'Workforce Diversity and Inclusion in Australia: Issues and Gaps, Trends and Conundrums'.

The State of Workforce Diversity 2015 Symposium - April 23, 2015

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21 March: UN International Day for the Elimination of Racial Discrimination
Government sponsored annual event
Harmony Day Register 2014 – 969 events by 16 March
Majority organised by: schools, federal, state and local government authorities at various branches, many not-for-profit organisations, particularly from culturally diverse areas
BUT few business organisations (18)

2015: Harmony Day (21 March) celebrates Australia’s cultural diversity. “It’s about inclusiveness, respect and a sense of belonging for everyone. We want to thank you for the tens of thousands of events you’ve held, from the smallest child care centres to the largest businesses. In turn, you might like to thank the amazing people in your community who live the ‘everyone belongs’ message each and every day”.

Framing

• Introduction
  ➢ Christine Lagarde (IMF) and 3 Ms - The “new Mediocrity”, Momentum and Multilateralism
  ➢ Prof Barbara S. Lawrence (UCLA Anderson School of Business): Historical perspective in management studies
  ➢ avoidance of 2 Ss: Superficiality & Selectivity
• The Australian context – local factors and American influences: Women, Indigenous issues & migrants
• Multicultural policy; Anti-discrimination and Equal Opportunity laws and diversity management
• Gaps
• Initiatives
• Conundrums
• Recommendations
In the present – our diversity is great

- 26% of Australia's population of 23 million was born overseas and a further 20% had at least one parent born overseas (ABS, 2013)
- According to demographer Mark McCrindle, population growth driven by a 14 per cent increase in migration:
  
  "Australia has world-beating population growth right now. The world is growing 1.1 per cent per annum and Australia [at] 1.7 per cent is really out in front. The proportion of the net migration to our population growth has increased from 54 per cent, in 2012 to 60 per cent in 2013".

NSW Dept of Trade and Investment: population of NSW (almost one third of national population 7.3 million) experienced a growth of 6.8% per cent between 2007 and 2012
## Ethnic Diversity - Country of Birth of Residents, NSW, 2011

(ABS, 2011 Census of Population and Housing)

<table>
<thead>
<tr>
<th>Country of birth</th>
<th>NSW</th>
<th>Sydney²</th>
<th>Australia</th>
<th>NSW as a % of Australia</th>
<th>Sydney as a % of Australia</th>
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<tbody>
<tr>
<td>Australia</td>
<td>4,747,371</td>
<td>2,632,544</td>
<td>15,017,845</td>
<td>31.6</td>
<td>17.5</td>
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<tr>
<td>United Kingdom</td>
<td>274,823</td>
<td>182,227</td>
<td>1,101,082</td>
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<td>China</td>
<td>156,034</td>
<td>148,556</td>
<td>318,969</td>
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<td>India</td>
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<td>87,874</td>
<td>295,362</td>
<td>32.3</td>
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<td>Vietnam</td>
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<td>69,780</td>
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<td>Philippines</td>
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<td>Lebanon</td>
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<td>Korea, Republic of (South)</td>
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<td>South Africa</td>
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<td>Hong Kong SAR</td>
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<td>United States of America</td>
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<td>Sri Lanka</td>
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<td>22,128</td>
<td>86,415</td>
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Yesterday & Today: gender pay inequities, sexual division of labour and sticky floors

- 1907 and 1919: male breadwinner norm and gender pay gap

- **women’s labour force participation**
  - 2014: labour force participation rate for women is 58.4% and for men is 71.1%
  - Women comprise 45.9% of all employees, of whom 53.6% work full-time (24.6% of all employees) and 46.4% work part-time (21.3% of all employees).
  - Women constitute 69.6% of all part-time employees, 35.4% of all full-time employees and 55.3% of all casual employees.

