

2008 Australasian Diversity & Equality Survey
Equal Employment Opportunity Network of Australia



2008 Status Report on Diversity and Flexibility

Embargoed until 25 July 2008, EST

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1. Executive summary

In 2008 the Equal Employment Opportunity Network of Australasia (EEONA), an umbrella body of EEO networks across Australia and New Zealand¹, conducted a survey of members to investigate the status of diversity and flexibility practice in Australia and New Zealand. As the members of EEONA represent best practice organisations in terms of their commitment to diversity outcomes and the implementation of practical initiatives, members (who are typically diversity/HR managers) provide informed comment about: Why their organisations are focussed on diversity (ie what are the expected outcomes)? What's working well in terms of advancing diversity? Where are the gaps? And what are the strategies for change? In essence this report consolidates the hands-on experiences of members responsible for implementing diversity in their organisation and thus provides practical insights into creating inclusive workplaces. These insights are critical and timely given acknowledgement by participants from the 2020 Summit that a key strategy for building a vibrant economy is accessing and unleashing human talent – and that these outcomes can be achieved (in part) by removing barriers to workforce participation.

As this is the third Australasian Diversity and Equality Survey (ADES) conducted by EEONA since 2003, we now have the opportunity to identify how best practice organisations are tracking on the journey to diversity and equality. In essence we can now identify whether organisations have made positive advances over the past 5 years, stagnated or regressed. If positive steps have been taken, these results help us to understand the shape of change.

Finally, in addition to general diversity questions which have been consistent across the 2003, 2005 and 2008 surveys, in 2005 and 2008 EEONA has included additional questions on a topical diversity related issue. Given the current focus on workplace flexibility in both Australia and New Zealand, the 2008 ADES² therefore included a series of questions on flexibility. We now have a much

¹ EEONA comprises the NSW Equal Employment Opportunity Practitioners' Association (NEEOPA), the Victorian Equal Employment Opportunity Network (VEEON), the Queensland Equal Opportunity Practitioners' Association (EOPA) and the NZ Equal Employment Opportunity Trust (EEO Trust).

² Members of the Work/Life Association Inc were invited to participate in the 2008 ADES given the focus on flexibility.

richer understanding of the current state of play in relation to flexibility, and in particular the practical steps which can help bridge the gap between policy and practice. In addition these data provide a benchmark or starting point from which we can evaluate the impact of the (Australian) *National Employment Standards* which include a right for parents of young children (below school age) to request access to flexible work practices (introduced in June 2008), and New Zealand employment legislation which provides all carers with the right to request flexibility (which commenced on 1 July 2008).

The research was conducted by independent researcher Dr Graeme Russell, in consultation with Juliet Bourke (Chair of EEONA)³.

The five key findings of the research are:

1. **Business as usual:** Positively there is increasing evidence that diversity is being integrated into the business and is perceived as being part of “business as usual”, eg diversity is now more likely to be measured in general employee surveys (84% of respondents) and integrated into mainstream management development (rather than specific diversity programmes).
2. **Changing shape:** Intriguingly there has been a change in the focus of diversity programmes: (i) towards an emphasis on age (52% of respondents up from 44%) and indigenous (60% of respondents up from 53%) target groups and away from people with a disability (40% of respondents down from 59%); and (ii) towards an emphasis on work/life and flexibility rather than a more narrow focus on “caring responsibilities”.

³ Juliet Bourke and Dr Graeme Russell are both partners at Aequus Partners (www.aequus.com.au), an organisational change consultancy on diversity and flexibility.

3. **A metrics blind spot:** Disappointingly there is still a lack of metrics designed to hold managers accountable for diversity and flexibility outcomes, eg only 30% of managers are held accountable for diversity outcomes. Creating metrics would provide an opportunity to clarify goals and motivate action.
4. **Managers hold the flexibility key:** 81% of respondents rated the current implementation of flexibility in their organisation as average or below average. Building managerial capability is a key to closing the gap between flexibility policy and practice. This capability includes having (i) sufficient knowledge about the benefits of flexibility; (ii) the confidence to manage difficult implementation issues; and (iii) practical implementation skills.
5. **Managers need flexibility too:** A key differentiator between organisations which are effectively implementing flexibility and those which are not is the extent to which managers (as well as employees) are able to access flexibility.

2. Research method

In March 2008 Presidents of the NSW EEO Practitioners' Association, the Equal Opportunity Practitioners' Association (Queensland), the Equal Employment Opportunity Network (Victoria), the NZ EEO Trust, as well as members/associates of the WorkLife Association Inc, were invited to complete the ADES online. 48 members participated in the survey (compared with 60 in 2003 and 32 in 2005⁴), representing a diverse range of small, medium and large organisations⁵ from the private, government and community sectors⁶. In total the survey respondents represented nearly one quarter of a million employees (238,580).

⁴ The samples were broadly comparable in 2003, 2005 and 2008, eg in the 2008 sample overall, 23% of the board directors were women (the same as in 2005) and 2% were from a Non-English Speaking Background (4% in 2005).

⁵ Organisational size ranged from 4 to 40,000. Approximately 44% had 2,000 or more employees.

⁶ 29% were from the Government sector, 46% were from the Private Sector and 17% were from Not for Profit organisations (this is slightly higher than in 2005). In terms of industry sector, the samples from 2005 and 2008 were broadly comparable.

In June 2008 twelve EEONA members participated in a focus group to help interpret the survey data. Focus group participants represented small, medium and large organisations in the private, government and community sectors in New South Wales, Victoria and New Zealand.

3. Report structure

This report presents integrated survey and focus group findings in terms of the following themes:

- (i) **Why are organisations interested in diversity?**
 - a. The drivers of diversity
 - b. The expected diversity outcomes.

- (ii) **How do organisations implement a diversity agenda?**
 - a. A diversity framework
 - b. Diversity data collection
 - c. Diversity target groups
 - d. The nature of diversity initiatives
 - e. Diversity measurement strategies.

- (iii) **What are the challenges to diversity implementation?**
 - a. Conditions for effective implementation
 - b. Roadblocks to implementation
 - c. Management accountabilities and rewards.

(iv) Special report: Flexibility

- a. The nature of flexibility initiatives
- b. Expected flexibility outcomes
- c. Drivers of the flexibility agenda
- d. Effective flexibility implementation
- e. Opinions about flexibility
- f. Key differentiators of effective flexibility.

4. Why are organisations interested in diversity?

Data from the 2003, 2005 and 2008 surveys indicates that organisations have sustained their commitment to a diversity agenda (framed either as a “diversity strategy” or a “diversity policy”), the question is why? In particular, what are the drivers of this commitment and what are the expected outcomes?

4.1 Drivers of diversity

Survey respondents were asked to indicate what had been the main drivers for their organisation implementing a diversity/Equal Employment Opportunity (EEO) strategy. Findings are summarised in Graph 1 below. The five leading drivers in 2008 were (i) alignment with our values (95%); (ii) personal leadership commitment (94%); (iii) the business case (84%); (iv) legal compliance (76%); and (v) corporate social responsibility (72%). Additionally, for approximately two-thirds of the sample (65%), employee feedback (pressure) rated highly, up from 37% in 2005.

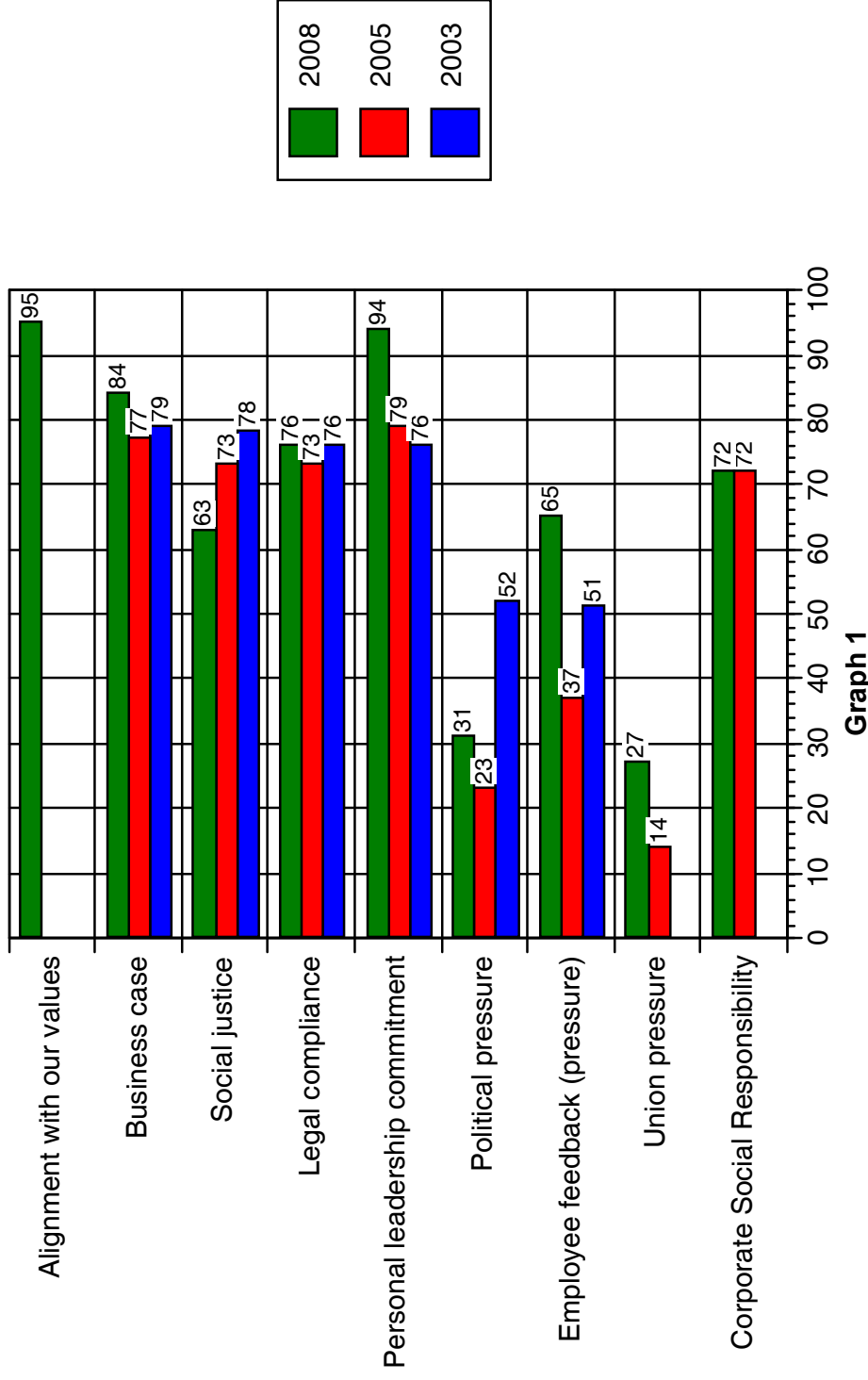
The drivers of a diversity/EEO strategy appear to have remained relatively stable over time (with some minor exceptions). Of particular interest however is the increase in the number of respondents who indicated that the “business case” was a main driver of their diversity strategy (84% up from 77% in 2005) and the decrease in number who indicated that “social justice” was the main driver (63% down from 73% in 2003). As discussed below, these changes lend further weight to the argument by focus group

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respondents that there is a positive trend towards perceiving diversity as integral to mainstream business operations, rather than related to a separate agenda.

