

Optimizing Workplace Culture for Peak Performance

Survey report

Table of contents



1. Message from the Head, Sustainability, Diversity and Social Impact
2. Key highlights
3. Detailed results
4. Methodology



1

Message from the Head, Sustainability, Diversity and Social Impact

Message from ➔ the Head, Sustainability, Diversity and Social Impact

Research consistently demonstrates that companies that embrace diversity, equity and inclusion (DEI) are more productive and profitable than those that do not. Businesses that neglect to foster inclusive policies and practices risk lower employee satisfaction, higher turnover rates and reduced innovation.

On the other hand, businesses that foster an equitable and inclusive workplace culture enjoy numerous advantages, such as improved financial performance, higher employee engagement, increased adaptability and resilience, enhanced creativity, smoother recruitment processes, and faster problem-solving. In addition, according to BDC's study [Four Key Trends Shaping the Future of Canada's Businesses](#) (October 2024), 69% of major buyers now request that suppliers provide information regarding managers or employees from diverse backgrounds. And, according to a recent survey by Dayforce Inc., three-quarters (74%) of Canadian employees say they have or would turn down a job if the culture did not feel right.



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The economic environment has changed, and small businesses face a future complicated by rising costs, changing consumer preferences and labour shortages. Overcoming these challenges will require an attractive workplace culture where all employees feel empowered to share their ideas and diverse perspectives.

This report, based on a survey of 1,100 small and medium-sized enterprises (SMEs), examines the inclusive practices of Canada's SMEs, including the benefits gained by those that have already strengthened their workplace culture. It also explores the reasons why some companies have not yet acted, and the types of support that could help them act in the future.

I trust that you will find this report useful!



2

Key highlights

The more businesses act, the more they benefit—if they plan



53% of SMEs surveyed have taken concrete actions to strengthen their workplace with inclusive practices.

The most popular measures taken include fostering flexible employment practices, adopting equitable pay practices and policies,* and using inclusive language in company communications.

Most entrepreneurs report that the measures they have implemented have resulted in benefits, including higher employee engagement, an increased variety of perspectives in decision-making, reductions in employee turnover, and improved talent attraction.

Planning is key. Over half of respondents have integrated inclusive practices in their strategy or business plan, and these firms report a higher average number of measures taken than other companies.

Of the firms surveyed that have acted in the past:

52%	report fostering flexible employment practices, such as offering paid sick days, flexible work hours and remote work to employees
84%	have experienced at least one benefit since taking action to enhance the workplace
3.4	is the average number of benefits reported when a company has taken more than one enhancement measure
60%	of respondents address employee engagement in their business or strategic plan
3.6	is the average number of actions firms take when inclusive practices are part of a business or strategic plan

* Note: The *Pay Equity Act* (Bill C-86) came into effect on August 31, 2021. That may explain why these measures were among those respondents were most likely to adopt.

Prior workplace inclusion actions create the momentum for change



Over three-quarters of firms that have already acted plan to take additional action in the future.

Among this group of businesses, roughly a third foresee instituting formal policies against discrimination, expanding employee benefits, or providing company-wide diversity, equity and inclusion training in the next two years.

Most companies that have strengthened their workplace culture expect increased employee engagement and reduced turnover to be the main benefits of these initiatives.

Over a third of these firms don't see any barriers to integrating additional initiatives focused on building a supportive and inclusive workplace. Over a quarter of respondents report that limited financial resources hinder their progress, and they identify financing as the most beneficial type of support.

Many respondents also said that they would find it helpful to have standard policy templates and education/training for employees.

Of the companies surveyed that have acted in the past:

78% plan to take additional action in the next two years

31% intend to provide company-wide diversity and inclusion training

52% expect to experience higher employee engagement as a benefit of their future actions

27% report that limited financial resources are a barrier to taking workplace enhancement initiatives

33% state that financing would be the best way to help them take additional enhancement measures

The value of inclusive practices: why some leaders miss the mark



Nearly half (47%) of businesses surveyed have not taken concrete action to integrate inclusive practices in the workplace

Many companies have not integrated inclusion initiatives in their business or strategic plans, nor do they intend to in the future.

Organizational culture may help explain this inaction. Most of these SMEs believe that other priorities are more important. This may partly be related to employees' perception that top leadership in the company does not openly support diversity, equity and inclusion. This group is also less likely to agree that employee health and well-being are a vital part of the company culture.

In terms of planning, one third are not convinced of the benefits, and three-quarters state that there is no support that would help them integrate workplace inclusion initiatives.

Of the businesses surveyed that have not acted in the past:

94% have not integrated inclusive practices in their business or strategic plan

89% do not intend to act in the next two years to foster a more inclusive workplace

86% are prioritizing other initiatives

27% agree* that an owner or senior leader openly supports integrating workplace inclusive practices

71% agree* that employee health and well-being are vital to the company's culture

76% state that no type of support would trigger the creation of inclusion initiatives in their workplace

* Agree = 7 to 10 rating out of 10.



3

Detailed results

Strengthening a workplace with diverse perspectives and skills can help entrepreneurs achieve their top priorities.



Q. What are your company's main business priorities for the next few years?
Please select a maximum of three of your most immediate priorities.