- Women’s full-time work participation has only increased 10% since 1970

- 2014: 25% women and 2.95% of men not in the labour force mainly because of family care responsibilities

- **gender pay gap**
    - women earn an average of $298 less per week than men in full-time employment
  - management personnel level (gap of 28.9%)
  - general managers (gap of 27.5%)
  - executive & manager corporate roles (gap of 27.8%)
Discrimination & Multicultural policy

- Federation of Colonies in the Commonwealth of Australia 1901
- *Immigration Restriction* Act, 1901 and White Australia Policy – exclusion of Indigenous Australians & Non-European migrants and assimilation

- Post World War Two mass migration scheme results in massive expansion of European migrants (1950s Greece, Italy, Poland; 1960s and 1970s Lebanon): factory fodder’ (Collins, 1988: 87).

- US Civil Rights and Freedom Rides 1961
- Aust Freedom Ride by student activists to end Indigenous segregation 1965

- End of White Australia 1966

- Referendum on Aboriginal citizenship 1967 & Constititional amendment

- Federal Multicultural Policy 1973

- *Aboriginal and Torres Strait Islander Peoples Recognition Act*, 12 March 2013
- New referendum to remove race discrimination from Constitution - in 2017?
Legislative reform: Anti-discrimination

• 1975 - Commonwealth *Racial Discrimination Act 1975 (RDA)*

• 1981 - Commonwealth Human Rights Commission established


• 1987 - *Equal Employment Opportunity (Commonwealth Authorities) Act*

• 1995 **the Commonwealth Racial Hatred Act**: new RDA provisions
  ✓ s 18C concerned acts – done on the basis of the race, colour or national or ethnic origin of a person or a group – and likely to offend, insult, humiliate or intimidate another person or group;
  ✓ s 18D provided a number of exemptions to the provision aimed at protecting freedom of speech; and
  ✓ s 18E provided that an employer was vicariously liable for a breach of s 18C made by an employee, when it is done in connection with the employee's duties, unless the employer can establish that he or she 'took all reasonable steps to prevent the employee' from doing the act.
Diversity Management (DM)  
- American origins

- American emphasis on DM and ‘productive diversity’ spread to Australia in the early 1990s
- Productive Diversity Conference, 1992 PM Paul Keating ‘urged business leaders to “take advantage of the potentially huge national asset which multiculturalism represents” ’(Keating 1992)
- NSW Community Relations Commission and Principles of Multiculturalism Act 2000 and 2010 amendments
The NSW Community Relations Commission and Principles of Multiculturalism Act 2000

‘Designed to encourage communities to find strength in their diversity’

Four principles of multiculturalism:

1. All individuals in NSW should have the greatest possible opportunity to contribute to, and participate in, all aspects of public life in which they may legally participate.

2. All individuals and institutions should respect and make provision for the culture, language and religion of others within an Australian legal and institutional framework where English is the common language.

3. All individuals should have the greatest possible opportunity to make use of and participate in relevant activities and programs provided or administered by the Government of NSW.

4. All institutions of NSW should recognise the linguistic and cultural assets in the population of NSW as a valuable resource and promote this resource to maximise the development of the State.
Impact - legal, policy and bureaucratic bifurcation

- women & EE on one side and multiculturalism and productive diversity on the other
- ‘Even in best practice organisations, diversity management has a narrow focus’ which has prioritised ‘women, harassment, caring responsibilities and disability ahead of religion, nationality and race’ (Syed & Kramar, 2010: 105)
- ‘while a range of organisational responses have proliferated, an integrated approach towards managing culturally diverse workers is absent’ (Syed and Kramar, 2010:96).
- Unmanaged diversity = workplace conflicts, unequal information exchange, in-groups & out-groups, decreased job satisfaction and productivity, decreased loyalty to the organisation and a poor organisational reputation (Härtel, 2007)
complaints lodged with the Australian Human Rights Commission (AHRC) under the Racial Discrimination Act

- increased over the past 5 years
- 46% lodged in 2011-12 in the area of employment & 24% of race hatred complaints in employment (AHRC, 2011-12: 131, 133);
- In 2011-12, AHRC received a 59% increase in the number of complaints lodged on the grounds of racial hatred (AHRC, 2013:124-125, 132-134).
- 2012-13 of 500 complaints under RDA 25% were in the area of employment and 25% of Racial hatred complaints in employment (AHRC, 2012-13: 134-35)
- In 2012-13, the main respondent organisations were private enterprise (51%), State departments/statutory authorities (19%) and Commonwealth departments/statutory authorities (16%) – (AHRC, 2012-13: 127)
- 44% of all RDA cases Conciliated
Where are we now?

