With the recent economic surge in the West and the cresting wave of baby boomer retirements, Canadian organizations are beginning to see their workforce numbers decline. In Alberta, for example, there are so few workers to meet the job demand that McDonald's is paying $15 an hour, and many bookstores, coffee shops and department stores have to close at 4:30 p.m. because there is no one to mind the store.

The current acute labour shortage in Alberta is an early warning of the upcoming crisis that the whole country will soon face. Though the Canadian labour force has grown by 226,000 per year for the last 25 years, it has begun to experience a precipitous drop. This decade, it will grow by only 123,000. By 2010, annual growth will decrease to 42,000, and by 2016, growth will be near zero, resulting in close to one million jobs in Canada that cannot be filled.

These alarming trends make it imperative that Canadian firms attract talent from every corner of the country and even other parts of the world. In order to meet demand, employers are beginning to realize that they will have to turn to previously untapped sources of talent. The Canadian workforce will, by necessity, become more diverse.

Diversity and Inclusion

According to data from Human Resources and Social Development Canada, it is expected that, by 2016, two-thirds of the Canadian population aged 15 to 64 will be made up of the four designated groups targeted by the federal Employment Equity Act: women, Aboriginal persons, visible minorities and persons with disabilities. According to 2006 research conducted by the

At Scotiabank, Diversity is About Removing Barriers

Scotiabank Group is a firm believer in diversity being good for business. Its diversity initiatives are less about compliance and more about having an employee population that mirrors its customers. However, there are additional benefits to diversity, according to Cory Garlough, vice-president, employment relationships. "Having a more diverse workforce has resulted in more creativity and innovation in our services," he explains. "Input from a variety of different groups influences everything from branch layout to marketing materials."

Scotiabank operates under an "inclusive umbrella," reaching out to attract and retain many diverse groups of employees through university recruitment efforts, specialized career fairs and targeted recruitment materials. A central budget—the Scotiability Fund—has been established to pay for any measures required to accommodate disabled workers, so that funding is not an issue for any of its departments or branches. "Our goal is to remove barriers so that employees who have disabilities feel comfortable that they can be accommodated and successful," says Garlough.

On Dec. 3, 2007, International Day of Disabled Persons, Scotiabank celebrated internally by providing employees with an Inclusive Workplace Guide on Disability Awareness. The goal was to provide employees with insight on how to remove barriers and how to show respect for persons with disabilities.

The message has been reinforced externally through Scotiabank’s “Days of Awareness” displays, where booths are set up to explain different kinds of disabilities and to enhance awareness of the challenges that people with disabilities face. “People were able to experience the perspective of an individual with a visual impairment who uses a white cane,” explains Garlough. “Individuals can see how changes can easily be made to accommodate people with disabilities.”

“We understand that no two disabilities are alike—no two people are alike—so that accommodation will differ according to the individual," says Garlough. “While a brief glimpse into the world of a person with a disability cannot provide a deep level of appreciation as to the barriers that people with disabilities face every day in different situations, it can provide a window of insight into their daily challenges.”
Conference Board of Canada, however, many employers have yet to achieve basic representation rates that match or exceed Canadian labour force availability rates for these groups.

The fact that Canada and many other parts of the globe are dealing with a skills and labour shortage means that employers will not only have to adjust their mindsets to recruit diverse workers, but they will also have to adapt human resources (HR) practices and policies to retain and engage them. Diversity is about the mix; inclusion is about making the mix work. Organizations will need to get the mix through targeted sourcing, interviewing, hiring and onboarding efforts. Then, they’ll have to make certain that the mix is working by ensuring that all individuals feel part of the organization’s overall community.

The Business Case for Diversity
The 2006 Conference Board Report on Diversity: Priorities, Practices and Performance in Canadian Organizations indicates that, while many organizations have policies and programs in place to support diversity, they lack strategies, success measures and leadership commitment. A recent study of 800 Ontario organizations by the Human Resources

BC Biomedical Engages Employees to Reflect its Clients

BC Biomedical Laboratories Inc. (BC Biomedical) provides medical diagnostic testing throughout B.C.’s Lower Mainland. Its medical lab assistants and technologists serve 1.7 million patients each year in patient service centres.

“Recent data from Statistics Canada indicates that we’re a nation of newcomers,” says Jane Graydon, director, human resources. “It’s extremely important for our workforce to reflect the community. Patients must be able to communicate and understand everything when receiving medical care.” To this end, monthly reports are circulated indicating the languages in which employees are proficient so that employees can easily help translate for patients.

