

EMBRACING DIFFERENCE

HOW TO RECRUIT, RETAIN AND EMPOWER A DIVERSE WORKFORCE

ROBERT WALTERS



INTRODUCTION

In today's global economy, employers in Australia and New Zealand are in an enviable position. Within their reach is a talent pool reflecting the local population: multicultural, educated and rich in potential.

But many organisations are still failing to fully tap in to this. Despite their best intentions employers often hire a relatively homogeneous workforce. Unconscious bias leads recruitment and promotion decisions astray. And many employees still feel that discrimination is prevalent.

Failing to hire and retain a diverse workforce can have a negative impact on organisations. They miss out on fresh perspectives and creative solutions to problems. They miss out on the benefits of a more engaged, motivated workforce. And they miss opportunities to ease the skills shortages that many of them face.

This whitepaper outlines the strategic and tactical solutions to achieve greater diversity in ways that benefit both organisations and employees.



James Nicholson

Managing Director - ANZ, Robert Walters

METHODOLOGY

This Robert Walters report has been informed by an online survey of more than 1,000 professionals in Australia and New Zealand from a broad range of industries in the private and public sectors. The survey was managed and conducted by Robert Walters.

For the purposes of this whitepaper, diversity is defined¹ as the differences between people in how they identify to their:

- Age, caring responsibilities, cultural background, disability, race, gender or gender identity, sexual orientation, intersex status, spirituality, and/or socio-economic background
- Profession, education, work experiences and organisational role

In the workplace, inclusion occurs when a diverse range of people feel valued, respected and welcome, with access to opportunities and resources.

¹ Informed by the Diversity Council of Australia's definition. <https://www.dca.org.au/di-planning/getting-started-di/diversity-inclusion-explained>

BENEFITS

36%

of respondents said the benefits of diversity are not fully understood by their organisation's senior management.

TOP FIVE BENEFITS OF DIVERSITY

Survey respondents highlighted the five greatest benefits of a diverse workforce as:



STAFF ENGAGEMENT

An engaging and interesting workplace helps to generate enthusiasm and motivation among employees. Diversity has a big part to play in this. 69% of respondents said a diverse workforce makes the workplace a more interesting place to be.



MORE DIVERSE SKILLS

67% of respondents said diversity helps inject a broader range of skills into an organisation. The greater the breadth of skills and experiences a business can draw upon, the more resilient it will be to market change and disruption. For example, New Zealand and Australian employers are currently grappling with skills shortages in multiple sectors – those with an inclusive workplace can draw upon a wider pool of talent to gain a competitive edge. This was illustrated in a 2018 Robert Walters survey², when 83% of hiring managers said skills shortages could be eased by hiring talent from overseas.



CREATIVITY AND INNOVATION

Diversity makes organisations more creative and innovative, according to 63% of respondents. Today, organisations have access to similar technologies, people's ingenuity and fresh ideas provide competitive advantage. An inclusive workplace allows professionals to contribute their talents to drive innovation in their organisation.



BOOSTING THE BOTTOM LINE

60% of respondents said a diverse workforce makes an organisation more likely to attract and retain the best people. A more stable workplace and improved candidate experience has obvious benefits for new and established employees. At the same time, it has a positive financial impact for the organisation, with reduced staff turnover and fewer delays during recruitment.



ROLE MODELS

Poor leadership is the number one reason people leave their jobs³ so it is critical to ensure an organisation has positive role models. 46% of respondents said a diverse workforce helps to create role models who inspire others to follow.

² Mobilising Global Talent whitepaper, published by Robert Walters, 2018.

<https://www.robertwalters.com/content/dam/robert-walters/corporate/news-and-pr/files/whitepapers/mobilising-global-talent-new-zealand.pdf>

³ Generation Gaps whitepaper, published by Robert Walters, 2017.

<https://www.robertwalters.co.nz/content/dam/robert-walters/country/new-zealand/files/whitepapers/generation-gaps-whitepaper.pdf>



“Diversity is about more than gender, disability and race. It is truly about representing as many facets of society as we can in our workforces. It is about choosing to include rather than exclude – to embrace difference not exaggerate it. And it is about making our organisations stronger. Because a diverse workforce is happier, more productive, and ultimately more profitable.”

Sinead Hourigan, Director, Brisbane, Robert Walters

CHALLENGES

82%

of respondents said discrimination still exists in today's workforce



WHERE DISCRIMINATION IS MOST PREVALENT

Discrimination at work can be insidious or it can manifest in more obvious ways. Our survey suggests the three most common ways discrimination is experienced or witnessed in today's workforce are:

1 HIRING

Excluding potential employees during recruitment and selection.

