

Diversity and Inclusion Strategy 2015/16

Summary

This document sets out the strategy for building a diverse and inclusive workplace culture, where diversity is valued, embraced & leveraged to increase individual, team and organisation capability

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1. Vision

To build TransGrid capability by creating a diverse and inclusive workplace in which all employees feel valued and included and able to fully contribute to the best of their ability to increase organisation success

To achieve our vision we will focus on shifting our workplace culture from diversity compliance to a culture where diversity is valued, embraced & leveraged to increase individual, team and organisation capability. This will require us to implement targeted interventions to deliver a level playing field for all employees with an ongoing commitment to merit based employment at TransGrid

2. Rationale

At TransGrid we value workforce diversity and are committed to an inclusive workplace not just because it provides our people with the best place to work. We recognise that diversity of thought drives better and more holistic business decisions in the ever-changing environment. This in turn provides our people with better opportunities which results in greater employee engagement.

Encouraging workforce diversity is a business imperative. People are leaving the workforce in greater numbers than they are entering it, so workforce diversity is no longer a “nice to have” - it’s critical to building a sustainable workforce for the future.

A strategic approach to diversity and inclusion reduces absenteeism and employee turnover and increases employee engagement, discretionary effort and workplace productivity. Complex problems are considered from different and broader perspectives, fostering diversity of thought and more innovative solutions that will increase organisation effectiveness and sustainability.

International research shows that companies with a high focus on diversity and inclusion achieve a 30% increase in customer service, 80% increase in organisational performance, 83% increase in innovation, 42% increase in team collaboration and 100% increase in employee engagement.

The evidence is in that well managed diverse teams of problem-solvers outperform groups of the best individuals at solving problems. The research also shows a mixture of genders, ethnic backgrounds and ages in senior management teams correlates with superior performance.

What’s more, gender diversity brings with it a pool of available, skilled, workers. In the Australian population, 73% of young men and 83% of young women are attaining year 12, and 41% of all Australian women between 25 and 29 have a university degree compared with 33% of men.

3. Benefits and Risks

Through implementation of the new strategy, TransGrid has the potential to:

- Increase the representation of women, Culturally and Linguistically Diverse employees, Aboriginal and Torres Strait Islander employees, People with Disabilities, LGBTI employees, and employees of all ages where they are under-represented across the business
- Attract and retain talent
- Increase leadership diversity, thereby enhancing decision making quality, risk identification and business productivity
- Provide a more inclusive and engaging environment for all employees

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- Help connect and build collaboration and sharing of best practice across TransGrid e.g., operational and professional employees, union/management, and across Departments.

As a consequence, diverse employees would feel more included and valued and more able to fulfil their career potential.

Leaders and employees who participated in the consultation process agree that having a more diverse workforce and more women and diverse groups in leadership would enhance TransGrid’s community engagement and service delivery performance, and there is an ‘appetite for change’ from leaders and diverse employees to value and leverage diversity and inclusion to increase organisation effectiveness. There was also general agreement that diversity of background and experience brings different ideas, avoids ‘group-think’ and generates better outcomes.

Research commissioned by Deloitte Australia and the Victorian Equal Opportunity and Human Rights Commissioner in 2012 indicates uplift in engagement of 100% for each employee who feels included, an associated 20% increase in discretionary effort, increased innovation by 83% for diverse teams managed well and a stronger external brand.

4. Measures

The following measurable outcomes are achievable by 2017 given a concerted effort to implement the Diversity and Inclusion Strategy

- A more diverse workforce at all levels (particularly leadership) which is highly engaged
- Inclusive leaders and employees who are able to harness the business benefits of diversity and inclusion (from HRIS data and engagement survey)
- Flexible work & careers are seen as part of who we are and how we do business (from engagement survey and pulse surveys)
- A workplace which is seen as inclusive and equitable by employees (from engagement survey)
- Robust and inclusive HR frameworks, policies, systems and processes that are delivering desired diversity outcomes (from HRIS data)

2016/2016 Diversity Targets	
Women	21% of all employees (1/3 of all new hires)
	20% of all leaders
	7% of operational & engineering roles
Aboriginal & Torres Strait Islander	1.5% of all employees (50% increase)
Culturally & linguistically diverse	22% of all employees
Disability	4.5% of all employees have a disability
	2% of all employees have a disability requiring adjustment at work