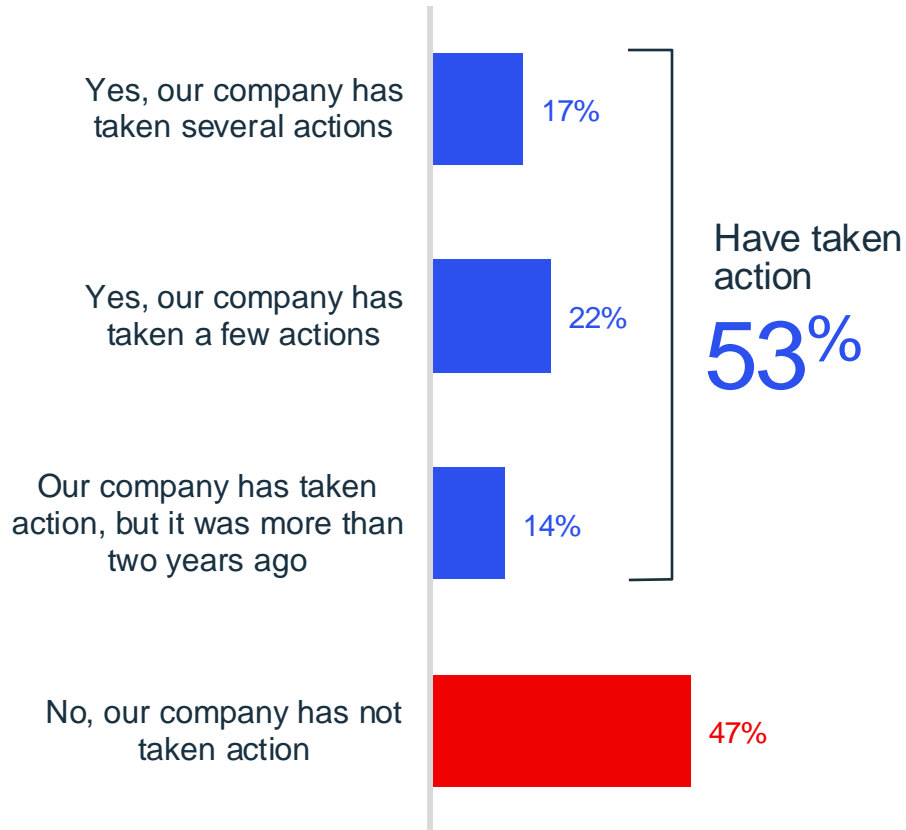


Base: All respondents (n=957). Those who did not know were excluded from the calculation base.
Respondents could select a maximum of three responses.
Only answers chosen by at least 7% of respondents are presented.

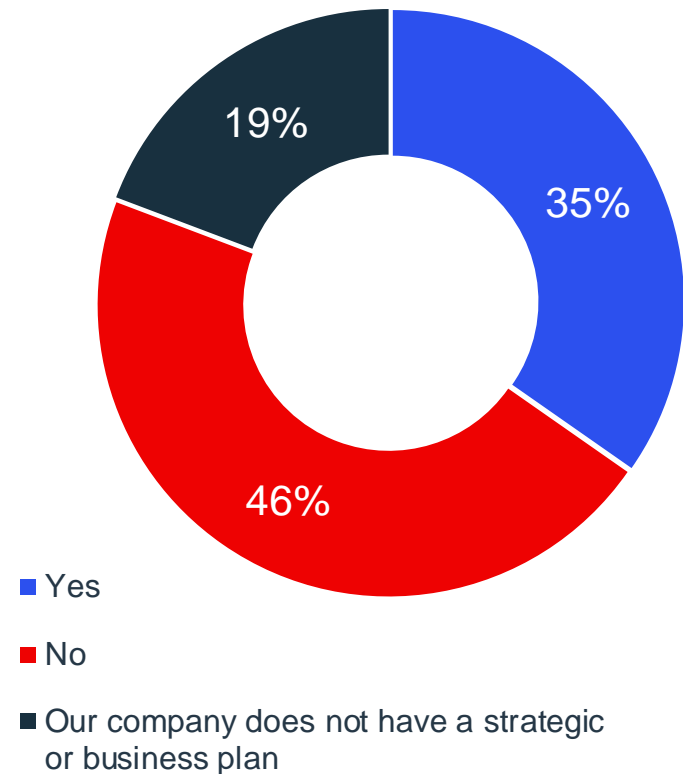
Integrating a lens of inclusion into corporate strategies can drive long-term, sustainable growth.