The range of the drivers suggests that organisations are responsive to multiple pressures points, eg values, legal, business and personal leadership. On the one hand the multiplicity of pressure points might be perceived as having a negative connotation, ie there is no single message about diversity that can be crafted into a simple internal or external marketing campaign. More positively however, a range of pressure points suggests greater opportunities for stakeholder engagement, ie multiple messages can engage a broader range of stakeholders in the diversity agenda. Finally, it is of note that “legal compliance” rates highly in relation to a driver of diversity, and this suggests a significant opportunity for government policy makers.

Major drivers of diversity strategy



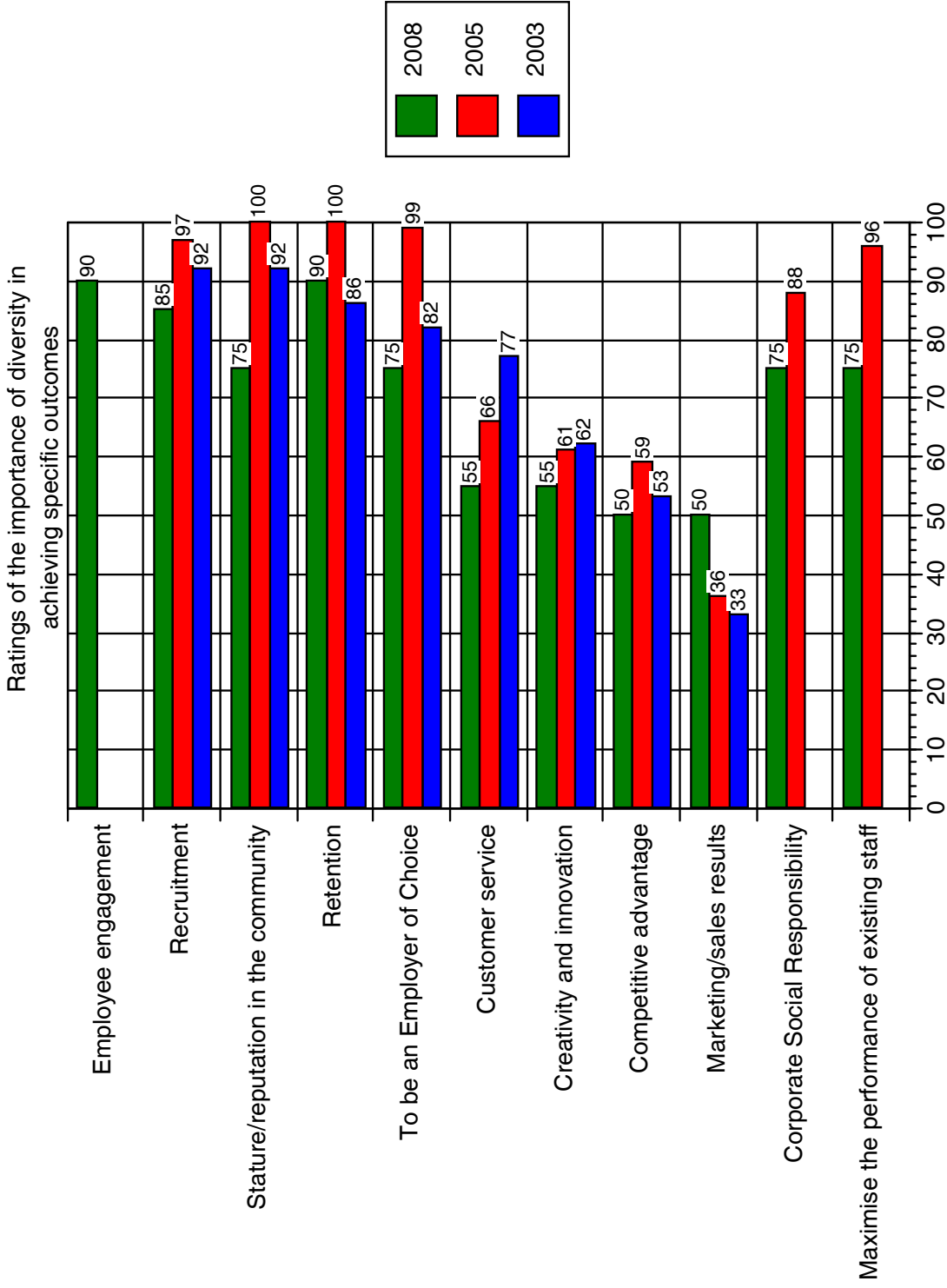
4.2 Expected outcomes

Survey respondents were asked to rate the importance of each of ten expected outcomes for their diversity/EEO strategy, namely (i) recruitment; (ii) stature/reputation in the community; (iii) retention; (iv) to be an employer of choice; (v) customer service; (vi) creativity and innovation; (vii) competitive advantage; (viii) marketing/sales results; (ix) corporate social responsibility; (x) maximising the performance of staff. Findings are summarised in Graph 2 in terms of the percentages of respondents who rated the outcome as being either “Quite” or “Very” important. Findings from the 2005 and 2003 surveys are also included where available.

The “expected outcomes” rated most highly in 2008 were (i) retention (90%); (ii) recruitment (85%); (iii) stature/reputation in the community (75%); (iv) to be an employer of choice (75%); (v) maximising the performance of existing staff (75%); and (vi) corporate social responsibility (75%).

Intriguingly, overall in 2008 the ratings of importance were lower than in comparison to 2005, which could suggest reduced expectations or perhaps changed expectations. The latter interpretation is supported to some degree by the addition of a new question in 2008, namely whether “employment engagement” is an expected outcome of a diversity/EEO strategy: 90% of respondents indicated that it is.

The data suggest that survey respondents see their diversity/EEO strategy as driven more by employment related outcomes (eg employee’s expectations), than creating bottom-line business benefits. Support for this argument is derived from the lower ratings attributed to the expected outcomes of (i) customer service (55%); (ii) creativity and innovation (55%); (iii) competitive advantage (50%); and (iv) marketing and sales results (50%).



Graph 2

In summary, an organisation's commitment to diversity is driven by multiple pressure points, including the business case, legal compliance and alignment with values. In terms of the expected outcomes from this commitment, whilst it is positive that the connection between employment outcomes and diversity appears well accepted, neglecting to focus on the full range of business outcomes is potentially problematic, especially in an unstable economic climate. Further the current separation of employment and bottom-line outcomes serves to marginalise diversity and equality as an HR issue and not core business.

5. How do organisations implement a diversity agenda?

The key elements to implementing an organisational change agenda are (i) articulating a vision, (usually through the development of a strategy) and allocating responsibility; (ii) collecting data to identify the points of change; (iii) implementing specific actions; and (iv) measuring outcomes. Is this the approach taken when implementing a diversity agenda? Questions were asked of survey participants to identify (i) the framing of the diversity agenda (ie policy or strategy) and whether it has changed over time; (ii) the nature of data collected on employee diversity dimensions; (iii) whether all diversity groups are targeted; (iv) the nature of diversity initiatives; and (v) diversity measurement strategies.

5.1 A diversity framework

Survey respondents were asked whether their organisations had a formal diversity/EEO strategy, and how that strategy is operationalised across the business. Intriguingly in 2008 63% of respondents indicated that they had a formal diversity/EEO strategy, down from 91% in 2005. Of these:

- 89% (90% in 2005) said that this strategy operated at the corporate level and 15% (50% in 2005) said it operated in one or more business units.

- 46% (75% in 2005) said they had a designated Diversity/EEO manager at the corporate level and 19% (19% in 2005) had this at the business unit level.
- 58% (61% in 2005) indicated they had a steering committee/high level group responsible for their diversity/EEO strategy.
- 55% (70% in 2005) indicated that their diversity/EEO strategy was explicitly considered in organisation-wide business planning and objective setting processes.

Are these changes (and in particular the significant drop in the number of organisations which had implemented a formal diversity strategy) indicative of a change of approach to diversity? Could they indicate that diversity is no longer perceived as a critical business issue? Or are they indicative of semantics, eg “strategy” is no longer an appropriate way to describe the framework for an organisation’s approach to diversity. Overwhelmingly the focus group participants rejected a negative interpretation (ie that there is less of an emphasis on diversity as a strategic issue in 2008 than in 2005 or 2003), and suggested a more positive interpretation, namely that diversity is now more likely to be perceived as “business as usual” and integrated into mainstream processes. In support of this interpretation of the data the focus group participants suggested that:

- Diversity is more likely to be part of a business plan and integrated into the business than to be a formal strategy. Evidence for this includes the integration of diversity into employee surveys as a measurement tool (see below).
- Diversity is now more likely to be driven by corporate social responsibility (CSR).
- Diversity has become more of “part of what we do” and “business as usual”.

Focus group participants also suggested that they may reflect an issue of semantics, as:

- Organisations are more likely to have a policy and programmes, and less likely to have a diversity “strategy”.
- “Strategy” connotes something very formal, and may not be the appropriate word. It was also suggested that there might now be greater clarity on the difference between and strategy and a policy.

Notwithstanding this positive interpretation of the data, namely that diversity is now more likely to be part of “business as usual”, or even neutral interpretation (ie the data is more reflective of semantics than real changes), focus group participants observed significant opportunity for improvement given that organisations do not reflect the diversity of the broader community, for example,

- Only 23% of the board directors were women, and 2% were from a Non-English Speaking Background; and
- Only 23% of the senior executives were women and 4% were from a Non-English Speaking Background.

In summary, there is increasing evidence that diversity is being integrated into the business and is being perceived as part of business as usual, eg diversity is now more likely to be measured in general employee surveys and included in mainstream management development (rather than specific diversity programmes). Nevertheless there is still considerable room for improvement and, as will be discussed below, diversity outcomes could be enhanced through the development of managerial accountabilities and rewards, as well as strategies to assist managers to manage a flexible workplace.

