Re-thinking Diversity

How to drive cultural inclusion in the workplace

“Inclusion is not a strategy to help people fit into the systems and structures which exist in our societies; it is about transforming those systems and structures to make it better for everyone. Inclusion is about creating a better world for everyone.”

Diane Richler
Past President, Inclusion International
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Foreword

In the midst of significant global changes such as generational turnover, widespread immigration and advancing technology, diversity has shifted from being just a good corporate citizen goal to a business goal.

As presented in our first whitepaper “Diversity Beyond Gender: The business case for cultural diversity”, study after study has shown the tangible and profitable benefits that a diverse workforce can bring to an organisation. As a result, in the last decade, the corporate world has focused more and more on diversity and celebrating our differences in gender, sexual orientation, cultural background and more.

However, focusing on our differences has also meant that somehow we have been celebrating our “otherness”, in many cases without fully understanding how those differences in experiences, can affect someone’s sense of belonging and engagement.

It is not enough to encourage people to join us regardless of their gender or cultural background. It is not enough to achieve a statistically diverse workforce. We also must ensure our employees feel safe to bring their true selves to the workplace, so actively concealing more stigmatised aspects of one’s identity doesn’t become the norm.

This second white paper in the series “Re-thinking Diversity: How to drive cultural inclusion in the workplace”, explores different approaches organisations can undertake to not only overcome the diversity challenge, but more importantly to build truly inclusive workplaces.

We know diversity and inclusion together can have a positive effect on productivity and performance of organisations, but to achieve this, we need to re-think the way we do business. We need to re-think cultural inclusion in the workplace.

Greg Parkes
Executive General Manager
Autopia

Yassmin Abdel-Magied
Mechanical Engineer, Social Advocate, Writer
Introduction

There are innumerable ways to discuss, engage with and encourage diversity in organisations. However, focusing on building a diverse workforce alone is not enough. Increasing ‘diversity’ in a workplace must also involve creating an inclusive culture that values and uses the talents of all would-be members. Ultimately, inclusion is the goal. True inclusion allows all members of a team or organisation to feel comfortable in bringing their whole selves to work, and therefore, feel comfortable, welcomed and valued – something each and every one of us desire as human beings. Diversity and inclusion together encourage us to think ‘who is not being included, and how do we make them feel truly valued?’

Diversity Beyond Gender; the first instalment of the “Re-Think: The Cultural Diversity Series” introduced the concept of cultural diversity and why it is important for organisations in Australia, particularly given our geographic location and multicultural makeup. The paper looked at Australia’s multicultural landscape, and the experiences of Australian employees from culturally diverse backgrounds to demonstrate where Australian employers need to improve. It then continued by highlighting the business case and moral case for diversity, acknowledging the caveats involved in both. As a solution to the limitations in both those cases, the first instalment then concluded by introducing the idea of the ‘Values and Virtues’ framework, an inclusive alternative view on diversity and inclusion.

This paper builds on that research. It reflects on Australia’s diversity and inclusion sector and introduces some tangible tools that will help organisations to embed cultural inclusion successfully. Ultimately, this paper is about placing us all, as individuals and organisations, on the path to truly inclusive workplaces.

Diversity is the mix. Inclusion is making the mix work.”
Andres Tapia, Senior Partner Korn Ferry - Diversity, Inclusion & Workforce Performance Practice

Refresh:
Ely and Roberts (2008) define cultural diversity as differences among team members in race, ethnicity, gender, religion, nationality, or other dimensions of social identity that are marked by a history of intergroup prejudice, discrimination or oppression.
So where are we at?

Diversity and Inclusion practices and initiatives are not a new part of the Australian workplace landscape. However, given the statistics about the cultural diversity of workplaces today, it is clear that they are not as effective as they could be and more needs to be done to improve the rate of change.

In 2015, The University of Sydney Business School Migrants@Work Research Group, Macquarie University, the Australian Human Resources Institute (AHRI) and Diversity Council Australia (DCA) surveyed Australian Diversity and Inclusion (D&I) practitioners to benchmark their performance and understand what – if anything – was impeding success. The report, titled *Benchmarking Diversity and Inclusion Practices in Australia* indicated that although there was support for the concept of ‘Diversity and Inclusion’, it was not adequately resourced or measured. Two hundred and eighty responses to the survey across industries were received.