Q. In the past two years, did your company take any actions to make the workplace more inclusive?



Q. Are taking measures to make the workplace more inclusive part of your strategy or business plan?

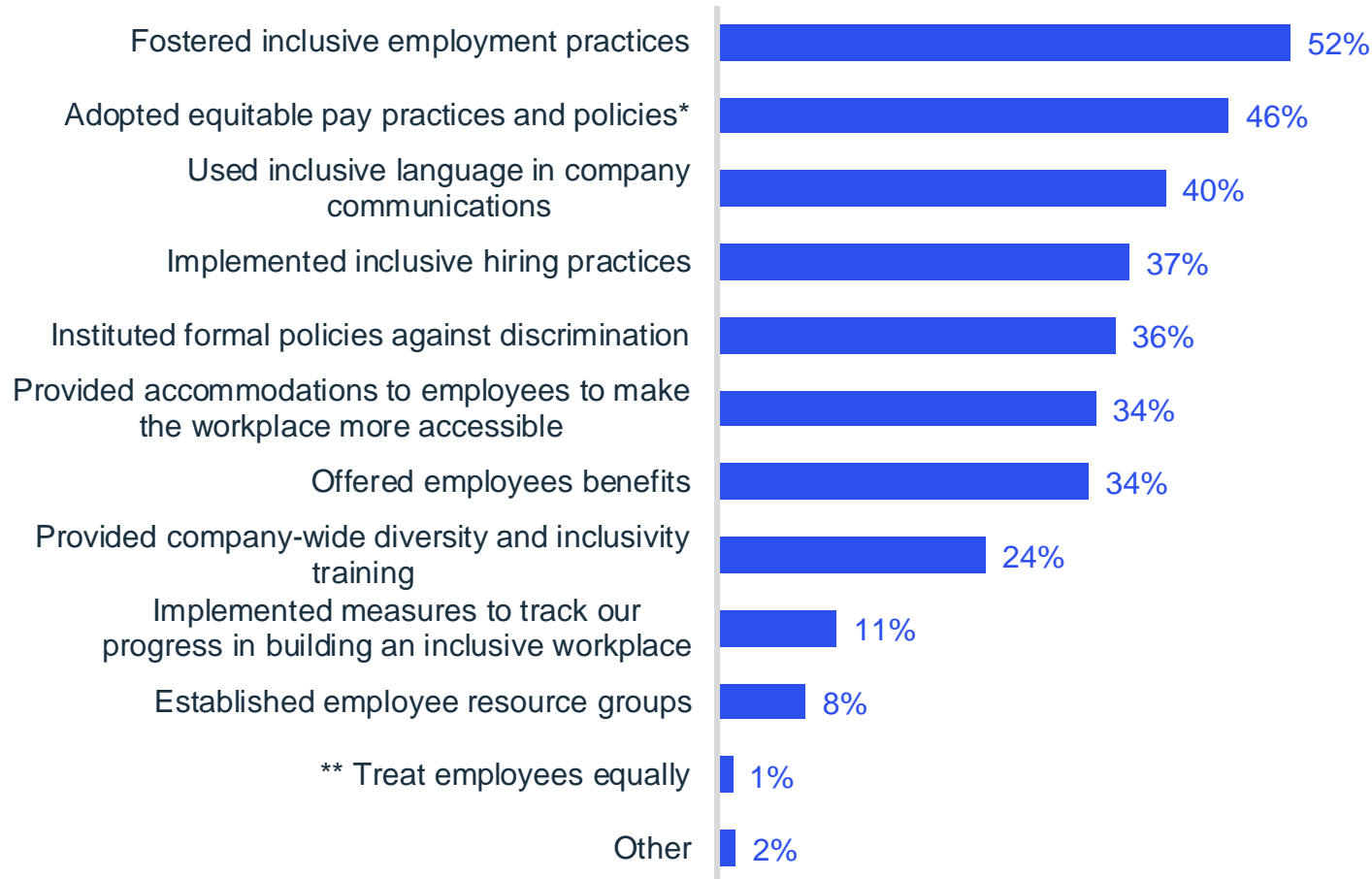


Base: All respondents (n=952) for S3Q2 and (n=971) for S3Q2b.
Those who did not know were excluded from the calculation bases.

While many SMEs are fostering inclusion with common actions, they need to improve on tracking and reporting their progress.



Q. Which action(s) did your company take to make the workplace more inclusive?



Average number of actions taken:

3

Base: Respondents who have acted in the past (n=505). Those who did not know were excluded from the calculation base. Multiple mentions were allowed, so the total exceeds 100%

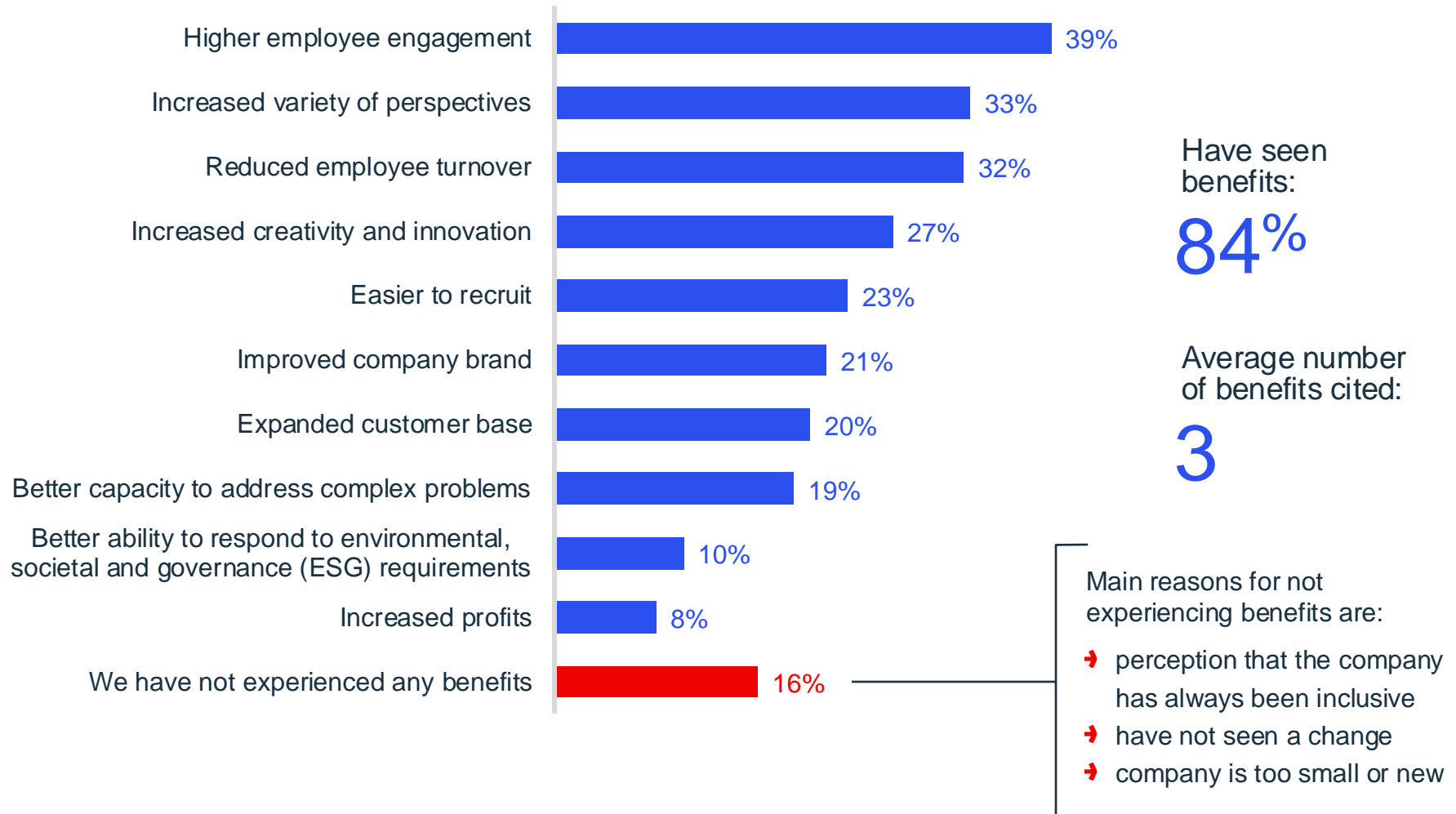
*In August 2021, the federal government enacted the *Pay Equity Act*, making proactive pay equity a mandatory initiative for both public and private organizations.