• Multiculturalism a Success? No race riots and mobility of migrants and their children

  BUT Scanlon Foundation survey 2013: significant increase in experience of racial/religious discrimination –19% in 2013 compared to 12% in 2012 (Markus, 2013: 2 & 18).

• Independent Inquiry conducted in 2012 and Report *Insecure Work in Australia, Lives on hold*: Indigenous and culturally and linguistically diverse employees ‘trapped in insecure work’ resulting ‘from social isolation, low English literacy, discrimination in the workplace …’

• 2009 “Diversity on Boards of Directors” Report (Federal Government’s Corporations and Markets Advisory Committee: corporate boards tend to be homogenous groups, largely composed of men of similar ages and with similar demographic, ethnic, educational and professional backgrounds’ (CAMAC, 2009:1)

  67% of directors of public companies were born in Australia, 10% United Kingdom, 3% New Zealand, 2.8% USA, 2.2% South Africa and the remaining 15% from over 100 other countries’ (CAMAC, 2009: 2-3).
Rays of sunshine through the clouds

- **Cultural diversity:** February 2011, the Australian Government announced Australia’s new multicultural policy, *The People of Australia*, a key component of which is a National Anti-Racism Strategy and 2013 online workplace cultural diversity assessment tool, or “health check” Toolkit.

  - **BUT S for superficial and S for selective hinders M for Momentum in cultural diversity management = mediocrity**

- **Women:** 2011 the Australian Institute of Company Directors initiatives to increase representation of women on boards and in senior executive positions.

  - ASX Corporate Governance Council new ASX reporting regime on gender diversity; Chairmen's Mentoring Program; scholarship scheme for women funded with support from Fed Govt; Male Champions of Change
POSITIVE DEVELOPMENTS

- Increase in female directorships on ASX 200 boards over 5 years from 8.3% in 2010 to 23.4% on the ASX 100 boards.
- The number of ASX200 boards with NO female directors reduced from 87 boards (in June 2010) to 34 boards.
- Now only four ASX 100 boards and two ASX 50 boards without a female director.
- The percentage of females among new director appointments to ASX200 boards increased from 5% in 2009 to average 30% in 2014.
- It is very pleasing that on 9 April the AICD announced that it would aim to increase the 20% to 30% by the end of 2018.

• GAPS?
  - Focus is only ‘board ready’ women
  - Focus on ‘leader development’ not ‘leadership development’
• S for Selective = S for superficial undermines M for momentum for women generally and maintains mediocre growth
Avoiding the new mediocre: message and recommendations

• need to develop **leadership capacity** among those who are marginalised/excluded in order to build more inclusive organisations for the future.
• need policymakers and employers to generate a new policy “momentum” to power up activity through multilateral co-operation
• need to prioritise **both** diversity and inclusion not just diversity to improve business performance and employee well-being (Victorian Government Report from survey conducted with Deloitte, ‘Waiter, is that inclusion in my soup? A new recipe’, 2012)

• Leadership development and inclusion of aspiring leaders requires:
  ➢ Recognition of complexities and ambiguities in identities and relationships
  ➢ Recognition of different identities and the hybridity of identity
  ➢ Acceptance of controversy and disagreement
  ➢ Structures of collaboration
  ➢ Development of trust
  ➢ Accountability for diversity related outcomes
Final words from Roosevelt Thomas Jnr at SHRM's annual Diversity Conference & Exposition 2007

4 stages of Diversity Management (2007)
(i) having representation,
(ii) managing relationships,
(iii) managing workforce diversity and
(iv) managing all strategic diversity mixtures

BUT Roosevelt Thomas Jnr argued: “The field is stuck” at Stages (i) and (ii).

This is the state of mediocrity in diversity and inclusion we need to overcome
Thank you

END