2 REMUNERATION

Unequal salaries paid to employees working in the same roles, despite them being equally qualified and experienced.

3 CAREER DEVELOPMENT

Discrimination when decisions are made about promotions and redundancies.



OBSTACLES TO DIVERSITY

Our survey suggests the top five obstacles that prevent an organisation from achieving diversity are:

1 MIRROR HIRING

Managers prefer to hire like-minded people instead of hiring a diverse mix of people.

2 UNCONSCIOUS BIAS

Employers fail to identify and/or manage unconscious bias during hiring and promotion decisions.

3 WALK THE TALK

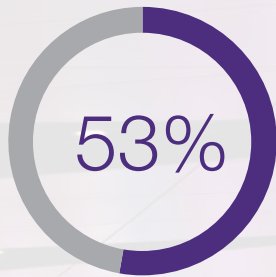
Management speak about the importance of diversity but don't back this up with effective action.

4 HOMOGENEOUS LEADERSHIP

A lack of diversity at the top of the organisation hampers efforts to achieve diversity more broadly.

5 MISSING THE POINT

The benefits of diversity aren't fully understood by management.



ABSENCE OF STRATEGY AND EXECUTION

Like any major organisational endeavour, diversity and inclusion requires a documented vision and strategy. And like any vision and strategy, this can only be achieved by engaging, motivating and empowering the workforce. However, 53% of surveyed professionals were unaware of their organisation's diversity strategy, if one exists at all.

"Many workforces still have a way to go with diversity, but we've been helping clients work towards better balance. By identifying where our clients are in their diversity journey, and where they want to get to, we can then help to provide a strategic approach to help them to attract, retain and empower a diverse workforce."

John Meehan, Associate Director - Financial Services, Sydney, Robert Walters

GENDER MATTERS

90%

of female respondents said discrimination still exists today. This compared with 73% of male respondents.

PAY INEQUALITY

Our survey suggests fewer men than women are aware of the gender pay gap that exists in Australia and New Zealand. 55% of female respondents said women in their industry received less pay than men for jobs at the same level of seniority. Yet only 16% of men felt that this was the case.

The gender pay gap can only be closed when decision makers and influencers take decisive action within their organisations. The challenge is that the overwhelming majority of senior leaders are male⁴; and our survey suggests that many of them may be unaware of a gender pay gap in their industry.

According to the Workplace Gender Equality Agency (2019) the total remuneration gap between women's and men's earnings in Australia is 14.1% for full-time employees.

Stats New Zealand reported the total remuneration gap between women's and men's earnings was 9.2% in June 2018. Over time, the gender pay gap has gradually closed in both nations, but more still needs to be done to achieve parity.

Remuneration gap between women's and men's earnings in Aus (2019) and NZ (2018):



“At Robert Walters, 66% of our Australia and New Zealand workforce is female (73% in New Zealand, 64% in Australia) and that's not just luck. We foster an inclusive culture and offer flexible work practices so that we can harness a diverse range of talent. This means we can speak from experience when consulting with our clients, helping them to achieve gender diversity too.”

James Nicholson, Managing Director - ANZ, Robert Walters

⁴ In New Zealand, women make up only 18% of senior leadership teams, according to a 2018 Grant Thornton report.
<https://www.granthornton.co.nz/press/press-releases-2018/proportion-of-women-in-nz-senior-leadership-roles-has-hit-rock-bottom/>
In Australia, women make up just 22% of executives in ASX 200 companies, according to 2019 figures from Conrad Liveris.
https://conradliveris.files.wordpress.com/2019/03/geaw2019_final-1.pdf

CAREER PATHS BLOCKED

One in five (21%) respondents said they felt they had been overlooked or disadvantaged during recruitment processes because of their gender.

Meanwhile 44% of women said there was not fair and equal representation of female leaders in their organisation. The most commonly cited reasons for this were:



WOMEN EXPERIENCE FAMILY
PRESSURES OR COMMITMENTS
OUTSIDE OF WORK



POOR LEADERSHIP AND
CAREER PROGRESSION
STRATEGIES



WORKPLACE CULTURE DOES
NOT ACTIVELY FOSTER DIVERSITY,
INCLUSION OR EQUALITY



SOLUTIONS

Survey respondents were asked what tactics employers should have in place to achieve greater diversity in the workplace.