** Recoded results capture topics that surfaced repeatedly when respondents selected the "Other, please specify" category as an answer option.

Nearly all respondents who took action saw positive outcomes.



Q. What benefits has your business experienced since taking action to make the workplace more inclusive?

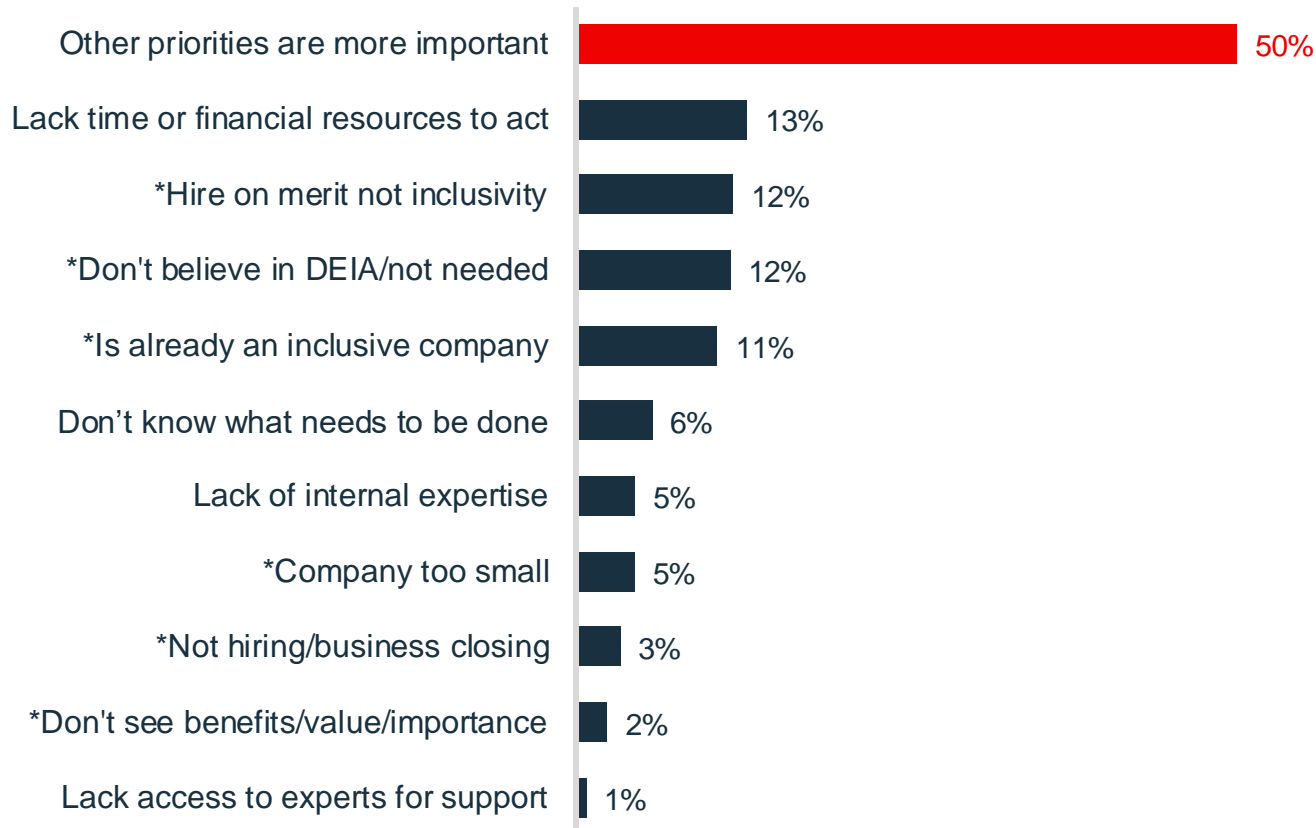


Base: Respondents who have acted in the past (n=487). Those who did not know were excluded from the calculation base.
Multiple mentions were allowed, so the total exceeds 100%.

Half of SMEs surveyed do not prioritize inclusive practices as part of their business strategy.