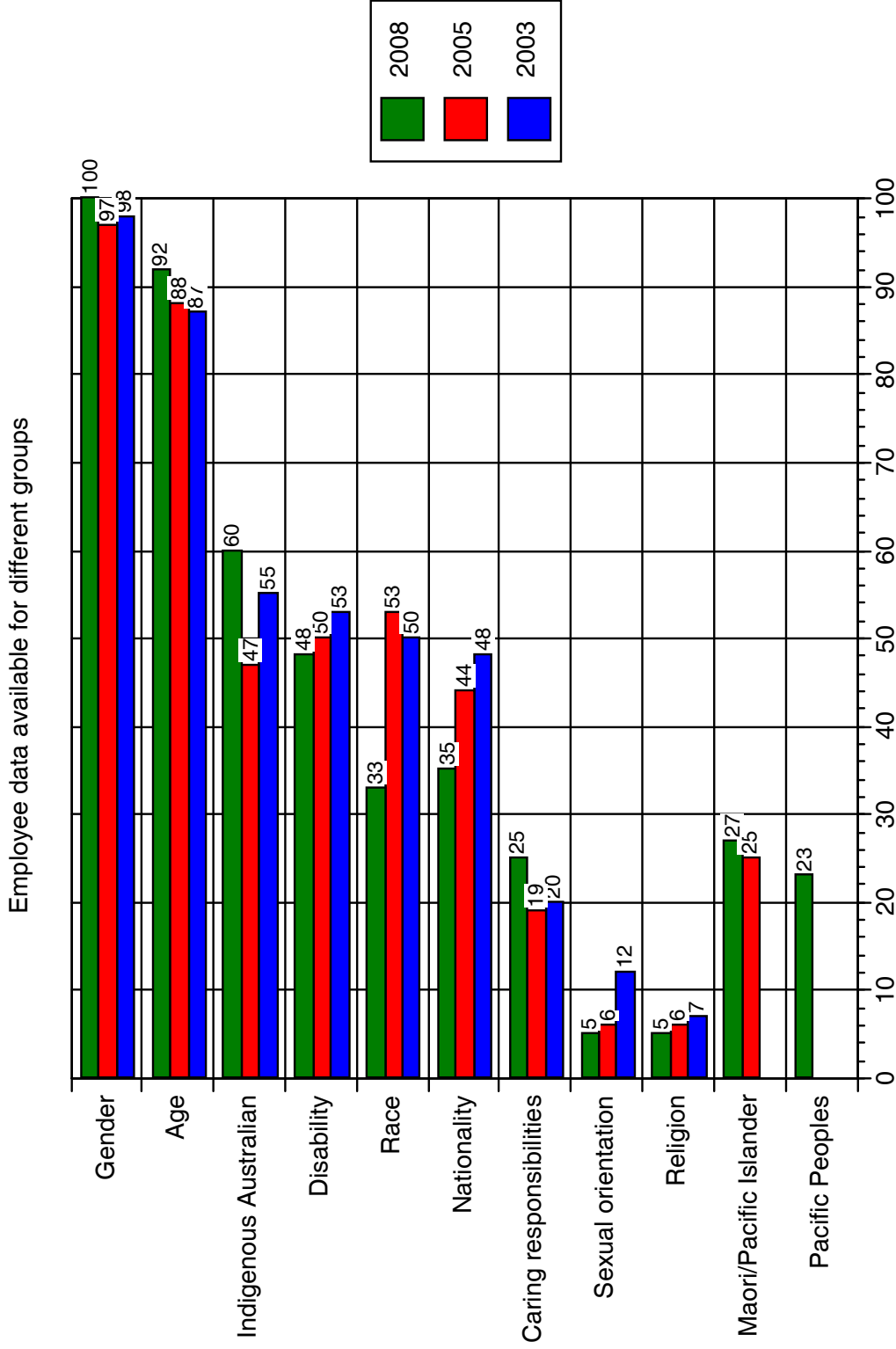
5.2 Diversity data collection

Respondents were asked to indicate the nature of the data they collect on various diversity dimensions. Understanding the composition of employees in terms of diversity is clearly relevant to developing programmes and initiatives and evaluating outcomes, eg these data can help determine whether an organisation should prioritise one diversity issue/target group or another at a given point in time.

The findings are summarised in Graph 3 below, and indicate that organisations do not collect data on all aspects of employee diversity. To some degree these findings reflect community-accepted standards about privacy (eg the low levels of disclosure and

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data collection on religion (5%) and sexual orientation (5%) in contrast to self-evident demographic characteristics (eg the high levels of reporting on gender (100%) and age (92%).)



Graph3

In summary, there are gaps in organisational knowledge about the diversity characteristics of their employees. To enable the development and evaluation of diversity appropriate programmes, the data point to the importance of developing broader data collection strategies which are less reliant on self-evident characteristics (eg age and gender) and more inclusive of “invisible stigma” (eg religion and sexual orientation). As discussed below, employee data (ie its availability or lack thereof) appears to have a direct relationship to whether or not an employee group is the subject of a specific diversity programme.

5.3 Diversity target groups

In order to identify what actions are being taken to improve diversity outcomes, survey participants were asked to identify the specific Diversity/EEO initiatives they have introduced to target particular groups or issues. These findings are summarised in the Graph 4 below.

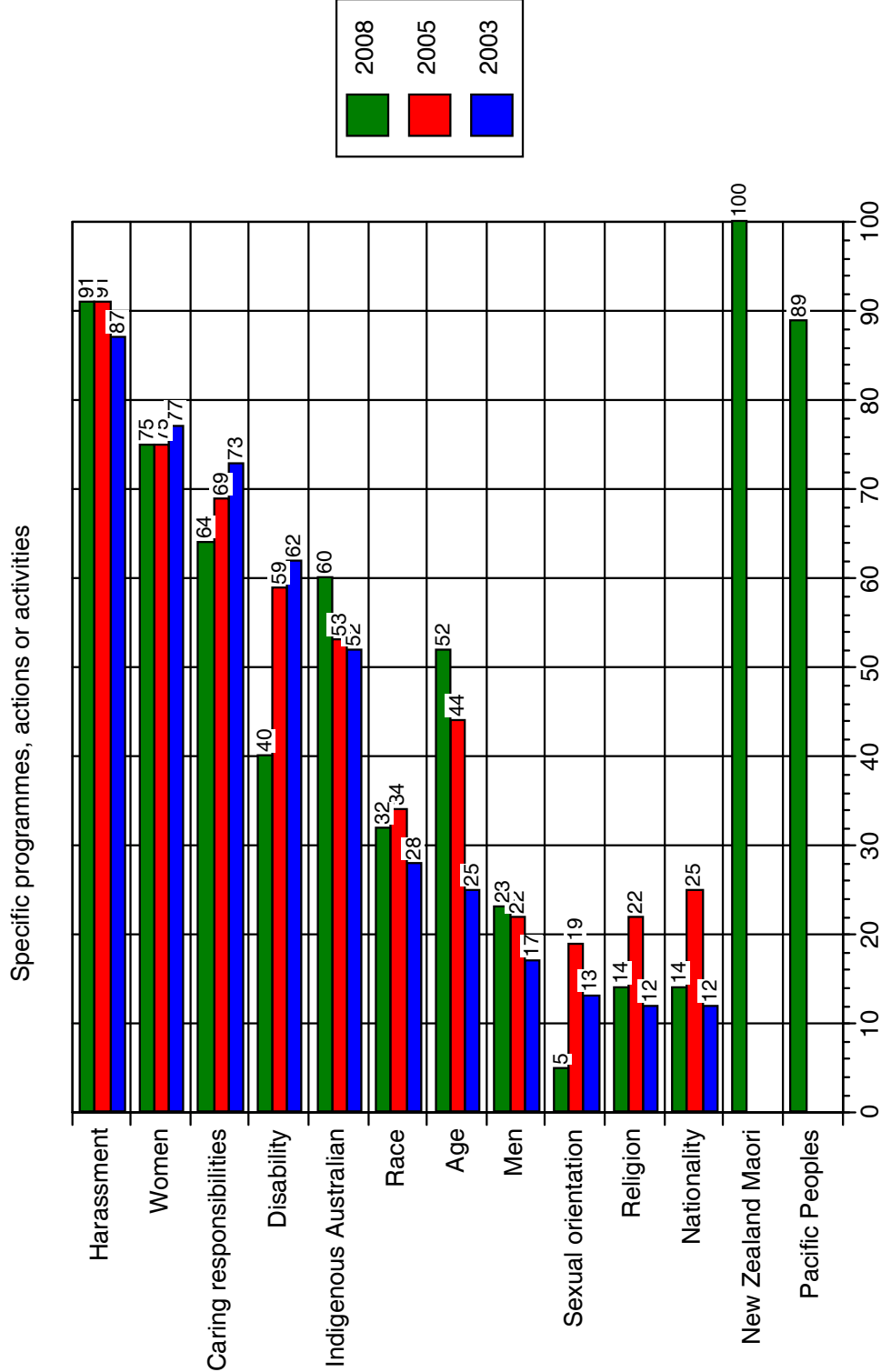
These data indicate that (similar to 2003 and 2005), much more priority is currently given to issues associated with harassment (91%), women (75%), caring responsibilities (64%), Indigenous Australians (60%), and in New Zealand, Maori (100%) and Pacific Peoples (89%), than other diversity issues such as sexual orientation (5%, down from both 2003 and 2005), religion (14%) and nationality (14%). These findings are consistent with the conclusion drawn above, namely that if organisations collect data about a diversity characteristic (eg gender) then that target group is more likely to be the subject of a specific diversity initiative. Correspondingly, if an organisation does not collect relevant employee data (eg in relation to sexual orientation), then that target group is less likely to be the subject of a specific strategy. Further, the selective nature of diversity/EEO programmes suggests that organisations do not fully appreciate, value and support the diversity of their employees.

Whilst the data suggest relative stability in the focus of diversity programmes over time, there are some obvious changes in relation to age, Indigenous Australians, disability and caring responsibilities. Positively, survey participants indicated that they are giving more attention to age (52% in 2008 compared with 25% in 2003) and Indigenous Australians (60% in 2008 compared with 53% in 2005). This is likely to reflect growing public awareness of the impact of the ageing demographic and skill shortages and, respectively, a commitment to reduce discrimination against Indigenous Australians (as exemplified in the (Australian) Prime Minister's National Apology to the Stolen Generation in February 2008).