The survey showed that almost all practitioners loved their job, and many said that board members and senior executives supported diversity and inclusion efforts. Some of the statistics are below:

- **78%** of practitioners reported that their board members supported diversity initiatives within their organisation and over 80% indicated that senior management also did.
- **62%** of practitioners said that the most senior person with responsibility for diversity in the organisation sat in the senior executive ranks, meaning there was some sense of high-level accountability.
- **70%** of organisations whose manager’s performance was linked to D&I outcomes reported D&I positively improving business performance. This is significant, as it indicates positive outcomes from D&I initiatives when incentivised.

One of the major differentiating factors was whether the diversity and inclusion initiatives were specifically and adequately resourced.

Of those who said they have sufficient budget, 64% said their D&I initiatives were somewhat or very effective at improving business performance. (Note: 39% stated that they didn’t have adequate resourcing at all).

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[1]University of Sydney Business School’s Migrants@Work Research Group, Macquarie University, Australian Human Resources Institute (AHRI) and Diversity Council Australia (DCA), 2015
HOWEVER, IT ISN’T ENOUGH

Unfortunately, it appears that the results are positive only when D&I teams are adequately resourced and the managers adequately incentivised by linking performance to reward. Otherwise, the levels of commitment are low to non-existent.

Sixty-two percent of practitioners reported they had a D&I budget, but 39% said this budget was insufficient for what was required for their role. Thirty-eight percent had no budget at all. Where in the business world do we expect real business results if there is no budget?

Only 41% said their organisations measured outcomes of D&I initiatives. This suggests that companies are approaching D&I as a ‘tick the box’ business function rather than a feature that is vital, reflecting where D&I sits as a value within the company.

26% of organisations strongly agreed with the assertion that they were ‘committed to’ D&I. However, only 15% said they make it central to everything they do.

The survey illustrates the current treatment of diversity and inclusion as a ‘nice to have’, not a ‘must have’.

This is further reflected in the fact that it is not treated as a core function of the organisation. There was little room for promotion, little scope given for creativity and little guidance as to ‘what success looks like’. This, therefore, limits the type of people who would go into the D&I space and throttles the sector’s capacity for effectiveness.

Only 11% were extremely satisfied with their opportunity for promotion, and 17% with the recognition of their work.

Clearly, diversity and inclusion work in an organisation suffers when it is seen as an ‘add-on’ rather than ‘the way we do things around here.’

Furthermore, it isn’t only about the development opportunities. Although there may be senior support, only 13% of D&I practitioners strongly agreed or agreed that managers had the necessary skills to deal with equality issues. Further, the results showed that the D&I sector had a high level of turnover, with most practitioners not going through formal training but learning through ‘work experience’. Most also had only been in the role for less than two years.

Less than a third (31%) of the organisations reported that they address the needs of a culturally diverse workforce.

This is deeply concerning; indicating the requisite capacity to deliver and implement on any D&I policy is severely limited. If diversity and inclusion are to be core values, the D&I literacy within the organisation, and particularly within senior managers, needs to be invested in significantly.

THE D&I SHIFT IS NO DIFFERENT TO THE CHANGE IN ATTITUDE TOWARDS SAFETY IN ENGINEERING.

You can’t change what you don’t measure.

Today, companies do not implement safety initiatives without benchmarking and monitoring progress.

Measuring things like ‘number of days without an incident’, ‘number of near misses reported’, or ‘number of safety cards submitted’ are common initiatives to have benchmarks and indicate the culture on a worksite. It also gives insight as to whether the safety initiatives are working.

Diversity and inclusion should be no different. If your organisation chooses to truly value diversity and full inclusion, the question is no longer ‘why?’, but ‘how best do we live these values?’.

So, in short – although the diversity and inclusion profession attracts a cohort of people who love and believe in what they do, the work to increase D&I in organisations is broadly seen as a ‘nice to have’. This means that the skills base, financial resourcing and professional development opportunities are wholly inadequate to achieve the positive results and benefits hoped for.

So, what do we do about this?
The approach moving forward

There are a number of ways to address cultural diversity in our businesses in order to reap the many rewards a truly flourishing, inclusive workplace provides.

Firstly, it is important to understand that the success of a diversity and inclusion program is related to how it’s framed. Proper management of diversity and emphasis on the inclusion is vital to realise the benefits of the changes.

There are two ways of managing cultural diversity: pluralism, or colour-blind commonality.

Pluralism accepts that the differences between people are real, substantial and consequential and therefore have an impact on how we manage diversity in organisations. Colour-blind commonality assumes that differences are superficial and therefore can be ignored. The philosophy in this case, says that ignoring differences helps avoid conflict, and so it is more a ‘melting pot’ analogy than a ‘tossed salad’.