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5. SWOT analysis

5.1 Strengths

- Enhancing diversity has been identified as a key enabler in the Corporate Plan to building a high performance culture at TransGrid
- In recent years, TransGrid has implemented a range of best-practice diversity policies, recruitment practices and targets to increase the diversity of the workforce. These provide a solid diversity policy and practice foundation that will allow TransGrid to embark on a more strategic diversity and inclusion path.
- There is an 'appetite for change' from leaders and diverse employees to value and leverage diversity and inclusion to increase organisation effectiveness
- A dedicated resource has been assigned to implementing and embedding the strategy in the organisation

5.2 Weaknesses

- While genuine progress has been made women continue to be strongly over-represented in lower level roles and under-represented in technical roles and leadership positions.
- Progress has also been slow in increasing the number of Aboriginal and Torres Strait Islander employees, employees from culturally diverse backgrounds and employees with disabilities, relative to employment targets adopted by the Board.

5.3 Opportunities

- Development and leverage of a diverse, flexible workforce, and an inclusive culture can improve business performance and create competitive advantage
- Inclusive cultures and diverse, flexible teams require strong, inclusive and adaptive leadership. TransGrid's leaders recognise this and have the ability and potential to deliver
- A robust diversity and inclusion strategy, which drives well-targeted and initiatives, aligned to TransGrid's business and culture development, will enhance performance and unlock potential – of employees and leaders
- We can lead the market with the focus on excellence and provision of safe reliable and efficient transmission services which will also enable us to attract & retain key people.

5.4 Threats

- The workforce from which TransGrid draws its future talent is shrinking, and has more choices and seeks flexibility
- TransGrid's markets are changing rapidly and fundamentally, and are increasingly competitive. Doing (and being) the same will not ensure sustainable business and community success for TransGrid

6. Current State

Senior leaders understand the intellectual diversity business case, but are not all on the same page in understanding their role in challenging the status quo and what they need to do to translate diversity policy into consistent practice. Diversity and inclusion is owned and managed by HR resulting in a tolerance and

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acceptance outcome for employees, rather than being owned and driven by the senior leadership team to increase business performance. Overall, workforce diversity tends to be tolerated and passively accepted rather than embraced or leveraged and not all leaders understand the business case for diversity and inclusion or 'buy in'.

Leaders have not been aware of the impact that their unconscious biases have on selecting, developing and promoting the best person for the job, as they have not had access to education to develop inclusive leadership capabilities. This has begun to be addressed with the 2015 roll out of unconscious bias training for all people leaders; however with a 65% participation rate, understanding of unconscious bias is not consistent.

Employees are generally collaborative and respectful to each other with a family approach and believe TransGrid selects the best person for the job based on the skills required. Diverse employees have an inconsistent experience of feeling included and that their contribution is valued, that is manager and business unit/department dependent. Employees are not aware of the role unconscious bias and systemic barriers play in undermining merit based recruitment, career development, promotion and reward and have a limited sense of the contribution they can and should make in promoting diversity and inclusion at TransGrid (such as role-modelling inclusive behaviours within teams).

Targeted recruitment processes are delivering diverse appointments and TransGrid is successfully attracting diverse talent in a highly competitive marketplace, but targeted retention and career development and acceleration processes are not in place (e.g. career development workshops, mentoring, and sponsorship) to grow a robust diverse talent pipeline to leadership roles. Despite pockets of best practice career development, currently career progression of diverse employees is patchy and manager and department dependant, and targeted internal career development interventions are not yet in place for diverse employees to grow a robust pipeline of diverse internal talent for TransGrid. The People & Culture Talent Management Framework to be implemented in 2015/16 will address this gap.

Diversity targets are in place for women, Aboriginal and Torres Islander employees, CALD employees and people with disabilities but not for LGBTI employees or for age inclusion. Opportunities such as this exist to integrate diversity and inclusion and deliver better outcomes into all HR policies and practices which support the people strategy and the development of an inclusive culture.

Career flexibility is limited undermining the development of diverse talent pipeline for leadership roles. Default assumption is that flexibility is "special treatment" for working mothers rather than something relevant and potentially available to everyone at all stages of their career, currently flexibility is implemented inconsistently at managers' discretion and not positioned as a strategic business enabler for higher engagement, discretionary effort and retention. A polarised situation exists currently: some employees see flexibility as an entitlement rather than a 'two way street' whilst others do not have access to flexibility or feel empowered to ask for it, and some leaders see flexibility as an inconvenience rather than adding value to the business, e.g. by improving talent attraction and retention.