Intriguingly, the survey data also indicate less focus on caring responsibilities (64% in 2008 down from 73% in 2003). Does this suggest that there is now less commitment to addressing the needs of employees with caring responsibilities? If so, it would run counter to the continued (and indeed increased) level of public policy, business and legislative attention accorded to this diversity target group over the past five years in Australia and New Zealand. Could the data be open to another interpretation? Yes, according to the focus group participants. Far from a negative interpretation, focus group participants suggested that the narrow focus on accommodating the needs of employees with caring responsibilities has expanded to include the "work/life" or flexibility needs of all employees (eg to study). Hence if the survey question had asked respondents about whether they had introduced "work/life or flexibility" actions or initiatives, the positive response rate would have been much higher. Support for this perspective is evident in Section 7 of this report on flexibility, and in particular the number of survey respondents who indicated that they had introduced work/life or flexibility programmes over the past year.

Finally, a disappointing change in the shape of diversity programmes was the reduced attention being given to disability (40% in 2008 down from 62% in 2003). Focus group participants confirmed that their attention had moved away from disability as suggested by the survey data, even though they recognised that discrimination against people with a disability is still an issue. By way of explanation the focus group respondents suggested that "companies think they have already 'done' disability", ie that companies had put in place actions to address issues of access to employment and were, to some degree, unsure of their next

steps. This finding suggests room for disability advocates to clearly articulate the nature of actions which would promote the greater inclusion of people with a disability, eg job redesign.



Graph 4

In summary, the focus of diversity actions has remained relatively stable over the past 5 years, although there have been some intriguing shape changes. Positively there is now a greater emphasis on age and Indigenous Australians, and a shift away from the narrow framework of “caring responsibilities” to a broader focus on work/life and flexibility. Disappointingly, there is now less attention being paid to disability programmes.

5.4 The nature of diversity initiatives

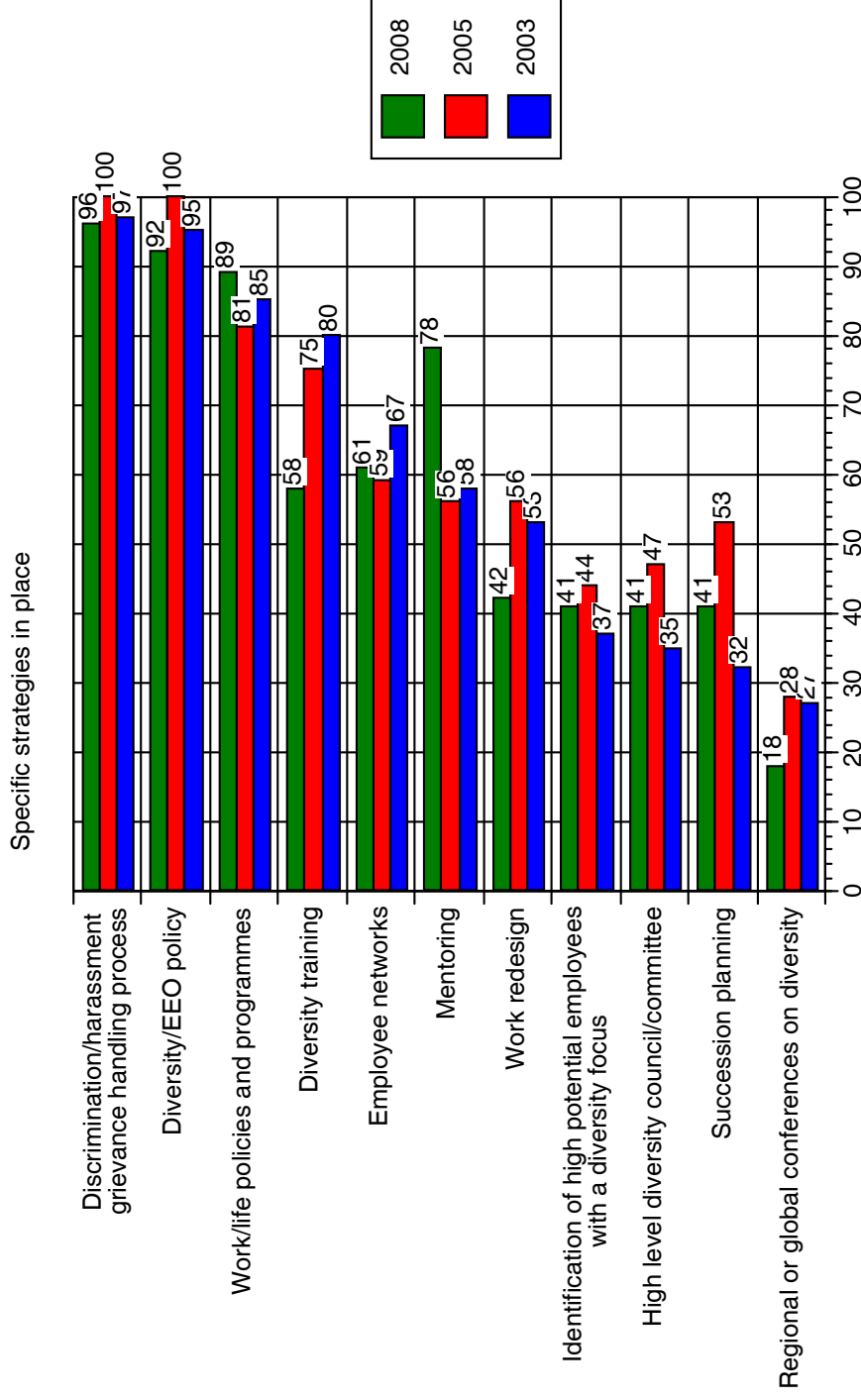
Survey respondents were asked to identify the nature of the actions or initiatives they had introduced to create a diverse workplace. Potential actions ranged from compliance based initiatives (eg grievance handling processes for complaints of discrimination/harassment) to sophisticated initiatives aimed at eliminating hidden barriers to diversity (eg via job redesign).

Graph 5 shows that the weight of responses indicates a preference for compliance and high level diversity programmes, and less emphasis on high level commitment and strategies to address fundamental changes to business structures and culture. For example, 96% of organisations have grievance processes; 92% a diversity or EEO policy; 89% work/life programmes – all of which can be characterised as a process, policy or high level programme response. In contrast 61% had established employee networks, 42% job redesign; 41% identification of high potential employees with a diversity focus; 41% a high level diversity committee; 41% succession planning; and 18% regional conferences – all of which require a long term commitment to issues of changing structures and mindsets.

In terms of changes over time, notable variations included a greater emphasis on mentoring (78% in 2008 up from 58% in 2005) and diversity training (58% in 2008 down from 80% in 2005). Focus group participants viewed both of these changes as positive. In relation to mentoring, the greater focus on mentoring initiatives recognises the importance of assisting diverse candidates to develop and navigate organisational structures (especially at senior levels). Whilst these data appears positive, a missing piece of

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information is whether these mentoring programmes are available to all diversity target groups, or focus on one group (eg women). In relation to diversity training, focus group participants suggested that a reduction in the number of organisations providing stand alone diversity training is indicative of the integration of diversity messages into mainstream leadership training, rather than a reduced emphasis on diversity training per se. This interpretation of the training data by the focus group participants is consistent with their view that organisations are more likely to perceive diversity as part of “business as usual” rather than in isolation.



Graph 5

In addition to the closed survey questions on the nature of organisations' diversity actions or initiatives, participants were provided with the opportunity to comment freely on the range of initiatives their organisations had introduced over the past 2 years to progress diversity/EEO. The intention behind this open-ended question was to capture information which might have been lost due to the closed nature of the previous survey question, and also to identify points of innovation. 83% of the participants responded to this question.

Sixty-one different initiatives were reported, covering a range of areas and issues which were broadly consistent with the data above in Graphs 4 and 5. Activity levels were highest for (i) work/life and flexible work practices (15%); (ii) dependent care (eg paid parental/maternity/paternity leave, resources for carers) (13%); (iii) establishment or renewal of plans and systems of accountability (eg Diversity Council, EEO Committee) (10%); (iv) age issues (10%); (v) disability (10%); (vi) integrating diversity into talent and development initiatives (9%); (vii) management development (9%); (viii) Indigenous Australians (7%); (ix) diversity training (including cross-cultural issues) (7%); and (x) women (7%). Of interest was the relative absence of initiatives that addressed issues associated with race/ethnicity, and this was a somewhat unexpected response given that (as indicated in Graph 3) a third of the sample collect data on race related aspects of diversity, and there is a marked lack of racial diversity at the senior levels of organisations.

In summary, diversity actions are more likely to be in the nature of compliance and high level diversity programmes, with less emphasis on initiatives which target underlying and hidden barriers to inclusion. These data provide guidance on the next steps for organisations committed to a diversity agenda, ie the dedication of resources and actions to eliminate more subtle levels of bias and discrimination. On a positive note, the increasing commitment to implementing mentoring programmes (78%) suggests that organisations are cognisant of, and have an appetite for, addressing cultural barriers to diversity.

