in Section 15 of the Charter of Rights and Freedoms, which guarantees the right to equal protection and benefit of the law without discrimination.

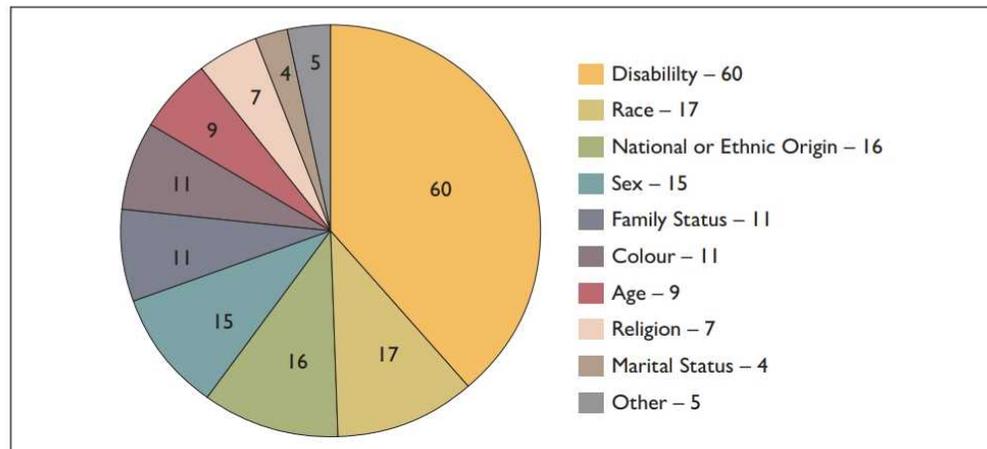
discrimination

As used in the context of human rights in employment, a distinction, exclusion, or preference based on any of the prohibited grounds and has the effect of nullifying or impairing the right of a person to full and equal recognition and exercise of his or her human rights and freedoms.

human rights legislation

Jurisdiction-specific legislation that prohibits intentional and unintentional discrimination in employment situations and in the delivery of goods and services.

Figure 2.3 Types of Complaints Received by the Canadian Human Rights Commission in 2016



SOURCE: Canadian Human Rights Commission Annual Report 2016, Minister of Public Works and Government Services 2017 Cat. No. HR1-4E-PDF ISSN 2560-6352, page 57, figure 9 <https://www.chrc-ccdp.gc.ca/eng/content/annual-report-2016>, last accessed June 6, 2018

category. It is important to know that 29 percent of complaints received associated with disability were related to mental health. We will discuss this in detail later in the section.

Discrimination Defined

Central to human rights laws is the concept of discrimination. When someone is accused of discrimination, it generally means that he or she is perceived to be acting in an unfair or prejudiced manner within the context of prohibited grounds for discrimination. Recent research exploring the conceptual underpinnings of discrimination refers to employment discrimination as intergroup biases that occur because of social group memberships, which often creates an identity of how we define and see ourselves versus others.⁵ The concept of self versus others develops prejudice or stereotype that can manifest into acts of discrimination. Thus, most of the research on employment discrimination since 2000 has focused on the concept of social identity.

The law prohibits unfair discrimination—making choices on the basis of perceived but inaccurate differences to the detriment of specific individuals or groups. If an individual feels that they have been discriminated against, either intentionally or unintentionally, that means that they feel that they have been discriminated against based on one of the protected grounds in their jurisdiction. For example, if an employee were discriminated against based on his or her ethnicity/race or gender, then this would be a violation of the human rights laws since ethnicity, race, and gender are protected grounds. In comparison, if a person were discriminated against for wearing a purple top to work, this would fall outside the scope of human rights legislation, therefore the human rights legislation would not be directly violated. Standards pertaining to discrimination change over time, as highlighted in the Workforce Diversity box.

Workforce Diversity

GENDER IDENTITY IN THE BC HUMAN RIGHTS CODE

In July 2016, the BC government amended the BC Human Rights Code to include “gender identity or expression” as a ground protected from discrimination. While many managers and human resource professionals felt that this was already implied under the protected grounds of sex or sexual orientation, explicitly including identification of

gender along a spectrum (male, female, both, neither, etc.) and gender expression means that employers must be aware of and correct systemic biases that create barriers for employees based on gender identity or expression, and ensure that forms, benefits, uniforms, washrooms, etc., are gender neutral.⁶

Intentional Discrimination Except in specific circumstances that will be described later, intentional discrimination is prohibited. An employer cannot discriminate *directly* by deliberately refusing to hire, train, or promote an individual on any of the prohibited grounds. It is important to realize that deliberate discrimination is not necessarily overt. In fact, overt (blatant) discrimination is relatively rare today. But subtle, indirect discrimination can be difficult to prove. For example, if a 60-year-old applicant is not selected for a job and is told that there was a better-qualified candidate, it is often difficult for the rejected job seeker to determine if someone else truly did more closely match the firm's specifications or if the employer discriminated on the basis of age.