DOCUMENT VALUES

When it came to preferred ways to communicate at work, it is essential to develop and document an organisation's values in relation to diversity and inclusion. This should include an audit of where the organisation is now (in terms of diversity) and where it wants to be in the future. These values can function as a reference point for behaviours and decision-making. They should also be embedded into core organisational strategy.



COMMUNICATE STRATEGY

While developing a diversity and inclusion strategy is a step in the right direction – it also needs to be effectively communicated and understood by the workforce.

Communicating the strategy may include offering diversity and inclusion training and/or providing ongoing guidance for employees. Managers and employees must also be empowered to execute the strategy and sufficient organisational resources should be allocated. Diversity should not be seen as the responsibility of one department, but instead everyone should play a part.



INVITE FEEDBACK

It is difficult for organisational leaders to address incidence of discrimination if they go unrecognised or unreported. 51% of survey respondents felt that colleagues from some cultures may be less likely to make their voices heard. Organisations need clear feedback channels where employees can safely and securely report concerns about discrimination. This requires a workplace culture of trust and a deep commitment from management to listen to, and act upon feedback.



MITIGATE UNCONSCIOUS BIAS

Mitigating unconscious bias during recruitment and selection was a high priority for survey respondents. It came second on the list of barriers to diversity and, separately, it topped the list of tactics that respondents recommended to achieve diversity. Key learnings from the research include:

1. Employees should undertake awareness training to identify their natural biases and mitigate them
2. Hiring managers should seek ways to standardise selection processes. This can include writing inclusive position descriptions (e.g. gender-neutral language), objective assessments of CVs (e.g. remove names, genders and geographic information from CVs to focus assessors' attention on qualifications and skills), and work sample tests (e.g. testing the quality of candidates' work and likely aptitude to perform in the role)
3. During the interview stage, the selection panel should be diverse (e.g. gender, ethnicity, age) to reduce the chances of 'mirror hiring'. Interviews should also be standardised so that candidates answer the same questions and their answers are scored against the same criteria.

"Stereotypes are completely unreliable indicators of a person's ability to do a job well.

But the trouble is, everyone comes to work with some form of bias. It's human nature. For example, if you're an extrovert you may naturally gravitate towards extroverts – but you wouldn't necessarily want a team full of them. The important thing is to identify your biases and what triggers them – then mitigate against them. Systematically prioritise difference during recruitment and selection processes. Aim for balance within your workforce."

**Natasha Keith, Business Director,
Information Technology,
Wellington, Robert Walters**

SOLUTIONS



PROVIDE AN ACCESSIBLE WORKPLACE

There is a huge pool of untapped talent among people living with a disability in Australia and New Zealand. Employers should regularly review recruitment processes to ensure those are accessible. A common misunderstanding among employers is the notion that it is costly to make the workplace more inclusive for people with disabilities. In fact, the financial benefits often outweigh the costs⁵. Adaptive technologies such as Accessibility Checker in Microsoft Office and voice recognition solutions such as Alexa for Business are inexpensive ways to open organisations up to a wider pool of talent.



OFFER FLEXIBLE WORKING

Respondents said one of the primary reasons that women are under-represented in senior roles is due to family pressures or commitments outside of work. Flexible working arrangements can help to ease pressure and set women up for success. This should not be limited to females – male parents should also be encouraged to work flexibly. Flexible working arrangements can also help get the best out of people with disabilities, or those with carers' responsibilities.



WRITE INCLUSIVE JOB ADVERTS

Harnessed correctly, advertising can be an incredibly effective way to attract a diverse range of candidates. Carefully prepared job adverts can make a surprisingly significant difference to the range of people applying for roles. Technology solutions are available to assist in this process. For example, Robert Walters has developed a solution, **Adify**, that enables hiring managers to create gender-neutral position descriptions and job advertisements.



ESTABLISH MENTORING PROGRAMS

On the journey towards diversity and inclusion objectives, organisations must find ways to empower people to retain an increasingly diverse workforce. Professionals can benefit tremendously from mentoring at any stage in their career. For some mentees, it can help to have a mentor who shares a similar background (e.g. two millennials might be paired, or two people who have both emigrated from overseas). Often, the mentor will have encountered similar experiences and challenges as the mentee and can suggest solutions.

Mentoring is also a proven way to help professionals progress to more senior roles in their organisations, which increases retention and diversity in management and leadership roles.

⁵ The Australian Human Rights Commission points to study of 643 Australian employers indicating "cost neutral effects for most workplace accommodations, with financial benefits outnumbering costs". <https://www.humanrights.gov.au/publications/national-inquiry-employment-and-disability-interim-report-chapter-2>



CELEBRATE DIVERSITY

Employee events can provide highly visible and engaging demonstrations of an organisation's commitment to diversity and inclusion. Information sessions are a good way to include employees and raise awareness of the organisation's values and expected behaviours. Importantly, senior leaders should commit to attending such events. Extension activities might include volunteering during work hours, where employees actively support a community initiative that promotes diversity.