Q. Why has your company decided to not take any actions to make the workplace more inclusive?



Base: Respondents who have not taken action in the past two years and who do not plan to do so in the future (n=501).

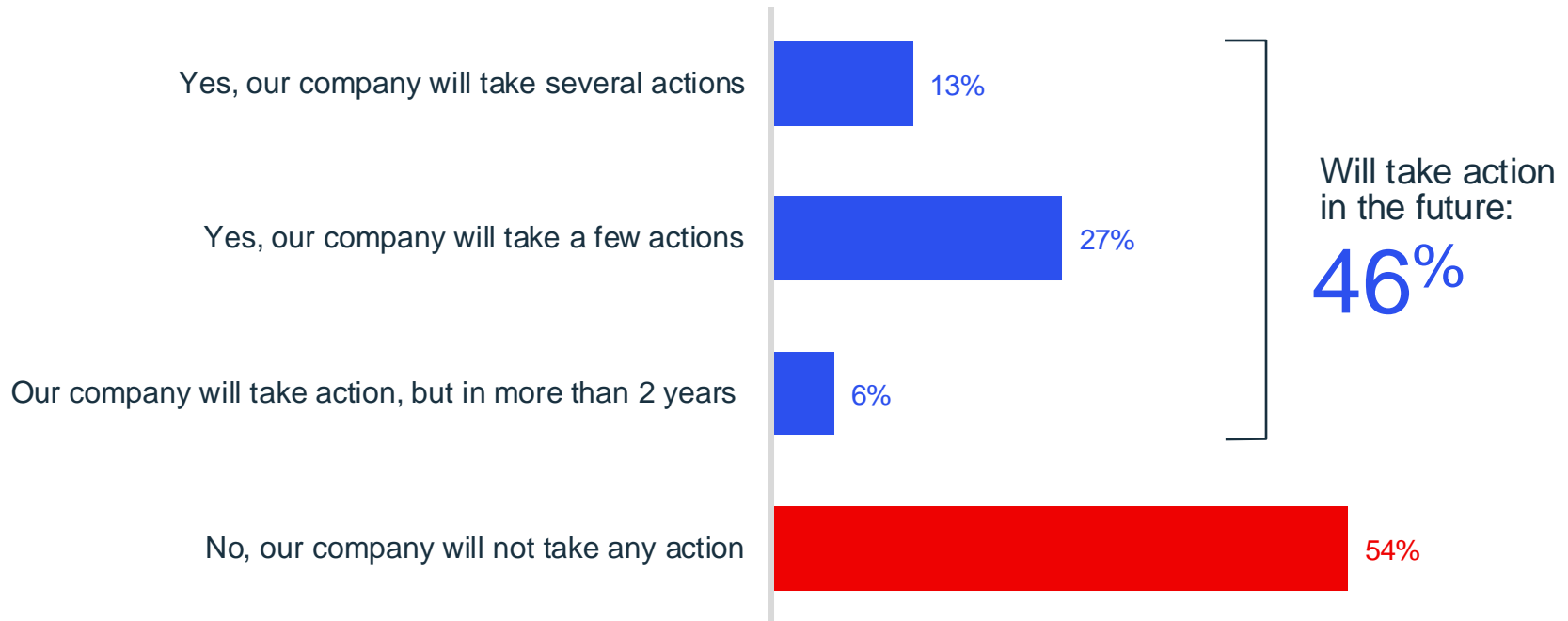
Those who did not know were excluded from the calculation base. Multiple mentions were allowed; therefore, the total exceeds 100%.

* Recoded results capture topics that surfaced repeatedly when respondents selected the "Other, please specify" category as an answer option.

Almost half of small businesses are planning to integrate inclusive practices into their business in future.



Q. In the next two years, does your company plan to take any actions to make the workplace more inclusive?



Base: All respondents (n=867). Those who did not know were excluded from the calculation base.

On average, SMEs are planning to take three actions to make their workplace more inclusive.



Q. Which action(s) will your company take to make the workplace more inclusive?



Average number of future actions:

