

THE WAY FORWARD GUIDE TO **DIVERSITY AS AN IMPERATIVE FOR BUSINESS LEADERS**

Workforce diversity and inclusion is strongly associated with improved superior performance. It provides adaptability, better governance and improved access to limited human resources. This is a guide to assist leaders and human resources professionals in the resource industry to understand the business benefits of encouraging and achieving increased workforce diversity and inclusion.

This Way Forward Guide has been written and developed by the Australian Mines and Metals Association (AMMA) with support from the Australian Government and contributed to by Diversity Network as part of the Australian Women in Resources Alliance (AWRA) initiative.



AWRA is an industry-led initiative dedicated to helping employers attract, retain and reap the rewards of women in resources workplaces.



AWRA is driven by Australia's resource industry peak body, AMMA, and supported by the Australian Government through the National Resources Sector Workforce Strategy.



Diversity Network

Founded by Lucy Stocker in 2013, Diversity Network forms partnerships with smart companies that are committed to greater diversity within their teams. These companies are leading the way, and understand that top performance and productivity comes from having a diverse and inclusive workforce.

The Australian resource industry is one of the largest and most sophisticated in the world, representing more than 10% of Australia's GDP.¹

Advancements in production and technology have developed over the past half-century yet the level of female participation in the resource workforce remains one of the lowest of any Australian industry at just 15.0%, compared to 47% across all industries.²

The benefits of greater female participation go well beyond arguments of political correctness and equality. Data from a range of industries show that increasing female participation correlates strongly with increased financial performance, better governance, stronger risk management and increased innovation.

On a national scale, the case for increasing women's workforce participation in Australia is powerful. A February 2014 snapshot of the labour force (all industries) illustrates the stark disparity between men and women in terms of workforce participation:

- More men than women work full-time, and the full-time workers are a much larger proportion of all men than they are of all women.
- More women than men, and a larger proportion of all women, work part-time.
- Women's non-participation in the labour force is greater than men's.

Articulating the business case for a particular organisation means understanding the full context, including current and future:

- Market conditions/challenges.
- Business strategy.
- Location - remote, FIFO and coastal locations will create conditions that affect the strategy or approach that is required to attract and retain diverse candidates.
- Operational process - this will determine the skills required.
- Labour relations and regulatory environment (current and future) - this will influence HR and IR practices.

Understanding this contextual information will also enable your organisation to develop the appropriate business and HR approaches for your diversity strategy.

It is estimated that enabling and encouraging more women to work, and more women to work full-time, could boost Australia's annual GDP by \$180 billion or 13%.³

Diversity as a Business Imperative

Addressing the Skills Shortage

Women graduate across a range of disciplines at rates higher than men, but many shift out of the workforce mid-career. Retaining these women and attracting more women provides organisations a competitive advantage by retaining valuable skills and knowledge.

Increase Access to the Best and Widest Range of Talent

Different experiences and backgrounds are accessed by organisations prepared to look beyond their normal talent pools, increased engagement and morale in the workplace.

Improved Competitiveness and Financial Performance

Organisations with a diverse leadership team outperform organisations with no women represented at the top by 47% in terms of ROE and 56% in terms of operating results.^{4, 5}

Improved Problem Solving Capabilities

Diverse teams are essential for sustainable decision making and incorporating the widest range of inputs into planning and problem solving processes.

Innovation

Diversity of thought is greatly increased with teams comprised of diverse individuals.

“Diversity is not a form of political correctness, but an insurance policy against internally generated blindness that leaves institutions exposed and out of touch.”⁶

Adaptiveness to Change

Having a diverse workforce creates a pool of different experiences, backgrounds and perspectives; this leads to reflection, responsiveness to change, and flexibility.

Ethical and Social Responsibility

Reflecting the diversity of the community and reflecting the perspectives of its members, improves decision making and makes the business more attractive to shareholders, community, suppliers and customers.

Case Study: Anglo American Metallurgical Coal

The Challenge

Anglo American Metallurgical Coal's central Queensland mining operations are expected to create 1800 new jobs by 2020 (an increase of around 50%) in the face of a severe shortage of critical skills in underground mining.

The Strategy

Through analysis, Anglo American Metallurgical Coal realised that there were insufficient candidates in the local traditional labour pool to meet their forecasted needs. Rather than 'fish the pool dry' by advertising publicly or luring employees from their competitors, executive management chose an innovative alternative strategy—to 'increase the size of the pool' by tapping into and developing diverse, non-traditional labour sources.

Action Plan Implemented

1. Established a Diversity Council lead by the CEO to champion and manage the comprehensive organisational change program effectively.
 - Provided training in diversity awareness and leadership to more than 150 corporate and site leaders.
 - Ensured the right structures, tools and processes were in place to support the management of a diverse workforce (for example, clear policies and processes around negotiating flexible work arrangements).
2. Promote the mining industry as an attractive employment option for women and Anglo American as a preferred employer by offering, for example, an employee value proposition (EVP) incorporating inclusive and flexible working arrangements and opportunities to develop and succeed.
3. Set a 'pipeline' target of 75% females among new recruits to create momentum for the diversity and inclusion strategy.
 - The recruitment team achieved 50-75% females across various parts of the organisation.
 - Three years on, females represent 38% of superintendents (compared to significantly less before the program start) with no compromise in performance, reflecting the success of the strategy.
 - Superintendents are the 'feeder pool' for management and executive level and it is anticipated that increased numbers of females will flow on to these higher levels in the future.
4. Celebrate successes. For example, women in non-traditional roles are championed through the Queensland Resources Council's Resources Awards for Women and the Women in Mining NSW Awards.