When hiring, BC Biomedical keeps diversity in mind. “We have an employee population that celebrates multiculturalism,” Graydon explains. “That’s expressed in everything from international potluck meals through to stories in our internal newsletter about travel, sometimes featuring articles from employees who have returned to their homelands for a visit.”

Interestingly, while BC Biomedical’s employees are diverse in ethnic background, 90% of its employees are women. “This wasn’t a conscious decision,” states Graydon. “It’s simply because those who have the education and credentials we’re looking for are primarily women.” The workforce makeup has encouraged BC Biomedical to introduce several female/family-friendly human resources programs, including job-sharing, flexible hours and “nine-day fortnights,” in which employees get an extra day off every two weeks. Almost 60% of BC Biomedical employees work less than 35 hours per week, but 92% still receive full benefits packages.
Conexus Looks in its Own Backyard for Talent

Conexus, a financial services provider headquartered in Regina, turned to Aboriginal communities just outside of the city when looking for new employees. “We don’t have a lot of new immigrants in Saskatchewan,” explains Gayle Johnson, executive vice-president, human resources, marketing and community development. “so it made sense—both from a business and social responsibility perspective—to turn to our Aboriginal population for new employees.”

Conexus attributes its success in attracting and retaining Aboriginal employees to a number of key initiatives.

- Human resources (HR) representatives from Conexus meet with the chief and band members in the community before the recruitment process begins. Once they explain the initiative and have the endorsement of these senior tribe members, they meet with community members.
- Conexus introduced education and awareness training for its staff two years ago so that employees would understand and respect Aboriginal culture. More intensive training was provided for managers immediately before the arrival of the first group of Aboriginal employees.
- Aboriginal employees are hired in groups of 10 so that they have companionship and support during the onboarding period.
- Conexus provides an eight- to 10-week training program for its Aboriginal employees and has brought in tribe elders to help with communication. The program covers more than banking; it also provides social skills and training in personal finances, such as budgeting and how to use a chequing account.

Aboriginal employees are now holding financial services and administrative roles at Conexus. “We haven’t had to make any changes to our HR programs to accommodate these new employees,” says Johnson. “The flexibility of our HR policies was in place prior to the organization embarking on the recruitment program with Aboriginal people.”

However, some customs required a readjustment in thinking on the part of HR and management. For example, in the Aboriginal community, funerals are attended by a large, extended “family” even though some may not be blood relatives. “We have been able to accommodate requests for time off by providing flexible work arrangements, including a bank of personal days that are available for employees to use at their own discretion,” Johnson states. “That flexibility is key in meeting the needs of a diverse workforce.”

However, some organizations are further along than others in addressing these challenges, and organizations with high levels of employee engagement may be better prepared. The results of Hewitt Associates’ 2008 Best Employers in Canada study show that 74% of the senior leaders of high-engagement organizations say that they have implemented programs and/or practices to respond to the increasing diversity of their workforces, compared to only 49% in low-engagement organizations.

These findings suggest that there are other reasons beyond just staffing to expand a company’s pool of talent—reasons that have a direct impact on business success. Establishing an inclusive work environment, in which all employees feel that their knowledge and skills are valued, improves an organization’s ability to attract, retain and engage available workers, while also enhancing productivity and performance.

Canada’s increasingly diverse population not only makes more varied talent available, but it also creates a more diverse customer base. Businesses that don’t know how to sell their products and services to this emerging marketplace will lose market share. And the easiest way to determine how best to sell to diverse consumers is to have a diverse employee population that reflects the customer base and understands what it’s looking for.

Every organization will need to answer for itself the question: Why is diversity important? If a diversity agenda is being pursued solely because it’s the “right thing to do,” or because the company is compelled to do so for legislative reasons, then the success of any diversity initiatives will be limited.

However, the Conference Board notes that the tide seems to be turning with respect to the rationale for workplace diversity. Employers are shifting their approach from a compliance-driven focus on employment equity to a business-driven focus, and they are beginning to see diversity not as a requirement but as an opportunity. Organizations that already have a diverse workforce have a significant opportunity to maximize the contributions of all employees by focusing on developing and nurturing an inclusive culture.

This linkage between diversity and business results must be shared broadly with employees at the organization. Everyone must understand why efforts to develop a more diverse workforce are important for the company’s success—otherwise, it will be difficult to create a truly inclusive work environment.

Developing a Diversity Strategy

Once there is commitment to having a diverse workforce, the organization must develop a strategy that is aligned with its business objectives. The strategy requires the organization to clarify expectations, responsibilities and accountabilities for achieving the stated goals. And its goal must not just be to recruit diverse workers.
but also to develop a culture of inclusion.

The Conference Board observes that, whether responsibility for diversity lies within HR or within an autonomous area, success for implementing the strategy often relies on company executives becoming diversity champions. Leadership has to “walk the talk.”

