BUS5004 Decision Making

Assessment 2

Data Collection Platform Development

Individual Assignment

Name and Student No.

PHP Company

Introduction

This report, compiled for BHP's board, assesses the progress made towards the ambitious and aspirational goal to achieve gender balance (40% female employees) across BHP globally by

FY2025. In 2016, BHP announced its Inclusion and Diversity Strategy, which is rooted in the principle that leadership drives culture, and culture drives performance. (BHP, 2016). The commercial case for action on gender balance at BHP was also compelling. For the three years prior to announcing its gender balance target, BHP's internal data showed that the its most inclusive and gender diverse operations had outperformed the average on a range of measures, including lower injury rates, adherence to work plans and meeting production targets.

Andrew Mackenzie, who was the CEO in 2016 and chair of the Global Inclusion and Diversity Council recommended four priorities:

- embedding flexible working
- enabling supply chain partners to support their commitment to inclusion and diversity
- mitigating potential bias in their systems, behaviours, policies and processes
- ensuring their brand and industry were attractive to a diverse range of people (BHP, 2017).

The global mining industry, traditionally male-dominated, is facing pressures to adapt and diversify in a rapidly evolving technological landscape. Historically, women have been underrepresented in the mining sector at all levels. Only 5% of boards of directors in the world's 500 largest mining companies are women (Landau & Lewis, 2019). Such underrepresentation hampers the potential for a more equitable, inclusive, and sustainable governance in the mining industry. The situation is glaring in Sweden, where major mining companies report that 90-95% of blue-collar workers are male. (Abrahamson et al., 2014).

Gender diversity is not merely a matter of fairness. Research demonstrates a clear link between gender equality and key business outcomes such as employee retention, profitability, innovation, and sustainable growth. The "Breaking ore and gender patterns" agenda highlights the role of gender equality in driving sustainable development and fostering innovation within the mining sector (Abrahamson et al., 2014). Additionally, studies across sectors have shown that increased diversity corresponds with enhanced financial performance and improved risk assessment (Gomez & Bernet, 2019).

A significant shift is taking place in the mining industry, characterised by the increasing incorporation of digital technologies. Such advancements require a transition from the traditional masculine-centric leadership model to one that's transformational, emphasising community, trust, and data-driven decision-making (Abrahamsson et al., 2014). This pattern presents a convincing case for prioritising gender diversity. Despite this, women hold just 14% of executive roles, 10.3% of board positions, and 11.1% of C-suite executive roles in mining in 2022 according to S&P Global. In fact, among the top 100 global mining companies, female board representation is only 7.59% according to Price Waterhouse Coopers. (Sasikala & Sankaranarayanan, 2022).

BHP's 40% target aligns well with Kanter's claim that for gender-mixing to have truly positive effects, a workforce should be comprised of at least 30% women (Abrahamsson et al., 2014). In a landscape where many mining companies are yet to prioritise gender equality, BHP's strategic goal not only positions the company as a leader in diversity but also sets a benchmark for the industry at large.

Methodology

Secondary data was collected from BHP's annual reports published between 2014 to 2023. The data ranges of 2014 to 2023 were chosen as it provided 2 years of baseline data prior to the implementation of BHP's strategic goal. Other options of collecting and analysing the data would have been to start from 2016 when the goal was implemented or from 2012 which was earliest data available in my research. These variations of data collection may have altered the algebraic model of the data analysis.

The collection of time series data was found in the "people" section of each of the annual reports. It was identified during the collection of the data that BHP's definitions of employees altered throughout their annual reports. For example, male & female people leaders where not used as position descriptions in data published prior to 2020 but have been referenced in 2020 onwards. Data for male and female senior managers was not present in the 2023 annual report despite being reported in all other previous editions of the annual reports.