5. Work with high-performing employees and their direct supervisors to ensure that employees' development and progression is unhindered by discontinuities such as changes in managers, moving to different parts of the organisation or career interruptions (e.g. having children).
6. Considered the unique context of relief crew operators (9am-1pm) and identified an opportunity to recruit and train mothers (and grandmothers!) from the local township as truck drivers.
 - The women were provided with meaningful employment that suited their needs, sharing the success and increasing the integration of the company within the local community
7. At Anglo American Metallurgical Coal's Canadian sites, Indigines are trained not just in work skills, but also life skills not inherent in their native culture, including the routine and commitment of life as an employee, and managing and using money.
 - The training promoted the longevity and the personal and community benefits of their employment.

ANGLO AMERICAN IS A COMPANY OF GREAT DIVERSITY, BUT WITH A UNITY OF PURPOSE: TO LEAD THE WAY.

SIMONE FORBELL, A MURAMBUK GIRL, WORKS 12 HOUR SHIFTS UNDERGROUND, AND LAST YEAR WON QUEENSLAND FEMALE TRADESPERSON OF THE YEAR.

BUT WE'RE NOT JUST BREAKING NEW GROUND FOR WOMEN. OUR DIVERSITY INITIATIVES LIKE THE 'HOT SEAT CREW' FOR WORKING PARENTS AND THE 'ADVANCED ENTRY TRADES PROGRAMME' FOR MATURE-AGED APPRENTICES HAVE OPENED UP MINING TO PEOPLE FROM ALL WALKS OF LIFE.

FIND OUT MORE AT ANGLOAMERICAN.COM.AU

WE DON'T OFFER WOMEN THE CHANCE TO BE EQUAL. WE OFFER THEM THE OPPORTUNITY TO BE EXCEPTIONAL

AngloAmerican

Real Mining. Real People. Real Difference.

Metallurgical Coal won the AMMA 2013 Industry Award for Most Creative Recruitment Campaign.

The business successfully attracted jobseekers with a wide advertising campaign featuring one of its talented female employees—the advertisements contributed to a consistent growth in female participation, with women making up 23% of all new appointments in 2012.

Employers' Obligations for Diversity & Inclusion in the Business

The Australian Stock Exchange (ASX)⁷ and the Workplace Gender Equality Agency (WGEA)⁸ require organisations of a certain size to benchmark and report their own diversity performance against industry peers. Broadly, the details required include:

- Establishing and disclosing diversity policies.
- Objectives to achieve improvements in diversity.
- Metrics and actuals to measure diversity improvements against plan.
- Transparency for the public, shareholders, government and employees.

The aim of the reporting is to ensure that diversity objectives are considered seriously by organisations and improvements are made.

Notwithstanding the regulatory requirements, organisations are seeking greater participation of women in their ranks as a business imperative. Improving diversity is not only the right thing to do; it makes sound business sense.

Other Resources on This Topic

- <http://www.amma.org.au/awra/awra-knowledge-centre#BusinessCase>
 - <http://www.amma.org.au/awra/awra-knowledge-centre#Compliance>
 - <http://www.amma.org.au/awra/awra-knowledge-centre#SkillsShortage>
 - <http://www.amma.org.au/awra/awra-knowledge-centre#Statistics>
 - <http://www.wgea.gov.au/>
 - <http://www.asxgroup.com.au/>
-

References

1. Australian Bureau of Statistics, *Australian National Accounts: National Income, Expenditure and Product*, cat. No. 5206.6, ABS Ausstats, June 2013, retrieved 16 September 2013, <<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5206.0Jun%202013?OpenDocument>>.
2. Australian Bureau of Statistics, *Labour Force, Australia, Detailed, Quarterly, Employed Persons by Sex, Industry, Age, Status in Employment*, cat. No. 6291.0.55.003, ABS Ausstats, February 2014, retrieved 24 April 2014, <<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6291.0.55.003Feb%202014?OpenDocument>>.
3. Goldman Sachs & JBWere, *Australia's Hidden Resource: The Economic Case for Increasing Female Participation*, 2009, retrieved from website of the (Australian) Workplace Gender Equality Agency, 10 December 2012, <http://www.wgea.gov.au/sites/default/files/Australias_hidden_resource_tag.pdf>.
4. McKinsey&Company, *Women Matter: Women at the top of corporations: Making it happen*, 2010, retrieved 26 August 2013, <http://www.mckinsey.com/~media/McKinsey/dotcom/client_service/Organization/PDFs/Women_matter_oct2010_english>.
5. For a bibliography of studies demonstrating the benefits of female participation to organisational, financial and market performance, see: Melbourne Business School, The University of Melbourne, Information paper on The Gender Quality Project at the Centre for Ethical Leadership, 2012, retrieved 26 August 2013, <http://genderequity.ahri.com.au/docs/GEP-Building_a_Business_case_for_Diversity.pdf>.
6. M Heffernan, *Wilful blindness: Why we ignore the obvious at our peril*, Simon and Shuster, UK, 2011, cited in Deloitte University Press, *Diversity's new frontier*, 2013, retrieved 26 August 2013, <<http://dupress.com/articles/diversity-new-frontier/>>.
7. ASX Group, *ASX Corporate Governance Council Principles and Recommendations with 2010 Amendments, 2nd ed.*, 2010, retrieved 26 August 2013, <http://www.asxgroup.com.au/media/PDFs/cg_principles_recommendations_with_2010_amendments.pdf>.
8. Workplace Gender Equality Agency (WGEA) website, <<http://www.wgea.gov.au/report>>.