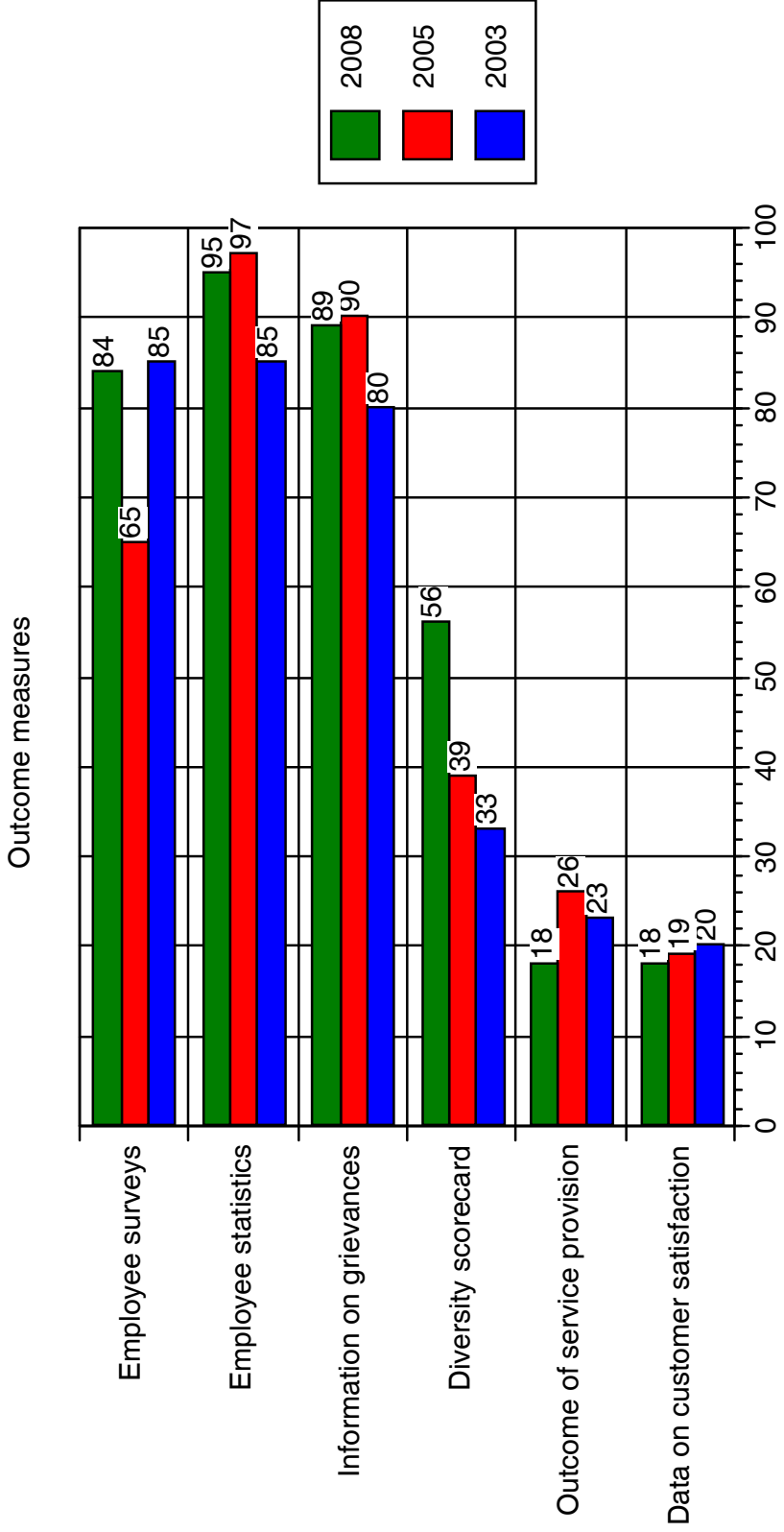
5.5 Diversity measurement strategies

As noted above, a key element in an organisational change strategy is the measurement of outcomes, and the nature of those metrics. Assuming that diversity outcomes are measured (and this is not an unreasonable assumption given responses to the 2003 and 2005 surveys), survey participants were asked to identify the nature of the metrics used to measure diversity outcomes. The 2008 results were compared with those from the 2003 and 2005 surveys to identify points of similarity and difference.

Graph 6 below summarises the most commonly used metrics from a range of six potential measures. These potential measures spanned (i) employment related outcomes (eg employee statistics and surveys); to (ii) compliance (eg information on grievances); and (iii) bottom-line business benefits (eg service provision and customer satisfaction). The results indicate that the most common measures are (i) employee statistics (95%); (ii) information on grievances (89%); and (iii) employee surveys (84%). The least common measures are (i) the outcome of service provision (18%); and (ii) data on customer satisfaction (18%). These data are consistent with the findings above in relation to the expected outcomes for diversity, namely there is more of an employment focus than a bottom-line focus, and this expectation is reflected in the lack of business related metrics.

Clearly there is a relationship between expected outcomes and the measurement of those outcomes, and an opportunity to raise the profile of the business related outcomes of a diversity agenda could be the initiation of more business related measures, ie to demonstrate the value of diversity improving the bottom-line.

One notable change in the responses over the past five years has been the increased reliance upon diversity scorecards as a measurement strategy (56% in 2008 up from 33% in 2003). Focus group participants argued that this was further indication of the shift towards the integration of diversity into mainstream business processes.



Graph 6

In summary, the diversity agenda is more likely to be measured in terms of employment and compliance outcomes, rather than bottom-line business outcomes. Given the link between expected outcomes and measures, there is an opportunity to demonstrate the broad range of business benefits associated with diversity if more business focussed measures are introduced.

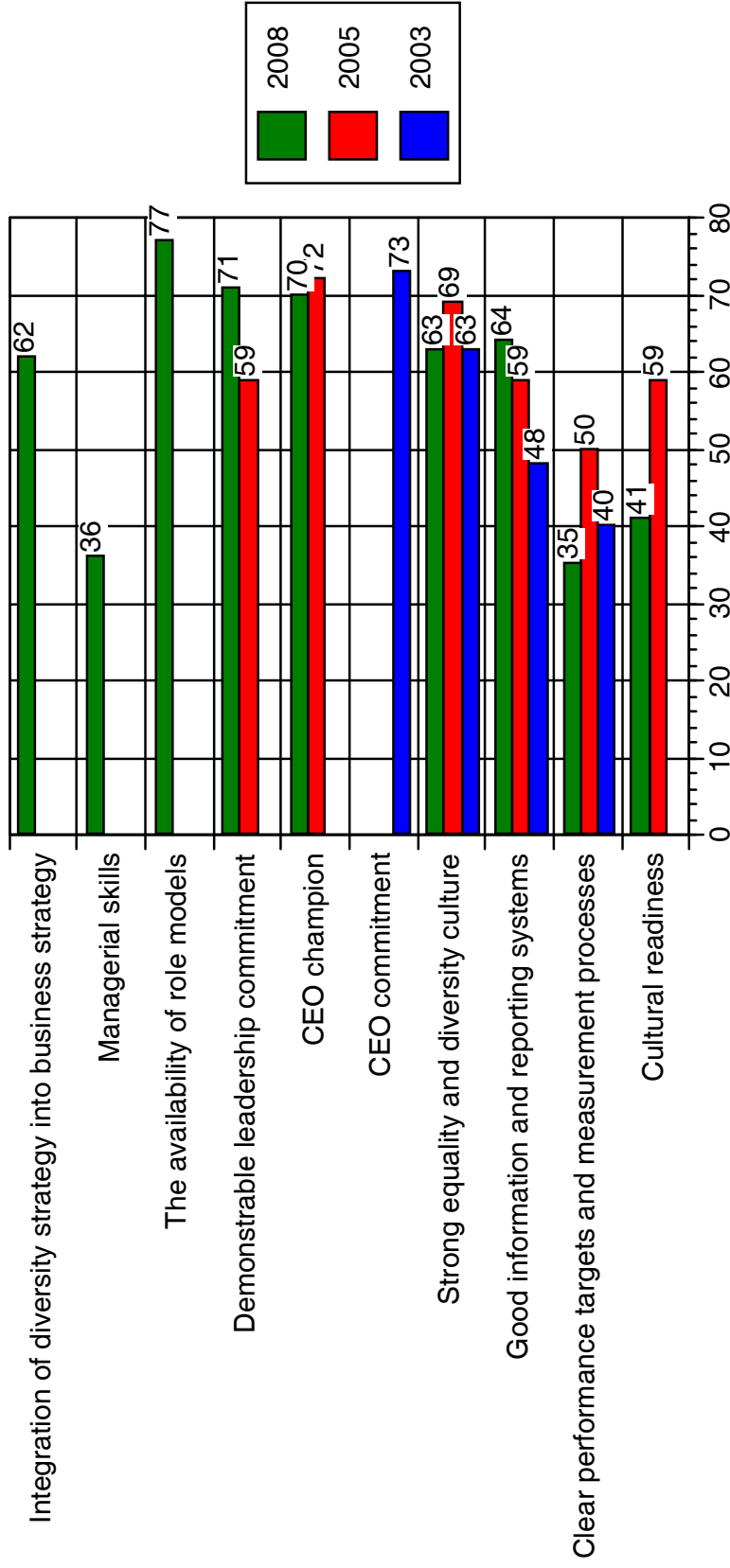
6. What are the challenges to diversity implementation?

The data above identifies, albeit indirectly, some of challenges HR/diversity practitioners experience implementing diversity. In order to investigate these issues more thoroughly, survey participants were asked a series of questions about implementation. Those questions started with an analysis of their experience in terms of (i) the factors which create success – ie the conditions for effective implementation; followed by questions about (ii) the barriers to integrating diversity into business processes; and (iii) managerial accountability and rewards.

6.1 Conditions for effective implementation

Survey respondents were asked to identify the conditions within organisations which they had found to be effective in enabling the successful integration of diversity/EEO strategies into business processes, ie the conditions necessary for success. The findings are summarised in the Graph 7 below. The clear message from these data is that (i) the commitment of the CEO (70%) and those in leadership positions (71%); (ii) the availability of roles models (77%); (iii) having good information and systems of reporting (64%); (iv) a strong equality and diversity culture (63%); and (v) the integration of diversity into business strategy (62%), are the key factors enabling success.

Conditions that enable effective integration of diversity into business processes



Graph 7

In summary, the successful implementation of diversity requires a combination of leadership commitment, data and a supportive culture, and is not dependent upon a single “silver bullet”.

6.2 Roadblocks to implementation

Survey respondents were asked to share their views about the barriers to integrating diversity/EEO into business processes. This was an open-ended question, enabling survey participants to comment on any roadblock they thought relevant. 81% of survey respondents responded to this question, and notwithstanding the diversity of their experiences in private, government and not-for-profit organisations, their comments consistently reflected the following five themes:

- 29% reported barriers associated with a lack of commitment from managers (including the CEO);
- 23% identified barriers associated with a lack of resources to ensure effective implementation;
- 18% suggested that diversity is not perceived as a business priority nor integrated into mainstream business processes;
- 9% indicated a general lack of awareness of the significance of diversity issues; and
- 9% commented on the culture of the organisation and in particular 9% commented on barriers associated with “a boys’ club” or male domination.

Whilst these responses are consistent with the responses provided to the more structured questions about the barriers to diversity implementation, one significant difference is the identification of resourcing. The comments indicate a level of frustration associated with good intentions being thwarted by a lack of support, both in terms of budget and people.

In summary, diversity and HR managers experience a level of frustration occasioned by the under-resourcing (both in terms of budget and people) of the diversity agenda, and therefore their capacity to fulfil a diversity mandate.