Unfortunately, the colour-blind approach will not work in the long term. The best way to maximise performance and social cohesion of a culturally diverse workplace in the long run, is to adopt an inclusive, values-driven and pluralistic approach to cultural diversity in the workplace.

Moving forward, the most effective strategy is to take a value-driven, pluralistic approach that has true and representative inclusion of all members of a group or organisation as the goal. How do we get there?

What is Pluralism?
Harvard Professor Diana L. Eck talks about pluralism as ‘energetic engagement with diversity’, including ‘active seeking of understanding across lines of difference’ rather than simply tolerating each other. Eck also describes pluralism being based on a foundation of dialogue, and requiring a commitment to being at the table.

(Eck, 2006)
ORGANISATIONAL TIPS

The road towards truly inclusive and culturally representative organisations is likely to be long and difficult, as in the case of any organisational change or development. However, this should not sway us. Small steps and incremental changes are all an important part of the journey. That being said, there is also no reason to shy away from bold moves!

Through this, it is important to decide if diversity is truly a value of the organisation (inherent to the DNA like integrity and safety), and if so, what does success look like for your business? Answering this question is best achieved through a process all employees are a part of, and reflecting the environment in which your organisation operates. Some of the recommendations below may also help.

N.B. Credit for many of these recommendations goes to the Diversity Council of Australia’s excellent research. For more detailed information, see https://www.dca.org.au.

OPEN A DIALOGUE FOR UNDERSTANDING

- **Open the conversation.** Start talking about cultural diversity within your organisation, at all levels, acknowledging the discomfort but stressing its importance. Articulate cultural diversity not only in terms of percentages of racial or ethnic employees, but about inclusivity.

- **Create safe spaces for dialogue:** ask your culturally diverse employees about the culture of the organisation, whether they feel valued and what can be changed. Ensure sufficient resources are allocated to this process, and staff feel empowered rather than condescended, so it does not appear to be (or actually becomes) a ‘tick box’ exercise.

- **Appoint ambassadors for this process:** find people across the organisation who already believe in the message and value of cultural diversity to help drive the conversations. It is important for these ambassadors to come from teams across the organisation and not only the D&I line to ensure broad reach and take up. Further, ensure those who self-select for this role are not subtly penalised, undermined or undervalued for taking on this role. It should be seen and framed as a leadership opportunity and a position of value.

BENCHMARK DIVERSITY, DEFINE OBJECTIVES AND MEASURE PROGRESS

Measure the current level of cultural diversity and unconscious bias within the organisation using tools like the Implicit Association Test7, the Diversity Council of Australia’s online test8 or OriginsInfo9, the name analysis technique to identify and benchmark levels of cultural diversity.

- **Benchmark against cultural representation** in your industry, your community, your client/customer base, your labour market pools, etc.

- **Identify the relevant diversity and inclusion goals** for your business and build the appropriate, outcome driven, metrics around them. Consider going ‘wide’ (i.e. range of cultural diversity in the organisation rather than simply degree/percentage of culturally diverse employees).

- **Identify the ‘pipeline leaks’:**
  - Identify which job level in the business sees the cultural diversity drop off, and determine why.
  - Use specific and targeted talent management strategies to increase high quality culturally diverse talent at these job levels.

Develop inclusive leadership capability

- **Test how inclusive your leadership is** with the Diversity Council Australia’s ‘Inclusive Leadership Quiz’.10

- **Review the leadership models, value statements and culture of the organisation** to ensure culturally diverse candidates are not being unintentionally screened out.
  - Ask the question: what are the assumptions we are making about leadership here? Are our models of leadership culturally influenced, and is that what we are truly looking for?

Having diverse top management is one of the most powerful ways to signal commitment to diversity.

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GET BUY-IN ACROSS THE ORGANISATION

- **Share responsibility** for the management of diversity across the organisation, not just at any one level by including cultural diversity or inclusiveness requirements in personal KPI’s.

- **Include managing cultural diversity as a daily practice**, like any other cross-sector business skill.

- Invest in, and ensure, **whole-of-organisation buy-in** by communicating the appropriate case – business case and/or moral case – as well as values approach to the employees in the organisation and allow each employee to feel responsible, accountable and engaged in the change process.
  - Communicate a clear understanding of what ‘cultural diversity’ means within the organisation in order to reduce confusion.
  - Ensure the appropriate resources and budgets are allocated for the diversity agenda and are institutionalised (not an add-on or check box).

