THE WAY FORWARD GUIDE TO BUILDING AN INCLUSIVE CULTURE AND ENGAGED WORKFORCE

Engaged employees are essential to company success and every organisation should prioritise employee engagement within its people objectives. Evidence shows that gender diversity and the presence of women in the workplace play a role in increased engagement. A lack of inclusion can be detrimental to business attractiveness and ultimately, performance. This is a guide for leaders and human resource professionals in the resources industry, to assist in building an engaged, diverse and inclusive workforce.

An organisation's tangible assets – its financial, organisational, physical and technological resources – are visible to its competitors and ultimately able to be duplicated. As such, they provide an organisation with only a fleeting competitive advantage.

It is intangibles such as brand, reputation, capabilities, intellectual property and other 'people' qualities that provide organisations with robust market value and a productivity advantage.[1] The ability to attract, retain and occupy the talents of people will set an organisation apart from the competition.

An extensive study[2] by the US-based Corporate Executive Board defined *employee engagement* as 'the extent to which employees commit to something or someone in the organisation, and how long they stay as a result of that commitment. It is measured by three primarily behaviours: Say, Stay and Strive'. The following statements highlight the way engagement derives sustainable value from employees:
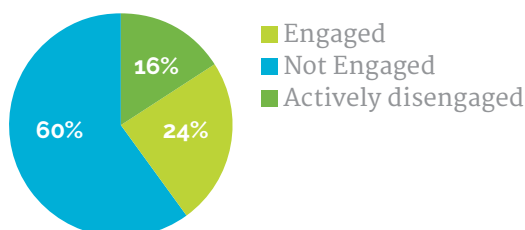
1. Engaged employees commit to the organisation and stay for the longer term.

2. Engaged employees are advocates for the company, speaking and acting positively about the company both to their internal colleagues and external contacts.

3. Engaged employees are present, productive and are likely to make discretionary effort, exceeding expectations and engaging in extra-role behaviours that benefit the organisation.

For the individual worker, low levels of engagement are associated with:

·   Experiences of disenchantment, stress, anger or resentment.

·   Low levels of effort, presenteesim and possibly counter-productive behaviours.

·   Poor physical and mental health and absenteeism, and ultimately departure from the organisation.

A number of studies have quantified the clear benefits and financial gains that reward companies with engaged employees (see *The Business Benefits of Employee Engagement* in this guide). However, a survey report released by Gallup[3] published in 2013 concludes that only one-fifth of the nearly 2,000 workers surveyed from Australia and New Zealand (across all industries) felt 'emotionally connected to their workplaces and [that] they have the resources and support they need to succeed'.

Figure 1. **Low levels of employee engagement among Australian and New Zealand workers.**

Engaged 24%
Not Engaged 60%
Actively disengaged 16%

The link between employee engagement and gender diversity and inclusion is two-fold:

Firstly, an organisation that gains its employees' commitment and makes them feel valued is the same kinds of organisation that will attract and retain valuable and discerning employees of all kinds, including women (see next page, *What Engages Employees?*). Attractive organisations develop and implement policies and practices, and espouse beliefs that are inclusive and available to both male and female employees.

On the other side of the equation, an organisation that embraces and demonstrates the value of female employees is likely to have more engaged employees across the board. An organisation with a diverse and inclusive workforce is 'walking the talk' of recognising, valuing and utilising the unique perspectives and backgrounds of all members.

A senior leadership team that espouses D&I by having policies and procedures, but then fails to see these put into practice is seen as incompetent or disingenuous, and may fail to engender feelings of trust, openness and fairness from all employees.

There are two key considerations when it comes to engaging female employees – making them Say, Stay and Thrive:

- What are the factors that lead to disengagement of female employees?
- What is bias, how does it push women down or out of organisations and what can be done about it?

1. The push and pull factors that disengage female employees.

The disengagement, exclusion and ultimate departure of female employees is largely due to two types of factors:

Push factors are those conditions, events or circumstances within the organisation which, when not seen as satisfactory, cause an employee to disconnect from the company. These include pay, compensation and working conditions, but also culture, development and career opportunities, perceived value of their contribution, and perceived respect from the employer and colleagues. Push factors include those things that make a female employee feel that she is **not** included in the past, present and future of the company, nor recognised as making a valuable contribution.

Pull factors are the things that lure an employee away from a company. For women, these may not necessarily be the pull of an alternative employer and perceived better circumstances elsewhere. Women are often pulled away by personal, caring and other commitments, as well as the prospect of working for themselves; controlling their own work destiny and creating their own successes.

Push and pull factors clearly interact. Employers have the opportunity to change the push factors so that the circumstances within the company outweigh or minimise the pull factors.