6.3 Management accountabilities and rewards

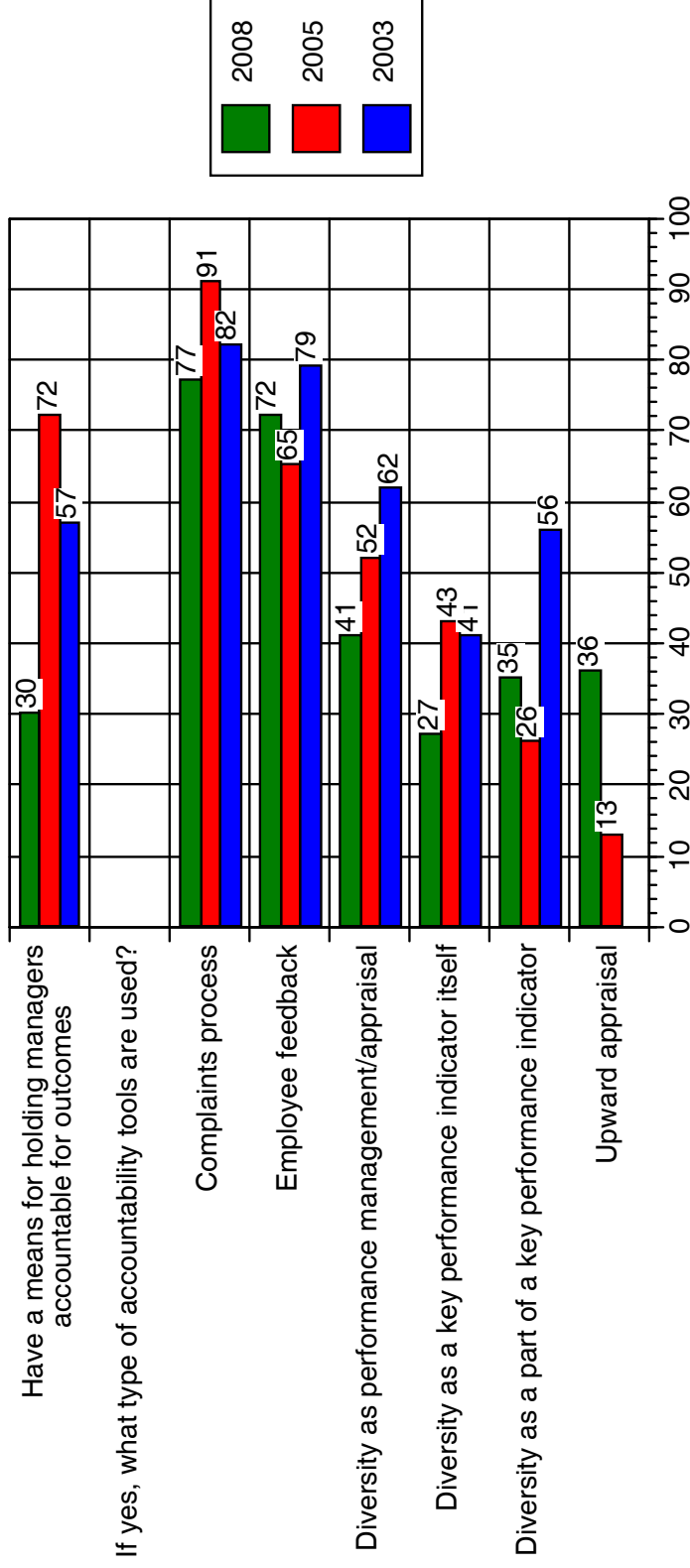
Results from the 2003 and 2005 surveys clearly identified the importance of creating managerial accountabilities for diversity, as well as rewards to acknowledge and incentivise good practice. Consequently the first question is whether managers are held accountable for diversity outcomes, and if so the nature of those accountability tools.

Disappointingly Graph 8 shows that only 30% of survey respondents indicated that managers are held accountable for diversity outcomes, a considerable drop from 72% in 2005. By way of explanation, focus group participants suggested that there is a lack of corporate expertise in developing diversity related performance indicators for managers, and some reluctance to introduce measures which might be perceived as “affirmative action”. Notwithstanding those practical and attitudinal difficulties, focus group participants argued that reduced number of managers held accountable for diversity initiatives is problematic and greater emphasis should be placed on redressing this gap because “what gets measured gets learned”. They argued that failing to measure and reward managers for their efforts to improve diversity outcomes reduces managers’ levels of motivation and engagement in the diversity agenda.

In terms of the types of accountability tools, the data demonstrate some variation over the past five years. There is now greater emphasis on employee related measures, for example (i) upward appraisal increased from 13% in 2005 to 36% in 2008; and (ii) employee feedback increased from 65% in 2003 to 72% in 2008. Overall however the most common diversity accountability tool for managers was via a complaints process (77%), rather than something more positive such as (i) a performance appraisal process (41%); and (ii) a key performance indicator per se (27%) or as part of a key performance indicator (35%).

Finally only 23% of survey respondents (25% in 2005 and 18% in 2003) indicated that a manager’s promotion or progress is dependent on her/his performance on diversity/EEO, and only 19% of survey respondents (31% in 2005 and 13% in 2003) indicated that a manager’s pay (including bonuses) is dependent on her/his performance in implementing the diversity/EEO strategy. Clearly there is room for improvement in terms of holding managers accountable for their actions which impact upon diversity outcomes, and rewarding those who take positive steps towards creating an inclusive workplace

Use of accountability tools



Graph 8

In summary, there is a clear gap between organisations' espoused commitment to the diversity agenda and holding managers accountable, or rewarding managers, for outcomes. This gap is inconsistent with an expectation that diversity will drive positive employment related outcomes, and does not promote managerial commitment to creating a diverse workplace.

7. Special report: Flexibility

In response to growing public debate about workplace flexibility and work/life issues, additional questions were asked in the 2008 survey in relation to initiatives and strategies specifically focusing on flexibility. The aim of these questions was not to build the business case for flexibility (that has been done elsewhere⁷), but to examine how organisations are responding to these pressures – and in particular whether there is a gap between flexibility policy and practice, if so the nature of that gap and remedial strategies.

Given recent industrial/legislative amendments in Australia and New Zealand regarding flexible work practices, these data provide a benchmark by which to evaluate change. In particular, in New Zealand the *Employment Relations (Flexible Working Arrangements) Amendment Act 2007* amended the *Employment Relations Act* so as to provide the “right to request flexibility” for all eligible employees with caring responsibilities. These amendments commenced on 1 July 2008. In Australia, in June 2008 *National Employment Standards* were introduced for all employees, and one of those standards provides the “right to request flexibility” for all employees with under-school age children. Both of these initiatives were a matter of public debate at the time the ADES was conducted in 2008.

The starting point for this analysis is to identify the organisational frameworks establishing a culture of flexibility. In this regard, 50% of the survey respondents indicated that they had a flexibility strategy and 65% indicated they had a flexibility policy. The preference for a policy rather than a strategic framework was explained by some focus group respondents in terms of flexibility enabling their diversity strategy (ie facilitating the greater inclusion of women, older workers and employees with a disability), rather than flexibility being a strategic goal in its own right.

⁷ Bourke, J., and Russell, G. (2007) (October) ‘Future Perfect’ *HR Monthly* 32-36.

The next set of survey questions sought to identify the (i) nature of flexibility initiatives; (ii) expected outcomes; and (iii) drivers of flexibility. Given that data were also available in relation to the expected outcomes and drivers of diversity, responses to the flexibility questions were compared with responses to the diversity questions, to identify points of similarity and difference.

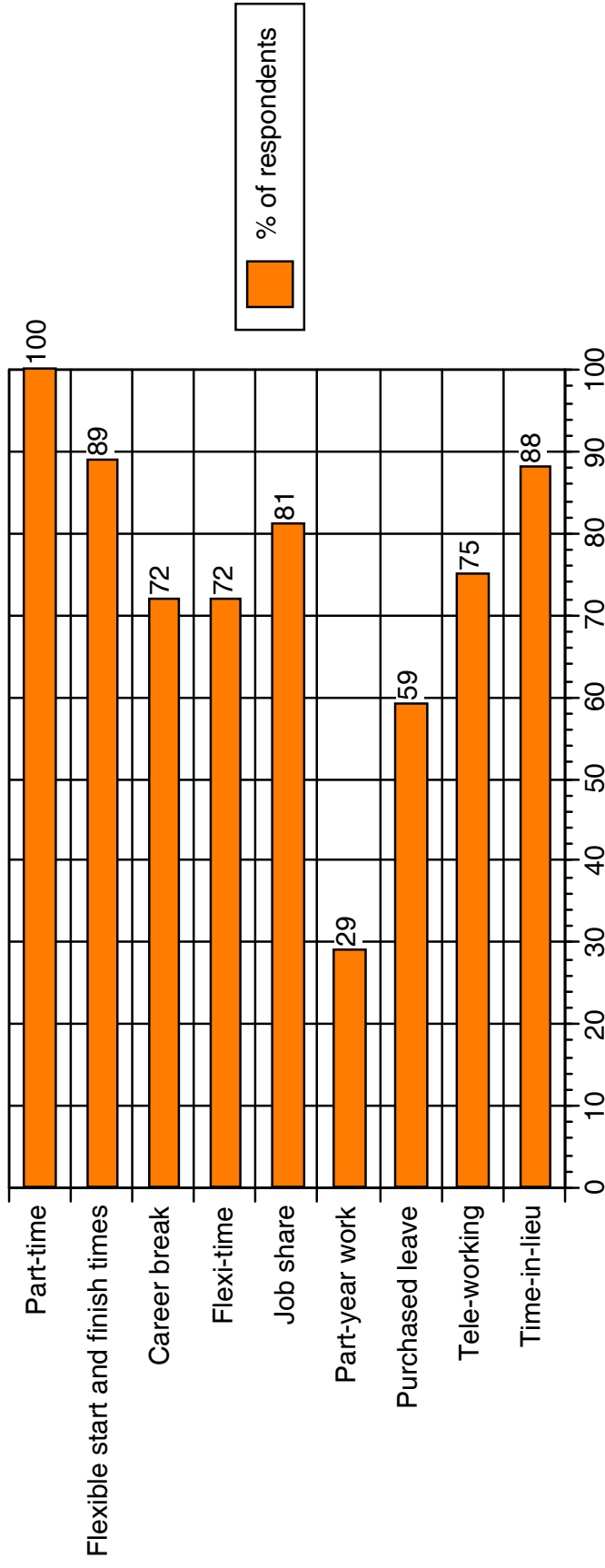
The final set of survey questions focused on implementation, namely (i) an assessment of current levels of effectiveness; and (ii) the barriers to flexibility. A unique comparison was made between those organisations which self-identified as implementing flexibility highly effectively and those which were not, to identify the key factors which create those points of difference.

These closed survey questions were followed by open-ended questions to enable survey participants to discuss (i) the challenges they had experienced implementing flexibility; and (ii) the changes necessary to enable flexibility to be implemented more effectively.

7.1 The nature of flexibility initiatives

Graph 9 below summarises the major flexibility initiatives organisations have in place. Not unexpectedly, the most common were: (i) part-time work (100%); (ii) flexible start and finish times (89%); (iii) time-in-lieu (88%); (iv) job-share arrangements (81%); (v) tele-working (75%); (vi) career-breaks (72%); and (vii) flexi-time (72%). There was less offering of (i) purchased leave (59%); and (ii) part-year work (29%). Overall, these data suggest that on paper at least, organisations are offering a broad range of flexible work practices.

