Executive Summary

Consumers Energy, a major Michigan utility company, has a turnover rate of 2%. They wanted to find out why people are leaving, and who the people are that are leaving. Human resources asked the people who left and these previous employees said they left due to their managers and come to find out, human resources researched who were the people that were leaving and a majority of them are minority females. This poses an issue with Consumers Energy, who was just named Michigan number one diverse company by Forbes (Consumers Energy, 2018).

Being a diverse workforce, Consumers Energy knows that when employees feel valued, respected, and cared for, employees will stay at that company and there are payoffs that include attracting and retaining the best talent, attract and retain customers and suppliers, increase productivity and contribute to social responsibility (Carr-Ruffino, 2012). It is important that the leadership at Consumers Energy understands why it is important to have a diverse and inclusive workplace to create a culture that employees want to continue their career and change the future for Consumer Energy.

There is a culture at Consumers Energy and a culture within in departments. Culture is formed based on the people and what they perceive is reality and share as in attitudes, values, and goals (“Culture”, n.d.). Consumers Energy would like to see their leadership help create and support a healthy and safe culture for all employees. To have the leadership do this, the current program, Valuing Our Difference, which is a one-time class, will now be an annual class for all employees. The leadership level of employees will get a high-level diversity and inclusive training along with emotional awareness training to help the leadership become more self-aware.
A Diverse, Inclusive Culture

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Consumers Energy, a major Michigan utility company, has a very low turnover rate of 2%, but every company wants to know who and why people leave their company. When asked why they leave, it was told to human resources that it was because of their managers or leadership, not because they didn’t like the company. When looking at who is leaving, it came as a shock that a majority of the 2% are mainly minority females. Today’s business world, companies focus on becoming more diverse and inclusive because it is proven that these correlate with retention of employees. Consumers Energy knows that they are more productive, innovative, and creative when they retain employees. This paper will explore what kind of diversity training at the leadership level to promote a more diverse and inclusive workplace.

Knowing that employees are leaving due to their managers, Consumers Energy’s Training and Development department recommended three new trainings to help retain employees, with a focus on the diverse employees. These trainings include a new onboarding process, leadership training, and diversity, inclusion, and culture training. Consumers Energy will want the entire workforce to go through the diversity and inclusion and culture training to create the workplace that all employees want to stay at.

Employees want to work for a company that is diverse because it allows the employee to bring their whole self to work. This allows employees to bring all their creativity, experience and to empower them to be their authentic self to foster productivity while at Consumers Energy. The training that is now in place is only a one-time training and is currently not being prioritized by the leadership. It is important for the leadership, including first line managers to understand the reason why diversity and inclusion are important to create a culture that employees want to stay at. Managers must embrace all the employees and what they bring to Consumer Energy. This will help create a workplace where people will want to come and work and retire from.
Why a Diverse Workforce?

Consumers Energy has always strive to be the best in the business when it comes to the utility industry, and today is not different. They want to continue to be the best and with ongoing competitiveness and being in the spotlight daily, they strive for excellence in all areas, diversity and inclusion being part of that vision. Having a diverse and inclusive workplace not only allows employees to remove the inherent limitations they may see others with but also it allows employees to bring their whole self to work. Minorities are not willing to fit into a corporate culture that require them to squish important parts of their identity. There are many payoffs as well for being a company that is truly diverse and inclusive. These payoffs can include attracting and retaining the best talent, customers and suppliers, increase productivity and contribute to social responsibility. One payoff is also improving the quality of management (Carr-Ruffino, 2012). In considering the information Consumers Energy knows in regards to why employees are leaving, the quality of management within is a concern they will need to work on. Educating the leadership on why diversity and inclusion is important is one of the trainings that will be held with information about the workforce not only within Consumers Energy, but also information on how diverse the State of Michigan is.