An employer is also prohibited from intentional discrimination in the form of **differential or unequal treatment**. No individuals or groups may be treated differently in any aspect of terms and conditions of employment based on any of the prohibited grounds. For example, it is illegal for an employer to request that only female applicants for a factory job demonstrate their lifting skills or to insist that any candidates with a physical disability undergo a pre-employment medical exam, unless all applicants are being asked to do so.

It is also illegal for an employer to engage in intentional discrimination *indirectly* through another party. This means that an employer may not ask someone else to discriminate on his or her behalf. For example, an employer cannot request that an employment agency refer only male candidates for consideration as management trainees or instruct supervisors that racial minorities are to be excluded from consideration for promotions.

Discrimination because of association is another possible type of intentional discrimination listed specifically as a prohibited ground in the legislation of several Canadian jurisdictions. It involves the denial of rights because of friendship or other relationship with a protected group member. An example would be the refusal of a firm to promote a highly qualified male into senior management on the basis of the assumption that his wife, who was recently diagnosed with multiple sclerosis, will require too much of his time and attention and that her needs may restrict his willingness to travel on company business.

Unintentional Discrimination **Unintentional discrimination** (also known as **constructive** or **systemic discrimination**) is the most difficult to detect and combat. Typically, it is embedded in policies and practices that appear neutral on the surface and that are implemented impartially, but have an adverse impact on specific groups of people for reasons that are not job related or required for the safe and efficient operation of the business. Examples are shown in Figure 2.4.

differential or unequal treatment

Treating an individual differently in any aspect of terms and conditions of employment based on any of the prohibited grounds.

discrimination because of association

Denial of rights because of friendship or other relationship with a protected group member.

unintentional/constructive/systemic discrimination

Discrimination that is embedded in policies and practices that appear neutral on the surface and are implemented impartially, but have an adverse impact on specific groups of people for reasons that are not job related or required for the safe and efficient operation of the business.

Figure 2.4 Examples of Systemic Discrimination

- Minimum height and weight requirements, which screen out disproportionate numbers of women and people from Asia, who tend to be shorter in stature.
- Internal hiring policies or word-of-mouth hiring in workplaces that have not embraced diversity.
- Limited accessibility to company premises, which poses a barrier to persons with mobility limitations.
- Culturally biased or non-job-related employment tests, which discriminate against specific groups.
- Job evaluation systems that are not gender-neutral; that is, they undervalue traditional female-dominated jobs.
- Promotions based exclusively on seniority or experience in firms that have a history of being white-male-dominated.
- Lack of a harassment policy or guidelines, or an organizational climate in which certain groups feel unwelcome and uncomfortable.

Expert Opinion: ACADEMIC VIEWPOINT



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1. How have women traditionally been disenfranchised in the workplace?

In pre-industrialization, there was a collective farm system and everyone contributed to work. However, with the Industrial Revolution and urbanization, gender-based roles within the family and work were redefined. Through the feminist movement, individual necessity, economic times, or at times of war, women returned to work. In addition, females committed to education as a tool to advance their careers. Now, women are the primary breadwinner in 30 percent of the households in Canada, and 40 percent in the United States.

However, research shows that women still bear the primary responsibility for caregiving within a family unit, and they continue to be penalized for employment interruptions.

Men are also victims of gender stereotyping. Some men feel significant stress or pressure associated with being the dominant breadwinner, while others feel that their desires for work-life balance or paternity leave might be rejected. Generally, we need societal

perceptions to shift to help lift prejudice from both male and female perspectives.

2. Why do we need legislation to protect women in the workplace?

The broader point is that we can always fine-tune policy, and even if we get it to be near perfect, there are certain groups that have enjoyed so much accumulated privilege that even the most equal, perfect policy may be co-opted to continue to benefit those who traditionally have benefited. Even at the university level, only one out of every four Canada Research Chair positions is filled by a woman. Only one out of the 26 Canada Excellence Research Chairs in 2018 is a female. Research into this situation has shown that reference letters from women included statements referring to the candidate as a wife, lady, or mother, and using gender stereotype-based descriptors such as referring to women as agreeable, maternal, or sympathetic. Even for highly educated women, the discussion of personal qualities dominates references for women rather than focusing on their accomplishments, expertise, or competency.