The 2015 Engagement Survey will provide an initial benchmark analysis of levels of inclusion and engagement against gender, age, ATSI, CALD and disability differences. Further, analysis of recruitment data is other key HR process metrics could be expanded, which would strengthen effective governance and leadership accountability for diversity and inclusion.

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7. Action Plan

7.1 Keep, Stop, Start

We will keep best-practice diversity policies, recruitment practices and targets to increase the diversity of the workforce.

We should stop inconsistently implementing flexibility.

We need to start communicating the case for change.

7.2 Action plan table:

Focus Area	Actions	Outcome	Responsibility	Timeframe FY15/16
Women	Renew employee network	Engage employees	Workforce Planning and Diversity	Q1 – Q2
	Undertake a gender pay equity review	Strengthen Leadership and Accountability	Remuneration and Benefits	Q1
	Career development interventions	Build a diverse pipeline of talent	Organisational Development	Q3
	Communicate a gender diverse flexibility narrative	Deliver more consistent flexible working for both female & male employees	Communications & Workforce Planning and Diversity	Ongoing
	Commence 14 month White Ribbon accreditation program	Integrate diversity & inclusion best practice into HR systems and processes	People & Culture	Q3
ATSI	Establish employee network	Engage employees	Workforce Planning and Diversity	Q1- Q2
	Review recruitment actions and separations to identify why candidates have been unsuccessful or departed	Build a diverse pipeline of talent	Workforce Planning and Diversity	Ongoing
	Source dedicated ATSI mentors	Build a diverse pipeline of talent	Workforce Planning and Diversity	Q2
	Establish pay equity reviews as annual process	Strengthen Leadership and Accountability & Integrate diversity & inclusion best practice into HR systems and processes	Remuneration and Benefits & Workforce Planning and Diversity	Q4
	Deliver cultural awareness training	Educate Leaders & Engage employees	Workforce Planning and Diversity	Q4
	Develop a Reconciliation Action Plan	Integrate diversity & inclusion best practice into HR systems and processes	Workforce Planning and Diversity	Q4

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CALD	Establish employee network	Engage employees	Workforce Planning and Diversity	Q1 – Q2
	Apply a diverse lens over communications content	Engage employees	Communications	Ongoing
	Apply a diverse lens over development programs	Leverage diversity of thought & Build a diverse pipeline of talent	Organisational Development	Q3
	Leverage existing innovation resources across the business	Leverage diversity of thought	People & Culture	Q3
	Establish pay equity reviews as annual process	Strengthen Leadership and Accountability & Integrate diversity & inclusion best practice into HR systems and processes	Remuneration and Benefits & Workforce Planning and Diversity	Q4
Disability	Establish employee network	Engage employees	Workforce Planning and Diversity	Q1 – Q2
	Partner with specialist recruitment providers	Build a diverse pipeline of talent	Workforce Planning and Diversity & HRBPs	Ongoing
	Educate leaders about unconscious bias and inclusive leadership	Educate Leaders	Workforce Planning and Diversity	Q1
	Improve reporting by combining WHS and Ellipse data	Strengthen Leadership and Accountability	Workforce Planning and Diversity	Q1
	Establish pay equity reviews as annual process	Strengthen Leadership and Accountability & Integrate diversity & inclusion best practice into HR systems and processes	Remuneration and Benefits & Workforce Planning and Diversity	Q4
Age	Integrate flexibility training in the Leadership Development Framework to ensure give and take flexibility is applied consistently	Educate leaders & Deliver more consistent flexible working for both female & male employees	Workforce Planning and Diversity	Q1
	Build awareness of the support available to carers	Integrate diversity & inclusion best practice into HR systems and processes	Workforce Planning and Diversity	Q2
	Develop targets for the 2017 Corporate Plan	Strengthen Leadership and Accountability	Workforce Planning and Diversity	Q4

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8. Change History

Revision no	Approved by	Amendment
0	Robyn Smith	Establishment of 2015/16 strategy

9. References

Diversity and Inclusion Council Charter

Anti-discrimination Harassment and Bullying Policy

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