Michigan in general is becoming more diverse as time goes on. As of July 1, 2016, the population of Michigan was 9,928,300, where 50.8% of that population were females, 79.6% were White/Caucasian, 14.2% were Black or African American, .7% American Indian/Alaskan Native, 3.1% Asian, 5% Hispanic and 2.4% identified with two or more races (Michigan, 2016). With Michigan becoming more divers, we will start seeing a more diverse workforce. Carr-Ruffino (2012) stated that the workplace is becoming more diverse with time, but when looking at the Fortune 500 company statistics, senior level management was still ruled by Euro-American
men. Consumers Energy had 8,006 employees as of December 31st, 2017, of which 71.5% are male and 62.4% are Caucasian, 28.5% being females and only 5% of those females in a minority grouping (Consumers Energy Workforce Profile Sheet, 2017). Having a diverse workforce is beneficial to not only to the employee but also to the company. Council (2001) stated “A diversified workforce allows people to socialize and relax with coworkers, which leads to higher job satisfaction and less employee turnover” (p. 23). Consumers Energy’s Human Resource department is constantly attending job fairs and recruiting to find the most talented and at times, diverse employees. Kinicki and Fugate (2012) explains that when you have a economy like we do, a more knowledge based and service-oriented one, “the success of many firms has shifted from acquisition of tangible (physical) resources to the accumulation of intangible (human) resources” (p. 8). But once these employees are hired, Consumers Energy has to create a diverse and inclusive workplace and a culture where employees want to stay. They want the right kind of people “with the right combination of knowledge, skills, and motivation to excel represents human capital with the potential to give the organization a competitive advantage” (Kinicki & Fugate, 2012, p. 9). Consumers Energy must see that if an employee does not see a future with them, they will move on to a different job. Job satisfaction is crucial with retention of employees. Like Kinicki and Fugate (2012) explained “today’s executives are very concerned about recruiting and retaining talented people, developing employees’ skills, getting them fully engaged, and preparing for the day when valuable people retire or leave for another employer” (p. 9). So, the question that Consumers Energy can ask themselves is, what is currently being done currently that is helping to create a more diverse and inclusive workplace and is there a way to create a more diverse, inclusive workplace with the culture employees want to stay at?
Current Diversity and Inclusion Training at Consumers Energy

The current training at Consumers Energy in regards to diversity, inclusion and culture is called Valuing Our Differences (VOD). This workshop is a one-time, four-hour session that all employees have to go through. In the workshop, employees receive information on how everyone has different perspectives, everyone has many differences, and they receive tools on how to have difficult conversations. It is important that this type of training is pushed from top down. When the leadership is on board, they are able to push it down and continue to promote a diverse and inclusive workplace. The perfect place to start VOD is at the top.

Valuing Our Differences started in 2013 with the creator, Buck Davis, training all of Consumer Energy executives. In that same year, there were 10 sessions held and 514 employees were trained. Between 2014-2106 there were 98 days of 2 sessions offered and a total of 2,506 employees attended. If each seat was to be filled in every session since 2014, 4,900 employees would have completed VOD each year. (Training and Education, 2018). That means that 2,394 opportunities were missed to educate Consumers Energy on diversity and inclusion. This poses a problem, with over 8,000 employees, that is only a little over 25% of the employees that are going through the required training. When looking at the Employee Engagement Diversity and Inclusion index scores for 2017, in every category, the percentages are down 1-3% from 2016. The categories include what employees feel about Consumers Energy and diversity and inclusion (DI Dashboard, 2018). With not many employees going through the training and the index ratings going down by 1-3%, there must be a strong diverse and inclusion feeling throughout the company. In 2017, Consumers Energy was named the best employer in diversity in Michigan by Forbes and number 13 in the nation (Consumers Energy, 2018). Having this award, Consumers
Energy is always continually looking for ways to stay on top and they know that it pays to be a diverse and inclusive workplace.

There are many payoffs to being a well diverse and inclusive workplace, which includes attracting and retaining the best talent, attract and retain customers and suppliers, increase productivity and contribute to social responsibility. Another payoff that will help Consumers Energy with their current issue of minority females leaving due to their managers is to improve the quality of management (Carr-Ruffino, 2012). Carr-Ruffino (2012) explained that in the next decade, a large number of new employees that come into the workforce will be females and minorities and from a new generation, so it is important to start a new program where the leaders will be the models, the people that demonstrate how to be the best in a diverse and inclusive workplace.