3. How has the workplace failed at securing equal opportunities or wages for women?

Legislation cannot be the sole vehicle for gender equality because pro-women legislation is largely symbolic when it comes to altering roles and entitlement hierarchies within the family and within society at large. We need the right combination of progressive policy *and* consciousness-raising initiatives that raise awareness among women as well as men about the benefits of greater gender equity. The consciousness-raising piece is as crucial as policy reforms and state actions that protect women's interests and facilitate their agency.

SOURCE: Reprinted by permission from Bipasha Baruah.

bona fide occupational requirement (BFOR)

A justifiable reason for discrimination based on business necessity (i.e., required for the safe and efficient operation of the organization) or a requirement that can be clearly defended as intrinsically required by the tasks an employee is expected to perform.

The Expert Opinion box highlights recent dialogue regarding gender-based unintentional discrimination in the workplace and the complex role and impact of legislation, from the perspective of a Canada Research Chair in Global Women's Issues.

Permissible Discrimination via Bona Fide Occupational Requirements Employers are permitted to discriminate if employment requirements are based on a **bona fide occupational requirement (BFOR)**, defined as a justifiable reason for discrimination based on business necessity, such as the requirement for the safe and efficient operation of the organization (for example, a person who is blind cannot be employed as a truck driver or bus driver). In some cases, a BFOR exception to human rights protection is fairly obvious. For example, when casting in the theatre, there may be specific roles

that justify using age, sex, or national origin as a recruitment and selection criterion. Qualification (BFOQ) are often used interchangeably to represent a reasonably necessary requirement or qualification that results in discrimination, but is imposed in a sincere belief that it is fundamentally related to job performance.

The *Meiorin* case established three criteria that are now used to assess if the discrimination qualifies as a BFOR (Supreme Court of Canada, 1999):

1. Question of rationale: Was the policy or procedure that resulted in the discrimination based on a legitimate, work-related purpose?
2. Question of good faith: Did the decision makers or other agents of the organization honestly believe that the requirement was necessary to fulfill the requirements of the role?
3. Question of reasonable necessity: Was it impossible to accommodate those who have been discriminated against without imposing undue hardship on the employer?

The issue of BFORs gets more complicated in situations in which the occupational requirement is less obvious; the onus of proof is then placed on the employer. There are a number of instances in which existing precedent for BFORs is established. For example, adherence to the tenets of the Roman Catholic Church has been deemed a BFOR when selecting faculty to teach in a Roman Catholic school.⁷ The Royal Canadian Mounted Police has a requirement that guards be of the same sex as prisoners being guarded, which was also ruled to be a BFOR.⁸

Reasonable Accommodation An important feature of human rights legislation is the requirement for **reasonable accommodation**. Employers are required to adjust employment policies and practices so that no individual is prevented from doing his or her job on the basis of prohibited grounds for discrimination. Accommodation may involve scheduling adjustments to accommodate religious beliefs or workstation redesign to enable an individual with a physical disability to perform a particular task.

Employers are expected to accommodate to the point of **undue hardship**, meaning that the financial cost of the accommodation (even with outside sources of funding) or health and safety risks to the individual concerned or other employees would make accommodation impossible.⁹ Failure to make every reasonable effort to accommodate employees is a violation of human rights legislation in all Canadian jurisdictions. The term “reasonable” is relatively vague and open to interpretation, which can be found in the precedent that has been established in the legal system. The Supreme Court of Canada recently clarified the scope of the duty to accommodate by stating that it does not require an employer to completely alter the essence of the employment contract, whereby the employee has a duty to perform work in exchange for remuneration. For example, if the characteristics of an illness are such that the employee remains unable to work for the foreseeable future, even though the employer has tried to accommodate the employee, the employer will have satisfied the test of undue hardship.¹⁰

Human Rights Case Examples

In claims of discrimination, it does not matter if the protected grounds were the primary or heaviest weighted factor in the decision being challenged, or if it was one of many considerations made in the decision. If there were 20 criteria used to make a decision, and even one of those criteria violated protection against discrimination as per the applicable human rights legislation, then the entire decision made by the employer can be deemed illegal. Figure 2.5 provides clarity as to the distribution of case type encountered by human rights commissions.