During the organisation of the data into tables a decision had to be made as to which data would be included to ensure that the data being analysed was consistent across time points and representative of the actual numbers of employees at BHP. All data that was reported in each annual report was included in this report, this involved assuming that BHP had varied job descriptions over the time span of the reports and that the numbers published in their annual reports were accurate and complete figures. An alternative method would have been to use the "female and male employees" classification only and leave out leaders, managers, executives, and board member classifications from the count (which had varying data available). It should be noted that results may vary if using this method or model.

Ultimately, It was decided that including this data was important to show the complete representation of female employees across all sectors of BHP. The importance of women is these roles has been indicated in the above literature. Another variable noticed was that BHP have both employees and contractors and that the numbers reported in their annual statements identify both subsections together. Results could also vary if only direct employees were counted and represented in the data, however due to using secondary data, it wasn't possible to differentiate the specific statistics of female employees in each category.

Data was entered into tables on the excel dashboard and formulas were used to reclassify the data from discrete data to percentages using a spreadsheet model. The percentage figures were then applied to create graphical models of the data, specifically a scatter plot graph was utilised to generate a trend line and an algebraic model was then used to calculate the exact date that BHP's gender equity goal would be achieved. The date identified through this process was 28th November 2028 which is more than 3 years after the target date.

Experimentation with the data showed that depending on what data groups and date ranges were used influenced the algebraic model and resultant predicted date achieved however in all cases it was evident that the ambitious target would not be achieved by FY2025 as proposed by BHP in 2016 without significant changes to their strategies.

Conclusion

In reviewing the presented report on gender diversity in the mining sector, it becomes evident that the mining industry is grappling with the formidable challenge of diversifying its traditionally male-dominated workforce. Two primary issues can be presented: the historical underrepresentation of women in mining and the evident benefits of gender diversity to businesses.

From an analytical standpoint, underrepresentation is underscored by the fact that only 5% of board members in the top 500 mining companies are women (Landau & Lewis, 2019). This statistic is reflective of an ingrained industry bias. Furthermore, while countries like Sweden mirror these bleak figures with 90-95% of blue-collar mining workers being male (Abrahamsson et al., 2014), it's vital to realise that this isn't merely a regional issue, but a global concern. These statistics show that while BHP is unlikely to reach their target by FY2025 they are still industry leaders in female employment across all tiers of the company.

Gender diversity, however, isn't just a metric for equality; it offers tangible business advantages. The link between gender equality and key business outcomes like profitability and innovation (Gomez & Bernet 2019), combined with the ongoing transition in mining towards data-driven decision-making (Abrahamsson et al., 2014), stresses the urgency of increasing female representation. The reality that women constitute only 14% of executive ranks and an even smaller percentage in board positions according to S&P Global in 2022, highlights the gap between the current reality and desired goals.

Considering the outlined issues, and guided by relevant concepts and principles, the following recommendations are proposed for BHP to aid in achieving their target:

- Intensified recruitment initiatives including launching targeted recruitment campaigns, aimed at women, for roles that have traditionally been male-dominated. Including training programs and internships for women to prepare them for roles in mining.
- Redesign of workplace culture by adopting a holistic approach to workplace transformation by fostering a culture of inclusion. Employee training programs

underlining the value of diversity and the reduction of biases to create environments where women feel valued and included.

- Flexible work arrangements which recognising the unique challenges women might face, particularly in roles traditionally occupied by men, is imperative to provide flexible work options, maternity leave, and childcare facilities which would assist in hiring and retaining female talent.
- Regular monitoring and reporting data on gender representation so that corrective actions can be taken quickly to ensure that the company stays on track to achieve its strategic goal while ensuring transparency and demonstrating commitment.

In concluding, BHP's goal of 40% female representation by FY2025 is both ambitious but necessary. It's a brave and industry leading response to historical imbalances and a reflects the advantages a diversified workforce offers. As BHP strives towards this aim, it not only stands to benefit internally from enhanced innovation and profitability but also positions itself as a leader in addressing a longstanding industry-wide challenge. The path to FY2025 might be fraught with challenges based on current data analysis, but with informed strategies and commitment, it's a goal well within reach, albeit if not by the initial planned time frame.

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