**Understanding Culture**

Employees look at their leadership to lead the way to success and to model the expectations that Consumers Energy has for all employees. Employees also look at the business culture that they are going to everyday. Webster Dictionary states that one of the ways to define culture is “the set of shared attitudes, values, goals, and practices that characterizes an institution or organization” (“Culture”, n.d.). It is how a group of employees perceives reality of the organization.

Culture includes all its elements, pervasiveness, and the impact upon Consumers Energy along with all the similarities and differences of all their employees (Carr-Ruffino, 2012). According to Carr-Ruffino (2012) “when cultural differences are understood and appreciated we tend to form cross-cultural relationship that broaden and deepen our worldviews, which in turn stimulates our thinking and creativity” (p.2). It has been said by employees of Consumers Energy
that the culture within the departments can be unbearable because of the manager and employee interaction. If an employee sees the manager give favor to others, they will risk low productivity, employee dissatisfaction, lack of commitment, and possibly sabotage (Carr-Ruffino, 2012). These are reasons why employees are leaving Consumers Energy. Carr-Ruffino (2012) stated “No one likes to be an outsider” (p.15). Not only does Consumer Energy have a culture as a whole, but each department has its own culture, as well as locations too. These cultures can be mixed with different genders and employees from different generations.

Consumers Energy has currently three generations in their workforce and is continually hiring all different age groups, so there is a possibility that a Millennial could be a supervisor to a Baby Boomer or to a Generation X. Millennials are not like other generation groups. Where work ethic is a defining measure of the Traditionalists, Baby Boomers, and Generation X, it is not for the Millennials (Stewart, Oliver, Cravens, & Oishi, 2017, p. 50). This could be an issue if you have a Baby Boomer working for a Millennial or vice versa. Even though there is no data on what generation the minority females fall in that are leaving Consumers Energy, because there are three generations in the company, this reason should not be ignored. At the end of 2017, Consumers Energy had 44.5% of Generation X’ers, 28.5% Baby Boomers, and 27% of Millennials (Consumers Energy Workforce Profile Sheet, 2017).

As Millennials enter the workforce, Baby Boomers are retiring daily. The Washington Post mentioned in July of 2014 that “Each day, 10,000 baby boomers retire” (Kessler, 2014, p.1). Having three different generations in the workplace can be challenging. Each generation is said to have their own stereotypes and myths. Even though conflict can be a part of everyday life in the workplace, this conflict can be traced back to the differences of generational orientation. As a manager, this is something that should be thought about with all employees. An older employee
might not feel as valued or appreciated anymore, but managers have to realize that is where the knowledge of the job lies, with the employees that have been there a long time.

One way to get all employees feeling valued and appreciated is to implement a new performance appraisal. This is where an employee’s contributions to the department will be discussed and not just their efforts towards the work being done. This will bring positivity to all employees. The manager will have to take into consideration what the employees need from them as a leader (Stewart et al. 2017, p.52). A Millennial could be in a need of something totally different than a Baby Boomer. Carr-Ruffino (2012) stated that the newer generation coming into the workforce will have more have a family and personal life and will not want to sacrifice their career success. Regardless of gender, this could pose an issue if the manager does not realize the need for more of a work/life balance.

Gender concerns at Consumers Energy is part of Human Resource’s recruitment tactics. With only have 28.5% of females in the workforce, Consumers Energy is working hard on recruiting females and retaining them (Workforce Profile Sheet, 2017). It is not said that the females that are leaving, are leaving due to male managers, but Consumers can focus on why and what females bring to the workplace.