Claims of discrimination based on disability make up almost half of all human rights claims. A disability in human rights legislation includes a wide range of conditions, some which are visible and some which are not. In general, a distinction can be

reasonable accommodation

The adjustment of employment policies and practices that an employer may be expected to make so that no individual is denied benefits, disadvantaged in employment, or prevented from carrying out the essential components of a job because of grounds prohibited in human rights legislation.

undue hardship

The point to which employers are expected to accommodate employees under human rights legislative requirements.

Figure 2.5 Canadian Human Rights Commission Key Metrics in 2016

- Received 1 488 discrimination complaints, of which 1 394 complaints included allegations that were employment related.
- 268 complaints were settled, 164 dismissed, and 47 referred to a tribunal. For 234 cases, the commission indicated that the complainant should pursue alternative processes for resolution, the complaint was out of their jurisdiction, the incident occurred too long ago or it was considered too trivial or vexatious to pursue.
- 41% of complaints originated from Ontario, 16% from BC, 11% from Quebec, and 10% from Alberta.

SOURCE: Canadian Human Rights Commission Annual Report 2016, Minister of Public Works and Government Services 2017 Cat. No. HR1-4E-PDF ISSN 2560-6352 <https://www.chrc-ccdp.gc.ca/eng/content/annual-report-2016>, last accessed June 6, 2018

drawn between a physical disability and a mental one. A disability may be present from birth, caused by an accident, or develop over time and may include (depending on the jurisdiction) physical, mental, and learning disabilities; mental disorders; hearing or vision disabilities; epilepsy; drug and alcohol dependencies; environmental sensitivities; as well as other conditions. Temporary illnesses are generally not considered to be disabilities under human rights legislation (unless related to a workplace safety claim), but mental disorders, even temporary ones, can be included in the definition of a disability.

The intent of providing protection from discrimination based on past, present, or perceived disabilities is largely based on the principle of having an inclusive society with a barrier-free design and equal participation of persons with varying levels of ability.¹¹ Because employers set standards or requirements, they therefore “owe an obligation to be aware of both the differences between individuals, and differences that characterize groups of individuals. They must build conceptions of equality into workplace [or other] standards.”¹²

According to the Supreme Court of Canada, the focus of a disability is not simply the presence of it, but the effect of the disability. In 2000, the Supreme Court of Canada heard a case against the City of Boisbriand and Communauté urbaine de Montréal. The city had dismissed an employee, Palmerino Troilo, from his position as a police officer because he suffered from Crohn’s disease. Medical evidence presented in the case indicated that Troilo could perform normal functions of his job, but the city argued that the illness was permanent and could be interpreted subjectively as an indication of future job-related challenges. The judge found that the illness did not actually result in any functional limitations and determined that Troilo had been a victim of discriminatory exclusion.¹³ In this case, it was not the presence of a disability that was of concern to employment-related legislation, but the impact of that disability on creating job-related functional limitations.

The Supreme Court of Canada has suggested three broad inquiries to determine if discrimination has taken place:

1. Differential treatment: Was there substantively differential treatment due to a distinction, exclusion, or preference or because of a failure to take into account the complainant’s already disadvantaged position within Canadian society?
2. An enumerated ground (a condition or clause that is explicitly protected by legislation): Was the differential treatment based on an enumerated ground?
3. Discrimination in a substantive sense: Does the differential treatment discriminate by imposing a burden upon or withholding a benefit from a person? Does the differential treatment amount to discrimination because it makes distinctions that are offensive to human dignity?

Duty to Accommodate Although each situation is unique, there are general principles for accommodating persons to eliminate discrimination on the basis of

protected grounds. First, providing equal access to employment is largely based on removal of physical, attitudinal, and systemic barriers. These accommodations should be provided in a manner that most respects the dignity of the person, including an awareness of privacy, confidentiality, autonomy, individuality, and self-esteem. Each person's needs are unique and must be considered independently when an accommodation request is made. Persons with disabilities have the fundamental right to integration and full participation; therefore, barriers should be removed to the point of undue hardship. Workplace programs and policies should be designed by inclusion to combat "social handicapping," in which societal attitudes and actions create noninclusive thinking against people who have no or few limitations. Primary responsibility for removal of physical, attitudinal, and systemic barriers lies largely with the employer. Even when all of these factors are considered, there might still be a need for accommodation.