SET TARGETS

All of the above tactics can help achieve greater diversity and inclusion in the workplace – and will be more effective where targets are set and measured. Accountability for performance must run right through the organisation, so that everyone 'owns' diversity and inclusion.



SHARE YOUR STORY

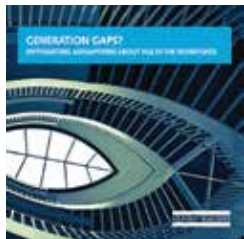
If your organisation is a high achiever in diversity – share that message in the market. An employer brand that embodies diversity will be an employer of choice and attract top talent. As our research indicated, most professionals believe a diverse workplace is a more engaging environment to work in.

HIRING MANAGERS HITLIST

Hiring managers said the top three most impactful strategies to address workforce diversity are:

-  Recruitment processes to mitigate unconscious bias
-  Flexible working arrangements for parents
-  A diversity strategy that is clearly and widely communicated to everyone

FURTHER RESOURCES FROM ROBERT WALTERS



GENERATION GAPS

This whitepaper explores how employers can get the best out of their multi-generational workforces, including:

- What motivates professionals of different generations
- Common ground across the age spectrum in terms of working styles
- The prevalence of inter-generational conflict and age discrimination.



EMPOWERING WOMEN IN THE WORKPLACE

This whitepaper explores gender diversity and examines its effects on developing the female leaders of tomorrow, including:

- Career priorities for female professionals
- How female leaders are regarded in the workplace
- The need for equal representation of female leaders within in an organisation
- How employers can empower women.



IS YOUR WORKPLACE CULTURALLY FIT?

This whitepaper explores cultural fit and how this impacts organisations and the people who work in them, including:

- The importance that both employers and employees place on cultural fit
- The benefits of good cultural fit for employers and employees
- The costs of poor cultural fit for employers and employees
- Steps employers can take to achieve good cultural fit.



MOBILISING GLOBAL TALENT

This whitepaper explores current skills shortages in the local market, and the potential to import talent from overseas, including:

- The benefits of hiring skilled professionals from overseas
- The barriers preventing employers from hiring overseas talent
- Practical solutions to help local employers recruit and retain international talent.

CONTACT US

To discuss this whitepaper or your recruitment needs in more detail, please contact your Robert Walters recruitment consultant or **James Nicholson, Managing Director - ANZ, Robert Walters** on **+61 (0) 2 8289 3130** or **james.nicholson@robertwalters.com.au**.

Adelaide

Level 20
25 Grenfell Street
Adelaide SA 5000
T +61 (0) 8 8216 3500
F +61 (0) 8 8410 5155
E adelaide@robertwalters.com.au

Brisbane

Level 27
Waterfront Place
1 Eagle Street
Brisbane QLD 4000
T +61 (0) 7 3032 2222
F +61 (0) 7 3221 3877
E brisbane@robertwalters.com.au

Melbourne

Level 41
385 Bourke Street
Melbourne VIC 3000
T +61 (0) 3 8628 2100
F +61 (0) 3 9600 4200
E melbourne@robertwalters.com.au

Perth

Level 10
109 St Georges Terrace
Perth WA 6001
T +61 (0) 8 9266 0900
F +61 (0) 8 9266 0999
E perth@robertwalters.com.au

Sydney

Level 53
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
T +61 (0) 2 8289 3100
F +61 (0) 2 8289 3200
E sydney@robertwalters.com.au

North Sydney (Chatswood)

Level 15
67 Albert Avenue
Chatswood NSW 2067
T +61 (0) 2 8423 1000
F +61 (0) 2 8423 1099
E chatswood@robertwalters.com.au

Western Sydney (Parramatta)

Level 6
10 Smith Street
Parramatta NSW 2150
T +61 (0) 2 8836 3600
F +61 (0) 2 8836 3699
E parramatta@robertwalters.com.au

Auckland

Level 9
22 Fanshawe Street
Auckland, New Zealand
T +64 (0) 9 374 7300
F +64 (0) 9 374 7399
E auckland@robertwalters.co.nz

Wellington

Level 15
Harbour Tower
2 Hunter Street
Wellington, New Zealand
T +64 (0) 4 471 9700
F +64 (0) 4 473 6039
E wellington@robertwalters.co.nz

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