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Contact:

Marcia McDougall, Hewitt Associates, (416) 225-5001, marcia.mcdougall@hewitt.com

Successful Diverse Workplaces Focus on Employee Engagement, According to Hewitt Associates

Best Employers in Canada Study Provides Insight into Creating Inclusive Work Environment

TORONTO — As the demand for skilled labour in Canada begins to exceed supply, employers will look to previously untapped sources of talent to fill employee ranks. However, research conducted by Hewitt Associates, a global human resources services company, as part of the 2008 *Best Employers in Canada* and *Best Small & Medium Employers in Canada* studies indicates that organizations are not likely to retain diverse employees if they do not recognize their unique needs and adapt their work environment accordingly.

“The Canadian workforce is becoming more diverse by necessity as the traditional labour force shrinks,” said Neil Crawford, leader of Hewitt’s *Best Employers in Canada* study. “Organizations are looking in every corner of the country—and other parts of the world—to identify and attract potential employees. The result will be a vastly diverse workforce across a range of dimensions including age, gender, ethnicity, language, religion, sexual orientation, physical and mental ability. Human resources programs designed by Baby Boomers for Baby Boomers aren’t going to cut it for this new wave of workers.”

Many of the almost 200 organizations that participated in the 2008 *Best Employers* studies already have diverse workforces. Employee engagement—the degree of emotional and intellectual commitment employees have for their employer—is high at many of these organizations in spite of the complexity of managing a diverse workforce. Feedback from the employees themselves as well as an examination of how these organizations are changing their workplaces provides guidance for other employers.

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More Work Required to Create Inclusive Workplaces

Over 100,000 workers responded to the employee opinion survey, one of the instruments used in the annual *Best Employers* studies. Questions were asked to determine each employee's level of engagement—how likely they are to speak positively about their employer, stay with an organization and be inspired to go “above and beyond” in the work they do. On average, 64 per cent of employees were considered engaged at participating organizations.

Employees were given the option of identifying their individual demographic characteristics in the anonymous survey. There was sufficient representation from a number of employee groups to be able to reach statistically relevant conclusions regarding employee engagement among different demographic groups. Key findings include the following:

- On average, 63 per cent of Canadian workers born in Canada are engaged. The average for Canadian workers born outside of Canada is 68 per cent.
- The average engagement score for employees whose first language is English is 63 per cent. For those whose first language is French, it is 68 per cent. And for those whose first language is something other than English or French, their engagement score is, on average, 70 per cent.
- For those who identify themselves as Aboriginal (North American Indian, Métis or Inuit), the average engagement score is 64 per cent. It is 65 per cent for respondents who do not identify themselves as Aboriginal.
- Employees who are members of a visible minority (persons other than Aboriginal peoples who are non-Caucasian in race or non-white in colour) have an average engagement score of 65 per cent, the same as those who do not belong to this demographic group.
- Persons who consider themselves to be, or believe that an employer might consider them to be, a person with a disability (e.g., long-term or recurring physical, mental or learning impairment) have an average engagement score of 55 per cent, a full 10 percentage points below the average score of those who do not have a disability.
- Average engagement scores increase with age. Seventy-eight percent of the oldest employees are engaged, while only 63 per cent of the youngest are.
- Sixty-four per cent of men are engaged versus 66 per cent of women.

- While engagement is high for recently hired employees—75 per cent for those who have less than a year’s service—it drops dramatically after that to 65 per cent for those who have between one and two years’ service. Engagement doesn’t begin to pick up until employees have more than 10 years’ service, reaching an average of 72 per cent when they have been with a company for more than 25 years.

“Hewitt’s research indicates that Canadian organizations are having significant success in assimilating many demographic segments,” stated Crawford. “Of the four groups designated under the federal *Employment Equity Act*, women and visible minorities have engagement scores that are at least on par with other employees, with Aboriginal employees vary close to par. There is clearly more work to be done to fully engage disabled employees. This is particularly important with the increasing acknowledgement and acceptance of a much broader definition of physical and mental conditions that impact an individual’s ability to perform their job.”

The statistics related to age and length of service are of real concern, however, regardless of other demographics. “When engagement scores suffer such a significant drop after the first year on the job, it’s clear that employees don’t feel like they’re getting what they were promised or they are not a good fit for the organization that hired them,” said Crawford. “Once the honeymoon’s over, they’ll start to look for another position, particularly if they are younger employees.”

Inclusion: Engaging a Diverse Mix of Employees

What can employers do to create a more inclusive work environment and drive employee engagement higher? The following practices are used by organizations that have high engagement scores for diverse members of their employee population.

1. **Establish a business case for diversity.** It’s essential that all employees—front-line workers right through to leaders—understand the organization’s need to build a highly diverse workforce in order to get their support.
2. **Increase awareness and knowledge.** Employees, particularly managers, may need some education to make them more aware of cultural or other differences. Managers need the training, coaching and support so that they can confidently manage a diverse team on a day-to-day basis
3. **Use targeted communication to get the message across to different groups.** Without targeted communication focused on specific groups, many employees may not understand the value of their current employment deal. For example, younger employees may not recognize the value of a retirement savings plan.

4. **Understand what various employees want from their employment experience.** Hewitt's *Best Employer* research has looked at what factors attract and retain different demographic segments of the labour market. Some factors are common to all employee groups—doing interesting work, having a supportive supervisor, work/life balance and a sense of achievement. However, other factors, like salary, are more important for some groups than others.

5. **Build a flexible employment deal that can meet a broad range of needs.** Increasing workforce diversity means that employee needs will be more diverse. The best response is to make the employment “deal” or arrangement more flexible. Regardless of demographics, *Best Employers* data shows that employees who say they have flexibility in their work arrangements are more engaged. Such arrangements can include working from home at least part of the time, adjustable work hours, the flexibility to leave work for short periods to deal with personal commitments or to adjust duties/responsibilities to meet personal commitments.

“Creating an inclusive workplace that retains and engages a diverse workforce is complex,” stated Crawford. “However, increasing diversity needs to be an integral part of every organization’s business strategy. Some employers have done a great job of attracting a diverse workforce—their challenge is take action to fully engage these employees to ensure they stay with the organization and strive to make it a success.”

To see the 2008 list of the 50 Best Employers in Canada, please visit the Best Employers Web site at www.hewitt.com/bestemployerscanada. For additional information about the Best Employers in Canada study, or to speak with one of the year’s Best Employers or a consultant from Hewitt Associates, please contact Marcia McDougall, (416) 225-5001, marcia.mcdougall@hewitt.com

About Hewitt Associates. With more than 65 years of experience, Hewitt Associates (NYSE: HEW) is the world’s foremost provider of human resources outsourcing and consulting services. The firm consults with more than 2,300 companies and administers human resources, health care, payroll, and retirement programs on behalf of more than 340 companies to millions of employees and retirees worldwide. Located in 35 countries, including Canadian offices in Toronto, Montreal, Vancouver, Calgary and Regina, Hewitt employs approximately 24,000 associates. For more information, please visit www.hewitt.com.

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