Females can bring many positives to the workforce. Carr-Ruffino (2012) explained that feminine traits include being talkative, patient, cautious and thrifty. These four traits alone would help with communication and budget concerns at Consumers Energy. “Women and men are much more alike than not” Carr-Ruffino (2012, p.180) stated, “most differences are probably more cultural than genetic”. This statement claims that men can be talkative, patient, cautious and thrifty as well and proves that it is beneficial to have a good mix of both male and females in the workplace. “a variety of styles can be effective if the corporate culture values and embraces
gender differences” (Carr-Ruffino, 2012, p.217). If the corporate culture does not embrace gender differences, there could be some conflicts and disadvantages of having both men and women in the workplace. To learn to embrace the culture; diversity, inclusion and culture training will be given to all employees.

**Training and Implementation**

To help with retaining employees, training will be mandatory to all employees within Consumers Energy. High level training will be given to all managers and higher to help create a culture that all employees will want to be a part of. It is important that these trainings will support leadership to be able to teach all levels of employees how to treat everyone with respect and value one another for who they are and what they bring to Consumers Energy. Treating all employees equally and fairly, and also valuing diversity and inclusion, is the number one-way to retaining employees (Carr-Ruffino, 2012). One way to do this during training is to incorporate self-awareness and look at one’s own biases and assumptions. Carr-Ruffino (2012) explained that for a company to gain full productivity from employees, the employees must learn to move on from stereotyping each other. “The team must learn about each member’s unique values, abilities, expectation, and goals” (Carr-Ruffino, 2012, p. 20). Not only will the employees have to still attend VOD, but it will now be made an annual training for all employees. High levels will attend diversity, inclusion and cultural training that Training and Development professionals will be facilitating. One part of the culture training will include a section on emotional intelligence.

Emotional Intelligence plays a role in leadership because it is important that leaders are aware of their employee’s feelings, emotions, and what they could be thinking or the actions they are wanting to take (Prati, Douglas, Ferris, Ammeter, & Buckley, 2003). Harvard Business
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Review stated that a leader will be strong and successful if they are competent in self-awareness, self-regulation, motivation, empathy, and social skill, all which fall under emotional intelligence. The leaders that lacked emotional intelligence was shown to have lower annual performance scores than other leaders (Goleman, 2017). An emotional intelligence class will help leaders discover what emotional intelligence competencies they lack and where they are strong. This training will help leaders become more self-aware, diverse, and more inclusive. This will also help create the culture where Consumer Energy retains employees because the employees want to stay.

Creating a culture that attracts employees will be a main focus during the new trainings. A way to create the culture that Consumers Energy would like to see within their organization is to communicate and include all employees on the change. A culture is where the employee share beliefs and value that affect the day-to-day operations at Consumers Energy. Policies and procedures will be clearly defined because this gives the “employees a clear understanding of their rights and obligations in the workplace, they also help to establish and build on the culture” (Byrnes & Advantage, 2017, p. 7). Having a healthy culture can increase employee morale and will strengthen productivity. This type of training will give clarity to all employees and promote a positive workforce for all (Byrnes & Advantage, 2017).

Conclusion
Consumers Energy’s 2% turnover rate has caused the company to look further into who the employees are that are leaving and why they are leaving. Finding out that a majority of the 2% is minority females and they are leaving because of their managers has Consumers Energy looking at their leadership and training for the employees. The current diversity training that Consumers Energy has for their employees, Valuing Our Differences, is a one-time course that is not sufficient in the eyes of the Training and Development department. It is important to have a
well diverse workforce and to have diversity and inclusion that go along with it. When people value and respect one another and their differences, employee engagement, productivity, and morale increase.

Every business would like 100% employee engagement, productivity and an increase of employee morale to create a culture where an employee wants to stay and make a career in Consumers Energy’s organization. A part of diversity is understanding the culture and the people who are in it, including the generations. In the workplace today, it is possible to have four generations working together. Based off research, this could pose a problem with certain trait that each generation poses. To help Consumers Energy’s organization, the Training and development department will begin with Valuing Our Differences training and making it annual and for the high-level leaders, a more intensive diversity and inclusion training will be mandatory. A focus on culture will help employee morale and productivity which in turn will allow the employees to feel they are a part of an organization that truly cares about how people are treated. In the end, everyone just wants to be treated with respect and feel valued.
References


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