3

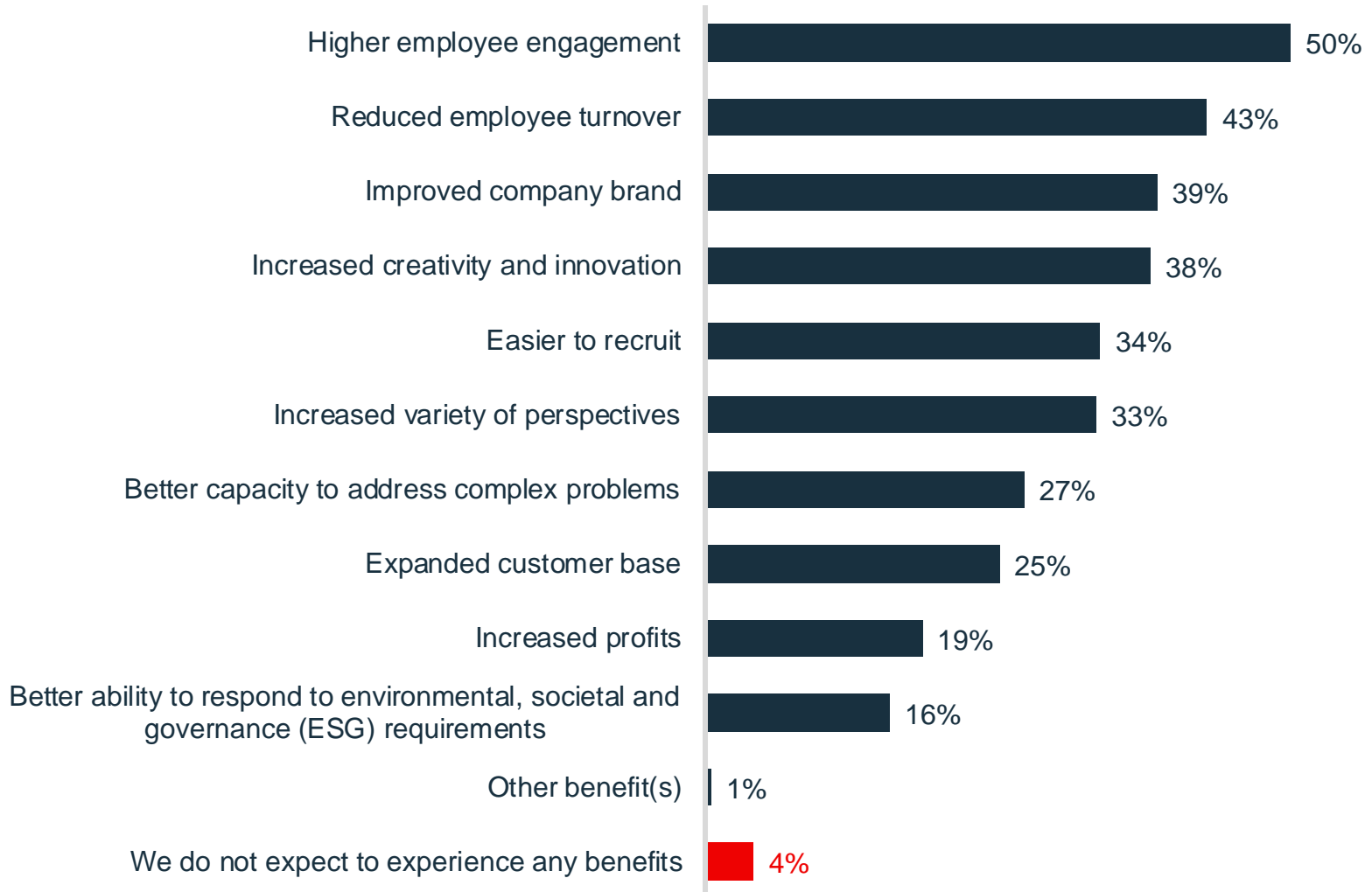
Base: Respondents who will take action in the future (n=382). Those who did not know were excluded from the calculation base. Multiple mentions were allowed; therefore, the total exceeds 100%.

*Recoded results capture topics that surfaced repeatedly when respondents selected the "Other, please specify" category as an answer option.

SMEs expect their actions to increase employee engagement and reduce turnover.



Q. What benefits does your business expect to experience by taking action to make the workplace more inclusive?



Base: Respondents who will take action in the future (n=397). Those who did not know were excluded from the calculation base.
Multiple mentions were allowed; therefore, the total exceeds 100%.

Nearly half of small businesses surveyed don't currently use or plan to use inclusive hiring practices.



