

Fonterra Co-operative Group

Empowerment

Employing women for the first time at Fonterra's manufacturing site in Saudi Arabia is not just increasing diversity; it's improving business performance and strengthening the company's relationship with the Saudi Government and its people.

Saudi New Zealand Milk Products (SNZMP) has 150 employees and 75 temporary staff - about 70 per cent of the workforce are expats and 30 per cent are Saudi nationals. For more than 20 years the local workers were all men, a situation that was driven by Saudi customs and culture.

Saudi women must be accompanied by a male guardian when outside the house and can spend limited time with male strangers. In the workplace, females are fully segregated from male colleagues, with all facilities, including work stations, dining and prayer areas and even entrances, clearly stating restrictions on male employee access. These restrictions, long governmental approval processes and cultural challenges are the primary reasons for low numbers of female employment in Saudi.

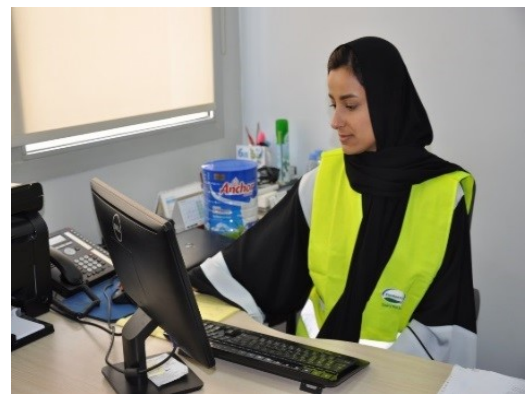
When the late King Abdullah of Saudi Arabia reformed women's participation in the workforce in 2013, Fonterra took the opportunity to undertake a ground-breaking initiative to actively employ women and dismantle the gender diversity barriers in its Saudi operation.

The initiative, which took about 18 months to implement, required significant commitment from on-site senior leadership and a partnership with the Government and external agencies. As well as getting Ministry approvals and audit clearances, the stakeholders in the project had to challenge and change long-held beliefs within the local workforce.

Managers were tasked with finding projects and roles that could be done by female employees, capital expenditure was budgeted to refurbish the workplace to accommodate women and performance plans were updated to ensure the plant leadership was accountable for meeting and maintaining diversity, empowerment and inclusion targets.

Fonterra partnered with recruitment agencies to target Saudi women with operations, finance and HR qualifications, and tailored its recruitment process to reduce bias and ensure women were given equal opportunity throughout the hiring process.

Meetings were held to explain the initiative to existing employees, and Fonterra staff worked one on one with managers and other employees to address any concerns and communicate the benefits it would bring, both for the organisation and for the social empowerment of their female family members and colleagues.



“When we started the process, we all had a number of questions. Many men had never worked with a female colleague. After the meetings, we were amazed to see so many of our current male employees sharing CVs of their female relatives and acquaintances. Even in such a conservative male-dominated society, our employees feel that Fonterra values diversity and will provide an excellent work culture for female Saudi nationals,” says HR and Government Relations Manager Saleh Al Omari.

Since implementing the initiative, female participation in the SNZMP workforce has increased from zero to nine per cent.

By opening roles to females, Fonterra has doubled its available talent pool and gained access to a higher quality of talent - women in Saudi Arabia are often well educated and have a strong desire to prove themselves in a male-dominated society. Male employees have been eager to put forward CVs from female relatives and acquaintances, meaning the company has paid no recruitment fees in two years.

Fonterra’s Saudization score has increased from 33 per cent to 38 per cent. Saudization is the Saudi nationalization scheme to increase the employment of Saudi nationals in the private sector. This score places Fonterra in the ‘Platinum’ Zone (topmost) of the programme which means that in the eyes of the local government and Saudi people, Fonterra is an employer of choice. The initiative has improved relations with the Ministry of Labour and other government bodies for whom the project was very important, helping the overall business.

SNZMP also reports productivity gains made through harnessing diversity of thought, audit results that highlight an increase in quality and less risk taking, and improvements in bottom line business performance.

One of the new female employees, Ghadeer Al Awami, was able to reduce receivables outstanding by SAR five million. She implemented Fraedom expense reporting software, saving a tax penalty of SAR two million. Another, Sarah Al Sadah, implemented integrated work systems on the shop floor which saved nearly SAR one million in labour efficiency and productivity improvement

The opportunity to participate in the workforce is something Fonterra’s new employees obviously relish - there has been zero turnover among the women working for SNZMP. Overall, turnover reduced by 35 per cent in two years and the plant’s Gallup score for engagement rose from 2.8 in 2014/2015 (the lowest of any of the Fonterra plants across the world) to 4.41 in 2017 (Gallup 75th percentile score, and one of the highest scores for Fonterra plants).

SNZMP has created a women’s network to support its female employees, who also have the opportunity to represent the company in career forums at Saudi universities and encourage other women to come to work.

“We have created job opportunities for women and contributed to the economic empowerment of families, and we are helping to build a more inclusive culture in Saudi,” says Fonterra’s Diversity and Inclusion Manager Susan Doughty.



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