- **Truly value cultural assets:**
  - When recruiting and promoting, place greater emphasis and value on understanding of multiple cultures, global experience and multilingual abilities.

TOOLBOX IDEAS

*These won’t work on their own, but combined with an appropriate strategy, they are useful tools.*

Implement ‘the rule of threes’: whenever there is a promotion opportunity, ensure there are three candidates for the position and that no more than two candidates share the same cultural background. This will encourage looking outside the usual affinity networks and is a softer approach to hard quotas for particular job roles.

Introduce the concept of ‘yarning’ across the organisation, particularly for new and out-group employees. ‘Yarning’, an Indigenous Australian practice, is a process that involves deep listening, sharing of knowledge and establishing rules of respect. It also serves to encourage employees to get to know each other as individuals and in doing so, overcome stereotyping.

UPSKILL EMPLOYEES IN CULTURAL DIVERSITY LITERACY

One of the issues in dealing with cultural diversity is that people become uncomfortable or unsure how to engage, due to a lack of cultural literacy. This can be addressed through training, creation of safe spaces and placing value on cultural literacy skills within the organisation.

One way to upskill employees is to help them learn the difference between “generalising” and “stereotyping.”

Generalising is about grouping people into categories based on logical or well-founded information in order to bring sense into a complex world. They tend to be held consciously, are descriptive and are modified by experience.

Stereotyping is making assumptions about individual people based on their group, ignoring individual differences and is judgemental, not descriptive. Furthermore, stereotypes tend to be unconscious, and are not modified by experience, meaning they are not improved or based in any modicum of reality.

Examples include:

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<tr>
<th>Generalising</th>
<th>Stereotyping</th>
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<tr>
<td>Western societies tend to be</td>
<td>Australians are selfish</td>
</tr>
<tr>
<td>individualistic</td>
<td></td>
</tr>
<tr>
<td>Germans tend to value</td>
<td>Germans are uptight</td>
</tr>
<tr>
<td>efficiency and formality</td>
<td></td>
</tr>
<tr>
<td>Americans praise personal</td>
<td>Americans are show-offs</td>
</tr>
<tr>
<td>achievement</td>
<td></td>
</tr>
<tr>
<td>Japanese society values</td>
<td>Japanese won’t say what they think</td>
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<td>discretion and politeness</td>
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Note that stereotypes also tend to fall into negative attributes as they are judgemental.

ORGANISATIONAL APPROACHES TO AVOID

- Recognise that superficial ‘diversity initiatives’ are good for raising awareness but will not produce the performance results that deep, cross-company engagement can provide.

- Avoid the inward focus. Encourage and train employees to be outward focused – i.e. focused on what will be good for organisations and teams, rather than inward focused (on what the individual will gain or lose) to avoid the resentment that can arise from diversity initiatives.

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11 (Cornes, 2004)
‘The PAIN is WORTH the GAIN.’

Recognise that it won’t be easy, but ultimately if managed well, it will be worth it. Culturally diverse workers have different opinions, thoughts, beliefs, norms, customs, values, trends, and traditions. The graph below shows a fascinating piece of research: it feels uncomfortable to be in a diverse group. Diverse groups feel less confident and perceive themselves as less effective than homogenous groups, even though they may actually be performing better.

\[ \text{SHOWING THAT DIVERSE GROUPS CAN FEEL LESS CONFIDENT IN THEIR OWN EFFECTIVENESS, DESPITE THE FACT THAT THEY ARE PERFORMING HIGHLY.} \]

In the 2009 research, ‘Is the Pain Worth the Gain?’ American researchers found that the benefits of having newcomers in an organisation went beyond just having new perspectives brought to the table. As the mere presence of ‘out-group’ views also stimulated those who were ‘old-timers’ into behaving slightly differently, effectively pushing them out of ‘autopilot’ mode and into a different level of engagement.

‘Calling it out’ can be incredibly helpful. However, it requires a group dynamic that is understood to be based in mutual respect and a facilitator with the requisite skills to progress the discussion in an inclusive manner.

It seems that when it comes to evaluating the effectiveness of teams, individuals reflect on how comfortable the group interactions were. However, given how important constructive conflict is in producing the best outcomes, levels of comfort are not necessarily the best measure of performance. In fact, this serves to highlight how important it is to talk about the benefit of constructive discomfort when it comes to team performance. How can this be dealt with?