Q. Which of the following inclusive hiring practices does your company use or plan to use to recruit new talent?

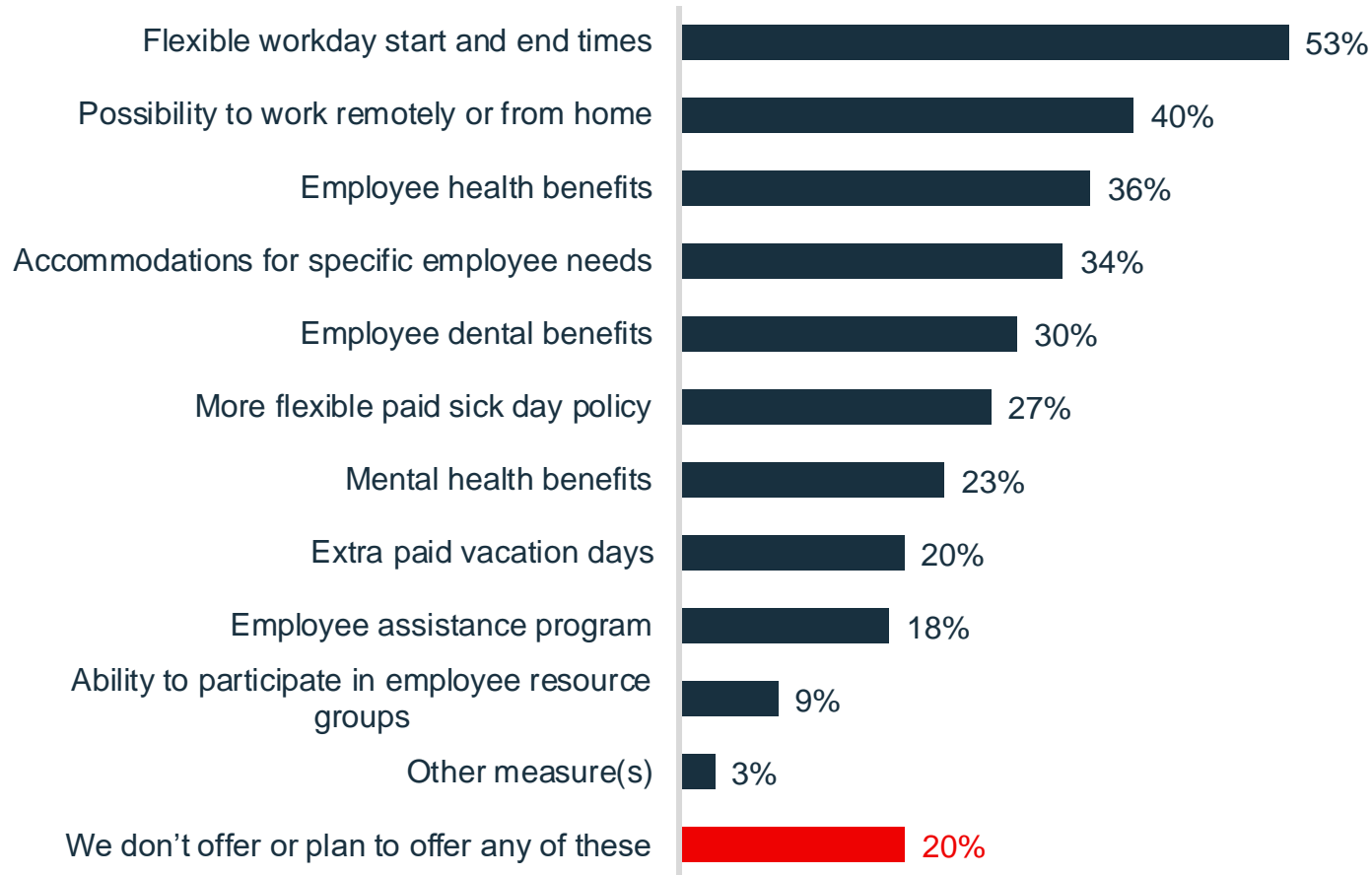


Base: All respondents (n=930). Those who did not know were excluded from the calculation base.
Multiple mentions were allowed; therefore, the total exceeds 100%.

Most SMEs offer employees some flexibility in setting work hours and nearly half permit remote working.



Q. Which of the following does your company already offer or plan to offer to its employees?



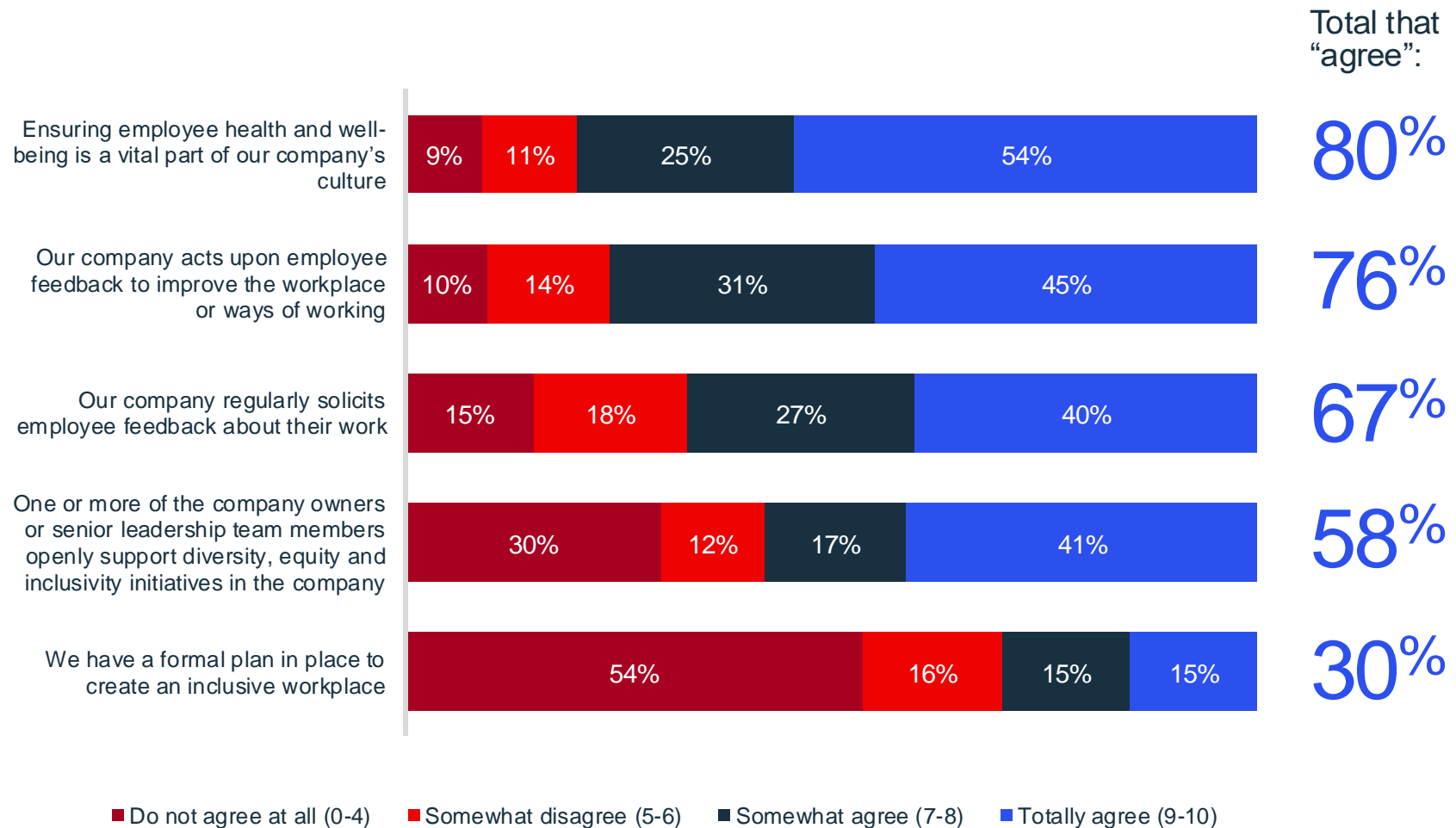
Base: All respondents (n=979). Those who did not know were excluded from the calculation base. Multiple mentions were allowed; therefore, the total exceeds 100%.