Offering well designed jobs that are appropriately remunerated is the first step to avoiding the push factors, but creating an inclusive and engaging culture requires a more sustained and comprehensive effort (see *Checklist for Building an Inclusive Culture and an Engaged Workforce*).

What Engages Employees?

Employee engagement is largely about feeling connected and feeling valued. Organisations that successfully engage their employees share some common practices:

- **They communicate, honestly and openly.**

  Employees understand the "what" and "why" of their jobs, what's expected of them and what they can expect of others; leaders ask for feedback, encourage it, and listen to and act on the answers.

- **They care about and seek to understand what their employees are thinking.**

  By communicating candidly with their employees (through engagement surveys, social media platforms, or other channels), these employers make it clear that the employees' views and ideas are valued.

- **The intentionally create a culture.**

  The desired culture is articulated in what leaders and managers do and say, in the physical work environment (e.g. lunchrooms, recreational spaces, family/sick room, facilities in accommodation villages).

- **They demonstrate appreciation for contributions, big and small.**

  Performance and effort is recognised, celebrated or even just thanked-for.

- **They actively create and support a future including the employee.**

  Career paths are discussed and supported, and there is a commitment to growth at all levels.

- **They interact with their community outside work**

  Engaging employers recognise the world outside the workplace and contribute to it at the employee level (through policies and practices that enable employees' work-life balance) and the organisational level (participating in community events and projects).

- **They have an appealing employment brand**

  Every employee can feel proud to be a part of the organisation. As an employer, as a member of the community, as a supplier, the organisation communicates a personality that clearly brands it as part of a positive experience.

What Do Diversity and Inclusion, and Employee Engagement Have in Common?

Corporate culture

A corporate culture that prioritises trust and respect for all, diversity of opinions and perspectives, a safe working environment, a company with branding as a leader in diversity and corporate social responsibility.

Communication

Effective communication in the company (organisational communication), consistent managerial behaviour, employees who clearly understand what the company expects of them and who freely discuss solutions as a team. Communication is regular and ongoing.

Management

Relationships with supervisor and upper management, recognition and praise, coaching, mentoring and feedback from senior colleagues, clear expectations, clear and consistent performance reviews and consequences (good and bad).

Peers

Relationships and collaboration with colleagues/teammates, mutual respect and value.

Training

Opportunity to attend quality (external) seminars/training, access to technology and appropriate training, resources and capacity to complete the job well.

Personal

Real and perceived career-advancement opportunities, opportunity to participate in decision making, work-life balance, compensation, alignment of personal values with company values, job security.

Attitude

Positive impression of the corporate culture, sentiment about work environment is favourable.

The 3 Critical Ingredients for Employee Engagement[3] are:

1. **Select the right leaders and managers, develop their skills and hold them accountable** – Ultimately it is people in the organisation who engage people, and having the right leaders and managers will ultimately determine whether employees will be engaged.

2. **Develop and work to employees' strengths** – The research shows that people who use their strengths every day are six times more likely to be engaged on the job, and engagement increase when managers focus on employees' strengths

3. **Enhance employees' well-being with flexible accommodating solutions** – employers have an immense influence on their workers' emotional and physical health — for better or for worse—and employers' actions that positively affect employees' lives on a personal level are the most likely to succeed

2. Addressing gender bias

Even with policies in place, practices implemented and an employee engagement program underway, it is ultimately the decisions and actions of individuals within the organisation that create a culture of inclusion and enable women to operate effectively and advance their careers. One of the most significant challenges to inclusive decisions and actions is *gender bias*.

Gender bias arises from some of the most fundamental of human psychological tendencies. Humans understand the world and 'shortcut' decision-making by placing information in categories. We categorise people on the basis of obvious attributes such as race, gender or age and without realising it, often associate these characteristics with stereotypes, both positive and negative. When it comes to gender, we inevitably and often unconsciously create a set of perceptions, attitudes and beliefs about people of a particular gender.

Stereotypes are extremely robust, even when we are aware of and determined to overcome them. Not only do we create stereotypes, but we also tend to selectively take heed of information that confirms our way of thinking and ignore information that does not. When experiencing stress and discomfort we will shortcut decisions even further, therefore stereotyping in the workplace is more likely to occur when our self-image and self-esteem are threatened.

Bias is the tendency to make judgments or decisions based on stereotypes rather than evidence or open mindedness about a group or individual. Gender bias reflects attitudes and beliefs about the abilities, potential and motivations of a particular gender. Bias can go even further, for example, in that people typically make biased judgments about mothers compared to women without children, young women compared to older women, and married versus single women.