- Creating a ‘safe space’ for people to acknowledge the discomfort they are experiencing by having a conversation at the beginning of the team process around the ‘ground rules’ of the group.
- Give permission for people to ‘call it out’: encouraging team members to name their discomfort or the fact that the team feels ineffective, and then discussing why (while acknowledging research like this).
- Provide tools to talk about why individuals are feeling discomfort in ways that do not feel personal like the SBI Model (referring to the behaviour, not the person), or tools to differentiate what is constructive conflict and what is destructive conflict.
- Benchmarking performance, so that team members can see the actual results and see their outcomes are improved.

One tool for giving feedback in a way that isn’t personal is the “SBI” model: Situation, Behaviour, Impact.

- Situation: provides context (in today’s meeting…).
- Behaviour: describe the behavior exactly, without assumptions (you joked about my hairstyle).
- Impact: deliver the impact, using ‘I’ (and I felt hurt and insulted, you disrespected something that was culturally important to me).
Conclusion

This series has looked at the current state of play in Australia, what we are doing well, what we can improve on, and how.

Australia is an incredibly culturally diverse nation, a fact that we are largely proud of. However, we have a long way to go before our workplaces, and particularly our leadership, reflects the rich tapestry of diverse perspectives, experiences and cultures that make up our population.

Currently, the research shows that there is bias in the way we hire, promote and value those from cultural backgrounds that are not considered the ‘norm’ – male, Anglo, cis, able-bodied. This leads us to organisations and leadership teams that are homogenous and ultimately, much less competitive than they have the potential to be.

Two cases are often presented when talking about diversity: the business case and the moral case. Both cases have compelling arguments; the business case refers to research that illustrates a link between increased cultural diversity and increased business performance, while the moral case talks to instituting cultural diversity regardless of business outcomes. Both cases, however, are not foolproof, as diversity is only as good as its implementation. The alternative framing presented to deal with the drawbacks was the values and virtues case. This means thinking about diversity and inclusion as a non-negotiable value of the organisation, part of its DNA, and ‘how we do things around here’. It’s not an asset, it’s who we are.

Converting a sentiment around diversity into a tangible reality, however, is certainly a journey. This paper has focused on the diversity and inclusion profession, highlighting the reality that this sector is often undervalued, under-resourced and ill-equipped to do the work required to transform an organisation into one which fully understands, values and utilises diversity. We’ve explored what we can do about it, and the recommendations suggested ways to increase racial and ethnic diversity and representation in our organisations, individually and at the institutional level.

In an increasingly complex world, organisations and institutions that will thrive and succeed going forward are those that are able to respond to change proactively and those whose culture is not only ‘diverse’ but inclusive. Although this series focused on cultural diversity, the message is broader. It is about how we enable each and every individual to walk into work and feel they are wholly and fully valued – for their gender, their race, religion, socio-economic status, ability or disability, and for every aspect of their identity. Racial and ethnic diversity are especially important in Australia because of our multicultural population and landscape. However, it is only the beginning. The journey may be tricky, but it will definitely be worth it.
The road towards truly inclusive and culturally representative organisations is likely to be long and difficult, as in the case of any organisational change or development. However, this should not sway us. Small steps and incremental changes are all an important part of the journey. That being said, there is also no reason to shy away from bold moves!

**How to drive cultural inclusion in the workplace**

1. Open a dialogue for understanding
2. Benchmark diversity, define objectives and measure progress
3. Develop inclusive leadership capability
4. Get buy-in across the organisation
5. Upskill employees in cultural diversity literacy


Diversity Council Australia, 2013. Capitalising on Culture in the ASX200, Sydney: PWC.


Yassmin Abdel-Magied

Yassmin, who has made a name for herself not by conforming to the ‘status quo’ but by standing out, has been actively involved in the community since age 16 when she founded “Youth Without Borders”, an organisation that empowers young people to realise their full potential through collaborative, community-based programs.

Her list of achievements is long and includes being the 2015 National Finalist Young Australian of the Year, 2012 Westpac 100 Women of Influence, and 2011 Australian Financial Review Youth Leader of the Year.

Yassmin is a sought-after advisor for federal governments and international bodies, having sat on the Australian Multicultural Council, the Board of the Queensland Museum, and the Design Council. She was Head of Media on the organising committee of the 2014 Youth G20 Summit and currently sits on the Boards of ChildFund, The Council for Australian-Arab Relations (CAAR) and the domestic violence prevention organisation, OurWatch. She is the Gender Ambassador for the Inter-American Development Bank and has represented Australia through multiple diplomatic programs across the globe.

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