Second, if discrimination does exist, the company must demonstrate individualized attempts to accommodate to the point of undue hardship. The Meiorin test discussed earlier is used to establish if the company reached the point of undue hardship. Employers have the legal duty to accommodate persons, and the employees have a responsibility to seek accommodation, co-operate in the process, exchange relevant information, and explore accommodation solutions together.¹⁴ Often, accommodations can be made easily and at minimal cost, such as increased flexibility in work hours or break times; providing reading material in digitized, Braille, or large print formats; installing automatic doors and making washrooms accessible; or job restructuring, retraining, or assignment to an alternative position within the company.

Third, the duty to accommodate requires the most appropriate accommodation to be undertaken to the point of undue hardship. The principle underlying this condition is that accommodations are unique, numerous, part of a process, and a matter of degree. Rather than an all-or-nothing approach, there may be many options available to accommodate an employee with varying degrees of complexity, resource demands, and effects on work processes. An accommodation can be considered appropriate if it results in equal opportunity to attain the same level of performance, benefits, and privileges others experience, or if it is adopted for the purpose of achieving equal opportunity and meets the individual's needs. In cases where alternative options preserve the same level of dignity and respect, employers are entitled to select the less expensive or less disruptive option.

Accommodation of employees with "invisible" disabilities, such as chronic fatigue syndrome, fibromyalgia, and mental illnesses, is becoming more common. An employee with bipolar disorder was terminated when he began to exhibit premanic symptoms after waiting for a response from management regarding his request for accommodation. A human rights tribunal in 2008 found that the company had not investigated the nature of his condition or possible accommodations and awarded the employee more than \$80 000 in damages.¹⁵

Harassment The most historic battle for protection against harassment was initiated in 1982, at a time when it was largely interpreted that sexual harassment was not a form of sex discrimination (therefore, not illegal) and it was perceived that employers were not responsible for the actions of their employees. Perspectives on sexual harassment and employers' responsibilities toward protecting employees from sexual harassment have shifted significantly over the last three decades, largely due to a Supreme Court ruling on a case initiated by two young waitresses.

In August 1982, a cook at Pharos Restaurant in Winnipeg, Manitoba, started groping two waitresses and making sexual advances during each woman's shift at work. When the women approached the owner, he commented that they "needed to get laid." In mid-1989, the case was reviewed by the Supreme Court of Canada. In this historic

Figure 2.6 Examples of Harassment

Harassment includes (but is not limited to):

- Physically or verbally attempts to humiliate or offend a person.
- Attempts to threaten or intimidate a person.
- Making what “ought to be known” as unwelcoming remarks or jokes about a persons demographics (e.g., race, religion, sex, age, disability, etc.).
- Making unnecessary physical contact with a person (e.g., touching, patting, and pinching).

SOURCE: Canadian Human Rights Commission, *Your Guide to Understanding the Canadian Human Rights Act – Page1*, <https://www.chrc-ccdp.gc.ca/eng/content/your-guide-understanding-canadian-human-rights-act-page1>, last accessed June 8, 2018

harassment

Unwelcome behaviour that demeans, humiliates, or embarrasses a person and that a reasonable person should have known would be unwelcome.

sexual harassment

Offensive or humiliating behaviour that is related to a person’s sex, as well as behaviour of a sexual nature that creates an intimidating, unwelcome, hostile, or offensive work environment or that could reasonably be thought to put sexual conditions on a person’s job or employment opportunities.

sexual coercion

Harassment of a sexual nature that results in some direct consequence to the worker’s employment status or some gain in or loss of tangible job benefits.

case, the Supreme Court agreed that the women were sexually harassed at work, that sexual harassment is a form of sex discrimination (and is therefore illegal), and that employers are responsible for their employees’ actions.¹⁶

Some jurisdictions prohibit harassment on all prescribed grounds while others only expressly ban sexual harassment. **Harassment** includes unwelcome behaviour that demeans, humiliates, or embarrasses a person and that a reasonable person should have known would be unwelcome.¹⁷ Examples of harassment are included in Figure 2.6. Minority women often experience harassment based on both sex and race.¹⁸

One type of intentional harassment that is receiving increasing attention is bullying, which involves repeated and deliberate incidents of negative behaviour that cumulatively undermine a person’s self-image. This psychological form of harassment is much more prevalent and pervasive in workplaces than physical violence.¹⁹ In 2004, a Quebec law prohibiting workplace psychological harassment came into effect with the intent of ending bullying in the workplace. In the first year, more than 2 500 complaints were received, surpassing expectations to such a degree that the number of investigators was increased from 10 to 34.²⁰ Saskatchewan also prohibits psychological harassment, in its occupational health and safety legislation.²¹ In addition, the concepts of harassment and bullying are included in occupational health and safety legislation, as detailed in Chapter 10 of this text.