Bias can be overt, or consciously held, but it is *unconscious* bias that has been the subject of much attention by diversity and inclusion scholars and practitioners. There is a risk that focusing solely on unconscious bias can divert attention from the very real problem of overt sexism in decisions and behaviours, therefore both issues must be addressed.

Addressing Bias – Conscious and Unconscious

1. Acknowledge and raise awareness within the organisation. Conscious **and** unconscious bias exists in both men and women, and at all levels of the organisation.

2. Help individuals to become aware of their own biased thinking and challenge its logic through education, training and discussion.

3. Teach employees to recognise gender-biased behaviour and thinking in others. Empower, encourage and support all employees to challenge bias in a constructive way.

4. Ensure all employees are aware of the impacts of bias on decisions and the consequences to the individual and the organisation.

5. It is critical to obtain the commitment of the organisation's leaders, and have them display, promote and reward inclusive, unbiased decisions and behaviour. Managers must be held accountable for eliminating gender bias from the organisation's systems and processes.

The Business Benefits of Employee Engagement[4]

1. An analysis[5] of 263 research studies across 192 organisations in 49 industries and 34 countries found a substantial and generalisable relationship between engagement and performance. In the nearly 50,000 business units included in the studies, the following engagement score were derived from the top quartile compared to the bottom quartile:

   - 10% in customer loyalty/engagement.

   - 22% in profitability.

   - 21% in productivity.

   - 48% in safety incidents.

   - 65% in turnover for low-turnover companies.

   - 25% in turnover for high-turnover companies.

   - 28% in shrinkage.

   - 37% in absenteeism.

   - 41% in quality (defects).

2. According to Hewitt,[6] companies where 60 to 70 percent of employees were engaged, average total shareholder's return (TSR) stood at 24.2 percent. In companies with only 49 to 60 percent of their employees engaged, TSR fell to 9.1 percent. Companies with engagement below 25 percent suffered negative TSR.

Checklist for Building an Inclusive Culture and an Engaged Workforce

- ☐ Leaders champion diversity and visibly drive initiatives
- ☐ Visible role models exist and aspirations for increasing diversity are shared
- ☐ Leaders create an environment that is inclusive and open
- ☐ Collaborative processes are valued and utilised
- ☐ Merit-based decision making for all appointments
- ☐ Leaders seek out, value and recognise employees contributions
- ☐ The organisation provides a sense of collective identity, shared goals within the team
- ☐ The organisation has the ability to actively manage conflict
- ☐ The workplace understands and has measures in place to address bias (conscious and unconscious)

Other Resources on This Topic

- http://www.amma.org.au/awra/awra-knowledge-centre#ENGAGEMENT
- http://www.amma.org.au/awra/awra-knowledge-centre#BIAS

References

1. R Wellins, P Bernthal & M Phelps, *Employee Engagement: The key to realizing competitive advantage, Development Dimensions International,* 2005, retrieved 10 September 2013, <http://www.ddiworld.com/DDIWorld/media/monographs/employeeengagement_mg_ddi.pdf?ext=.pdf>.

2. Corporate Executive Board, *Driving Performance and Retention through Employee Engagement: A Quantitative Analysis of Effective Engagement Strategies,* 2004, retrieved from the University of Southern California website 10 September 2013, < http://www.usc.edu/programs/cwfl/assets/pdf/Employee%20engagement.pdf >.

3. Gallup Consulting, *The State of the Global Workplace: A worldwide study of employee engagement and wellbeing,* 2013, retrieved 10 October 2013, <http://www.gallup.com/file/strategicconsulting/145535/State_of_the_Global_Workplace_2011.pdf>.

4. For a listing of these and more studies: Kruse, K, *Employee Engagement Research (Master List of 31 Findings),* Kevin Kruse, 2012, retrieved 11 September 2013, < http://kevinkruse.com/employee-engagement-research-master-list-of-29-studies/>.

5. JK Harter, FL Schmidt, S Agrwal & SK Plowman, T*he Relationship between Engagement at Work and Organizational Outcomes: 2012 Q12 meta-analysis,* 2013, Gallup, retrieved 11 September 2013 < <http://www.gallup.com/file/strategicconsulting/126806/2012%20Q12%20Meta-Analysis%20Research%20Paper.pdf>.

6. Hewitt, Research *brief: Employee Engagement Higher at Double-Digit Growth Companies,* 2004, Hewitt Research Brief, retrieved 11 September 2013, <http://www.mckpeople.com.au/SiteMedia/w3svc161/Uploads/Documents/016fc140-895a-41bf-90df-9ddb28f4bdab.pdf>.