* The smallest businesses are defined as those having annual revenues of less than \$3 million.

Most respondents agree that employee health and well-being are vital to an optimal workplace culture.



Q. To what extent do you agree with the following statements?



Base: All respondents (n=946 to 987).
Those who did not know were excluded from the calculation base.

Although over a third of SMEs do not see barriers to fostering inclusion at work, the most common barrier identified was not being convinced of the benefits.



Q. What are the most significant barriers to making your workplace more inclusive?



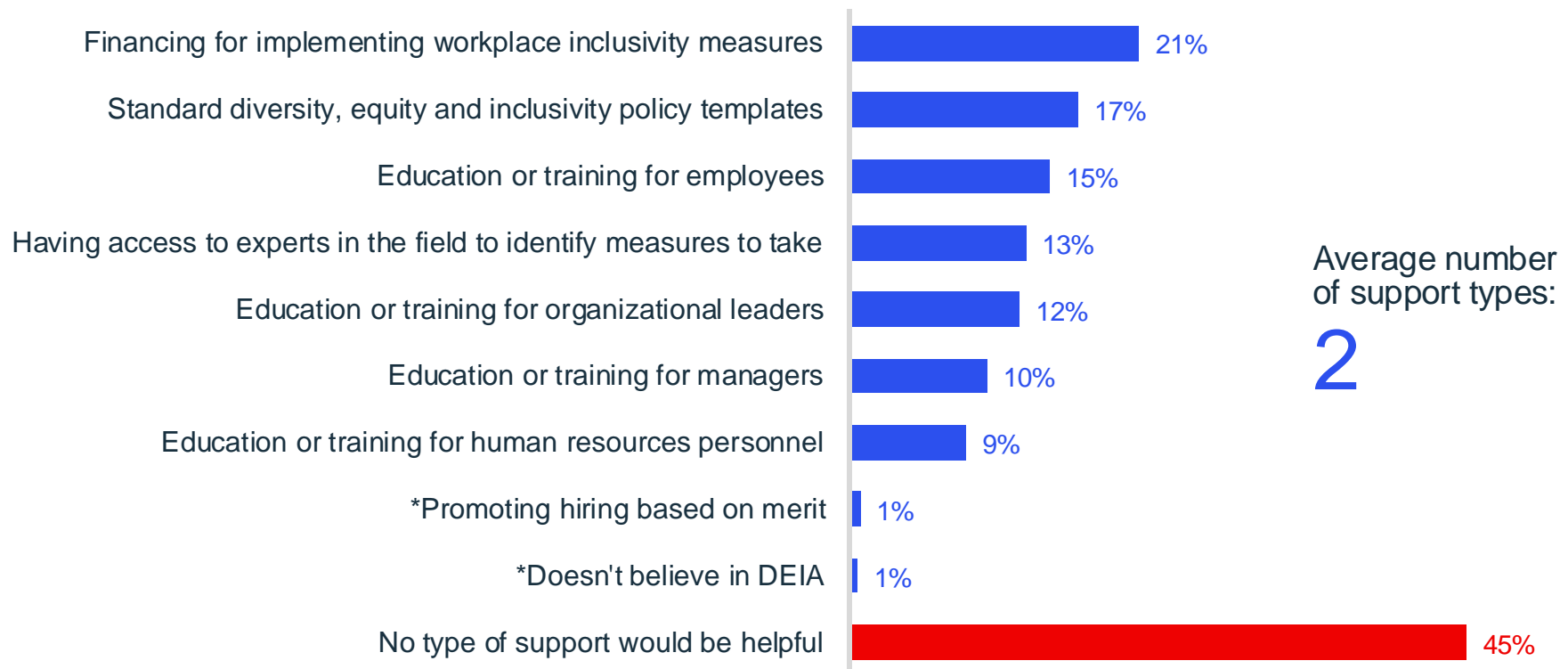
Base: All respondents (n=958). Those who did not know were excluded from the calculation base. Multiple mentions were allowed; therefore, the total exceeds 100%.

*Recoded results capture topics that surfaced repeatedly when respondents selected the "Other, please specify" category as an answer option.

SMEs said that financial support would be most helpful to their integration of inclusive workplace practices.



Q. What type of support would be most helpful for initiating or undertaking other measures to make your workplace more inclusive?



Base: All respondents (n=875). Those who did not know were excluded from the calculation base.

A maximum of three mentions was allowed; therefore, the total exceeds 100%.

*Recoded results capture topics that surfaced repeatedly when respondents selected the "Other, please specify" category as an answer option.

Methodology



Survey methodology

Online survey.

Respondent profile

Business owners and business decision-makers who are members of Angus Reid's online panel.

Survey dates

August 13 to 20, 2024.

Margin of error

For a probabilistic sample of 1,010 respondents, the maximum margin of error is ± 3.1 percentage points, 19 times out of 20. However, as this survey is based on a non-probabilistic sample, this information is provided for reference only.

Data processing and analysis

These were performed by the BDC Research and Market Intelligence team.

Weighting factors

Results were weighted by region and number of employees to be representative of the Canadian small business population.

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- ➔ Download templates and policies to strengthen your business through our free [Diversity, equity and inclusion \(DEI\) toolkit](#).

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Ce document est aussi disponible
en version française.

ISBN 978-1-990813-60-3
ST-WORKPLACECULTURE-E2412