Employer Responsibility The Supreme Court has made it clear that protecting employees from harassment is part of an employer’s responsibility to provide a safe and healthy working environment. If harassment is occurring and employers are aware or ought to have been aware, they can be charged as well as the alleged harasser.²² Employer responsibility also includes employee harassment by clients or customers once it has been reported. In an Ontario case, Bell Mobility was ordered to pay an employee more than \$500 000 after a supervisor assaulted her in the office and she developed post-traumatic stress disorder. The company was found vicariously liable for the supervisor’s aggressive behaviours and was found to have breached its duty of care to provide a safe and harassment-free working environment.²³

Sexual Harassment The type of harassment that has attracted the most attention in the workplace is **sexual harassment**. Sexual harassment is offensive or humiliating behaviour that is related to a person’s sex, as well as behaviour of a sexual nature that creates an intimidating, unwelcome, hostile, or offensive work environment or that could reasonably be thought to put sexual conditions on a person’s job or employment opportunities.

Sexual harassment can be divided into two categories: sexual coercion and sexual annoyance. **Sexual coercion** involves harassment of a sexual nature that results in some

direct consequence to the worker's employment status or some gain in or loss of tangible job benefits. Typically, this involves a supervisor using control over employment, pay, performance appraisal results, or promotion to attempt to coerce an employee to grant sexual favours. If the worker agrees to the request, tangible job benefits follow; if the worker refuses, job benefits are denied or taken away.

Sexual annoyance is sexually related conduct that is hostile, intimidating, or offensive to the employee but has no direct link to tangible job benefits or loss thereof. Rather, a "poisoned work environment" is created for the employee, the tolerance of which effectively becomes a term or condition of employment. An Alberta court upheld the dismissal of a male employee who had used profane language, sexually infused talk and jokes, and displayed pornographic and graphically violent images. The employee claimed that he was a misunderstood jokester who had never worked with a female engineer before and blamed the company for not training him on appropriate conduct. However, the court found that the company had embarked on a campaign to recruit women into trade positions many years earlier and that all employees had been provided with diversity training. In addition, the company had also implemented and widely publicized an antiharassment policy.²⁴

Harassment Policies To reduce liability, employers should establish sound harassment policies, communicate such policies to all employees, enforce the policies in a fair and consistent manner, and take an active role in maintaining a working environment that is free of harassment. Effective harassment policies should include:

1. an antiharassment policy statement, stating the organization's commitment to a safe and respectful work environment and specifying that harassment is against the law;
2. information for victims (for example, identifying and defining harassment);
3. employees' rights and responsibilities (for example, respecting others, speaking up, reporting harassment);
4. employers' and managers' responsibilities (for example, putting a stop to harassment, being aware, listening to employees);
5. antiharassment policy procedures (what to do if you are being harassed, what to do if you are accused of harassment, what to do if you are a third-party employee, investigation guidelines, remedies for the victim and corrective action for harassers, guidelines for handling unsubstantiated complaints and complaints made in bad faith, confidentiality);
6. penalties for retaliation against a complainant;
7. guidelines for appeals;
8. other options such as union grievance procedures and human rights complaints; and
9. how the policy will be monitored and adjusted.²⁵

Race and Colour Discrimination on the basis of race and colour is illegal in every Canadian jurisdiction. For example, the BC Human Rights Tribunal found that two construction companies had discriminated against 38 Latin American workers brought in to work on a public transit project. The Latin Americans were treated differently than workers brought in from European countries in that they were paid lower wages and provided with inferior accommodation. As a result, the Tribunal awarded each worker \$100 000.²⁶

Religion Discrimination on the basis of religion can take many forms in Canada's multicultural society. For example, it is a violation of human rights laws across Canada



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The Supreme Court of Canada has determined that sexual harassment at work is a form of sex discrimination (and is therefore illegal), and that employers are responsible for their employees' actions.

sexual annoyance

Sexually related conduct that is hostile, intimidating, or offensive to the employee but has no direct link to tangible job benefits or loss thereof.