Flexible work options in place

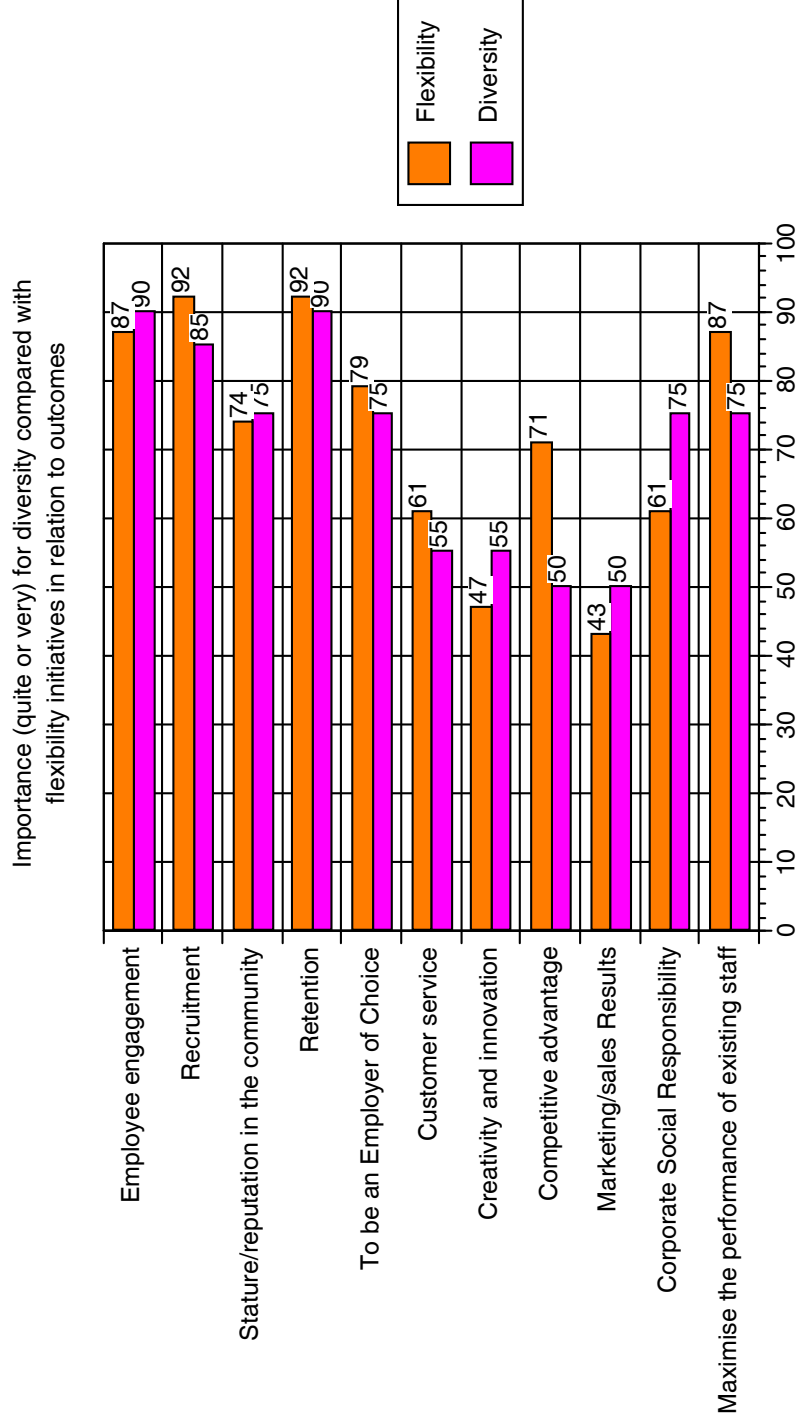


Graph 9

7.2 Expected outcomes

Why are organisations offering flexibility? Survey respondents were asked to identify the expected outcomes of those flexibility initiatives and, given the availability of data on expected outcomes for diversity, these responses were compared. Not unexpectedly, Graph 10 demonstrates there was considerable similarity between the results, ie as for diversity, the highest ranking outcomes for flexibility were (i) recruitment (92%), (ii) retention (92%), (iii) employee engagement (87%); (iv) maximising the performance of staff (87%); and (v) to be an employer of choice (79%). Clearly survey respondents identified the link between

employment outcomes and flexibility. Where the responses for diversity and flexibility differ is in relation to business related outcomes, ie flexibility is more likely than diversity to be seen as driving-bottom line benefits associated with (i) a competitive advantage (71% for flexibility compared with 50% for diversity); and (ii) customer service (61% for flexibility compared with 55% for diversity). Whilst there is still room for improvement in linking flexibility to the broad range of bottom-line benefits (eg (i) creativity and innovation (47%); and (ii) marketing and sales results (43%)), recognition of the employment and business related benefits of flexibility augurs well for the leveraging organisational commitment to bridging the gap between policy and practice.



Graph 10

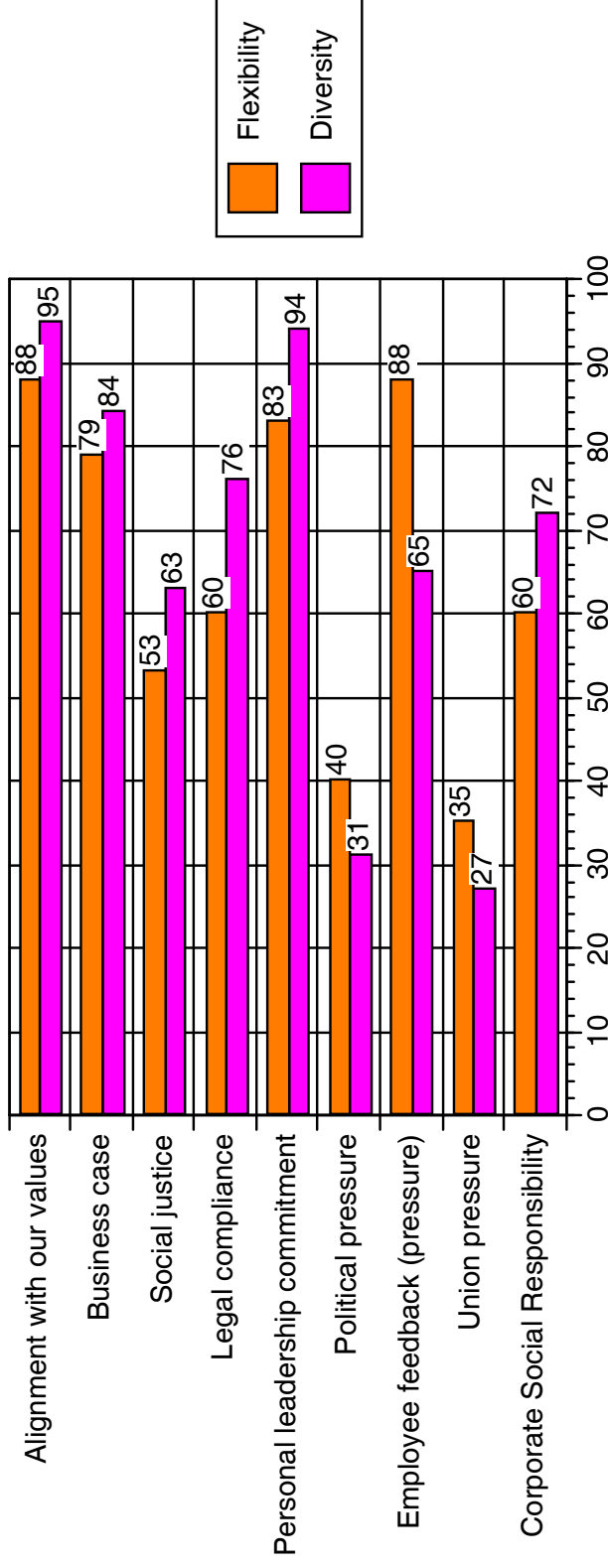
7.3 Drivers of the flexibility strategy

Survey respondents were asked to identify the main drivers for the organisation's commitment to flexibility, and Graph 11 below compares the major drivers of flexibility with those reported above for diversity. There are a number of differences between the drivers of the two types of strategies, suggesting that nuanced communication strategies for diversity and flexibility would be more effective than merely a copycat approach.

The highest rankings for flexibility are: (i) alignment with values (88% for flexibility and 95% for diversity); (ii) employee feedback (88% for flexibility and 65% for diversity); (iii) personal leadership commitment (83% for flexibility and 94% for diversity) and (iv) the business case (79% for flexibility and 84% for diversity). The most interesting of the differences is the extent to which flexibility, in contrast to diversity, is being driven by "employee pressure" (88% compared with 65% respectively), which, the focus group participants suggested, shows that flexibility is perceived by organisations to have greater relevance across all employees groups. This accords with a life cycle approach to flexibility which recognises that flexibility is of value at different life stages, eg to study, to assist with childcare, to take career breaks and to enable phased retired.

Finally, it is of interest that "legal compliance" is not as closely linked to flexibility (60%) as diversity (76%), suggesting the organisations are unaware of, or have not yet geared up for, the impact of the (Australian) *National Employed Standards* or the (New Zealand) *Flexible Working Arrangements Amendments*.