From there, efforts may extend to education initiatives, diversity councils and mentoring programs, and partnerships with external diversity associations. One of the key objectives should be to get middle managers on board so that diversity initiatives don’t hit any roadblocks, which means providing them with the knowledge and the tools they’ll need to implement new policies and practices to measure success.

Attracting, Retaining and Engaging Diverse Groups

If most Canadian employers are lagging in their diversity recruitment efforts, some are experiencing a degree of success. Employee engagement statistics from Hewitt’s 2008 Best Employers in Canada study and its 2008 Best Small & Medium Employers study indicate that, while average overall employee engagement for the 142 study participants was 64%, average scores for women and visible minorities were higher (66% and 65%, respectively), and engagement for Aboriginal employees was the same (64%). The most significant gap was among persons with disabilities, who had an average engagement score of 55%.

The study also looked at what factors attract and retain different segments of the labour market. The results show that certain factors are common to all employee groups, including doing interesting work, having a supportive supervisor, work/life balance and having a sense of achievement. However, other factors are more important for some groups than for others. For example, while a good salary ranks high with employees overall, and with women to only a slighter lesser extent, it is less important to Aboriginals and to visible minorities, and of little importance to people with disabilities.

Ideally, employers will create specialized practices to meet the needs of the groups they want to attract and retain. For example, if a company wants to provide a positive work experience for employees in the Aboriginal community, it should pay particular attention to providing these workers with access to the information they need to do their jobs, as well as ensuring them of the security of their employment. If efforts are underway to recruit people with disabilities, the focus should be on benefits, as well as on job security.

Of course, the four Employment Equity Act groups are only one component of Canada’s labour market. Beyond gender, ethnicity and scope of capability, the concept of diversity includes age/generation, religion, sexual orientation and many other differences. And while members of these groups will share some elements of the work experience, their needs will also differ. For example, to a mother, work/life balance may mean the ability to take time off to care for a sick child. But to a member of the Aboriginal community, it may mean the opportunity to take part in the annual hunt, and to an older employee, the possibility of spending four weeks down South each year. In order to meet all of these needs, employers must be flexible in their HR policies and practices.

Embedding Diversity into HR Programs and Services

Marketers spend a lot of time and money figuring out how to influence consumer behaviour—not only emotionally, but to make them take action to buy a product, go on a trip or support a cause. Their messages vary by demographic group, and while not all members within a group will react the same way, there is enough of a pattern for marketers to successfully reach target groups time and time again.

In today’s economy, where the demand for workers often exceeds the supply, employers must develop more of a marketing orientation in order to become employers of choice. As the Best Employers survey demonstrates, different demographic groups tend to approach the issues of health, wealth and career in different ways. HR professionals must view the talent pool in terms of a customer base for performance management, career/development opportunities and benefits. Designing programs to which various groups will want to belong is really an exercise in multicultural marketing.

However, providing flexible programs that meet individual needs is only half the battle—it doesn’t matter how suitable the programs are if employees don’t actually use them. All employees must become educated consumers, empowered to make decisions that optimize the effectiveness, financial efficiency and appreciation of the programs at a personal level.

Targeted communication may help motivate various groups to take action. For example, when looking at retirement savings, some employers are already using customized, specific messages to target younger and older employees. However, employers should not be aiming to have separate communication initiatives for each demographic group, as there is some overlap between them. It’s much more efficient to develop campaigns around behavioural drivers (e.g., “inexperienced with investing” and “very experienced with investing”) rather than explicitly around a given diverse group. One-size-fits-all is not effective, and “all-sizes-fit-all” is cost-prohibitive—so the new approach is really “several-sizes-fit-most.”

And it’s not only the choice of message that’s important, but also the medium. For instance, certain U.S. studies (e.g., a July 2005 study by Ariel Capital Management/Charles Schwab and Hewitt’s 2006 survey How Well Are Employees Saving and Investing in 401(k) Plans?) have found that African-Americans and Latinos may be less inclined to use the Internet and often respond better to face-to-face presentations and workshops. Understanding these cultural tendencies, communication campaigns can assume a marketing approach to help get individuals more comfortable with using the Web or other communication channels.

Attracting a diverse workforce can be a challenge for Canadian organizations, and creating an inclusive workplace that retains and engages these employees is even more complex. However, increasing diversity is not only inevitable; it is an integral part of a successful organization’s business strategy. The challenge is not only to attract a diverse workforce, but also to maximize the company’s return on investment by fully engaging these employees. And it may become a matter of survival—organizations that fail to act on diversity initiatives will soon find the available talent pool slowly drying up.

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