Main drivers for the implementation of diversity compared with flexibility

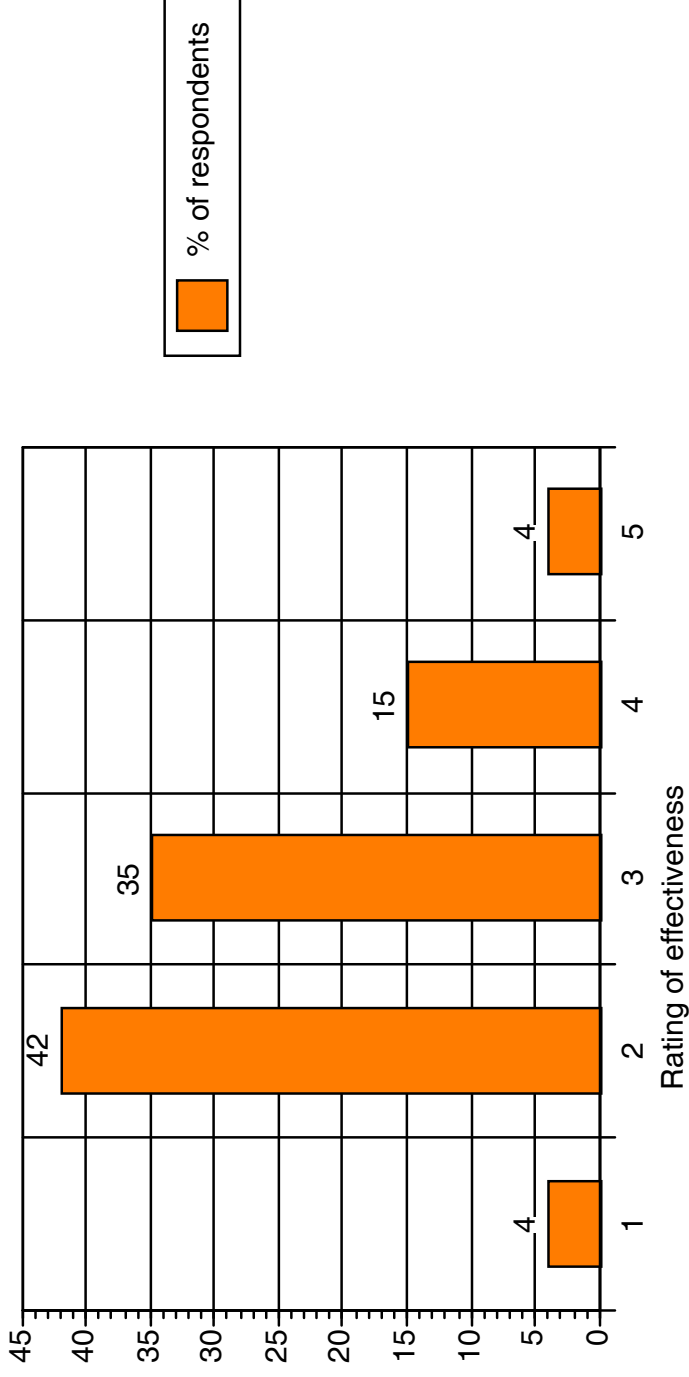


Graph 11

7.4. Effective flexibility implementation

Survey participants were asked to rate on a five-point scale (1 = not effectively at all to 5 = highly effectively) how effectively flexibility had been implemented in their organisation. The percentage who gave each rating is shown in Graph 12 below. Notably that the majority of respondents (81%) rated implementation as average or below average and these findings (especially that only 4% rated flexibility as having been implemented highly effectively), indicate there is considerable room for improvement in approaches to flexibility.

Views about the effectiveness of the implementation of flexibility



Graph 12

7.5 Opinions about flexibility

Respondents were asked a range of questions about flexibility in their own organisations. These questions were designed to identify the ways in which flexibility is working well, and the implementation gaps. The focus on managers in these questions reflects anecdotal evidence that managers act as the gatekeepers to flexibility, and that they struggle with implementation. The range of questions about managers was intended to identify the precise points of strength and weakness.

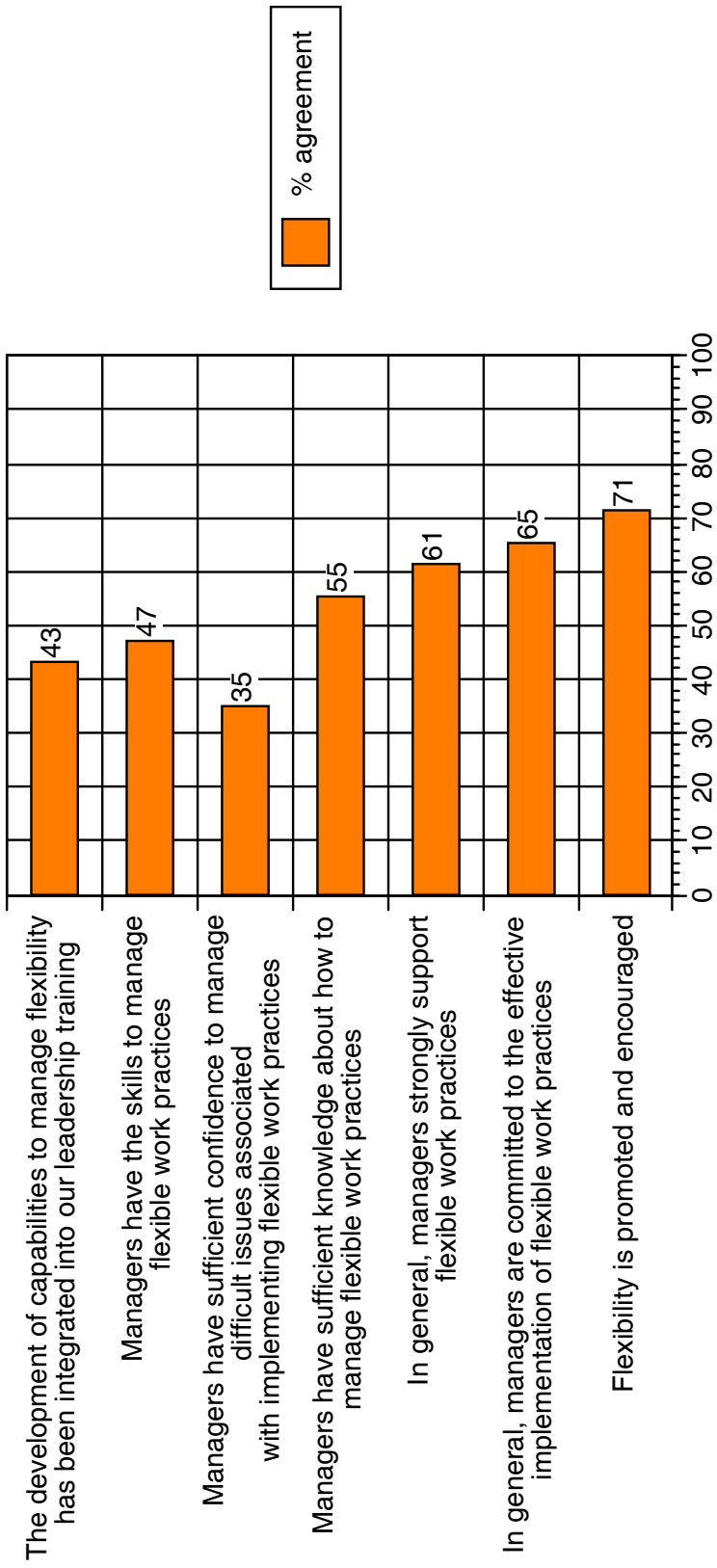
2008 Status Report on Diversity and Flexibility

Graph 13 (parts 1 and 2) below summarise these findings in terms of the percentages who agreed with each statement. In particular, the survey respondents were less likely to agree that (i) flexibility has been implemented consistently across the organisation (28%); (ii) managers have sufficient confidence to manage difficult implementation issues (35%); (iii) the development of capabilities to work flexibly has been integrated into employee training (35%); and (iv) managers are effective role models for flexible work practices (39%). A high number of participants (71%) also perceived that the nature of work was a key barrier to the implementation of flexibility. This final result begs further investigation to determine the ambit of this barrier, and whether it is linked to the design of roles at senior levels which have traditionally required a more than full-time commitment.

More positively, 71% of respondents indicated that flexibility is promoted and encouraged, 65% that managers are committed to implementation, 61% that managers are strongly supportive of flexibility and only 29% of respondents said that an employee's commitment to the organisation would be questioned if they used flexibility options.

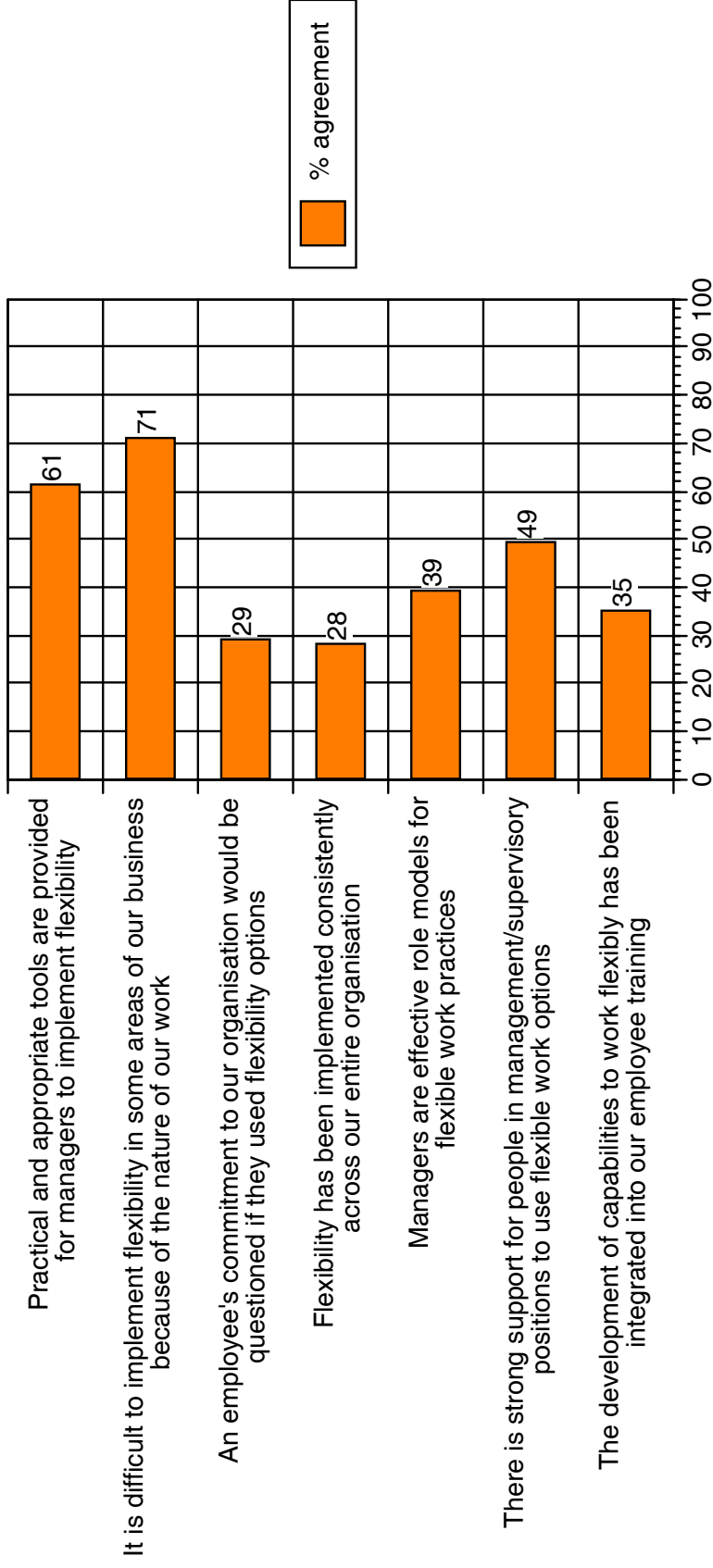
In addition to these closed questions about implementation, respondents were asked an open-ended question about the challenges they experienced (if any) in implementing flexibility. Less than half of the sample provided a response to this question. Of those who did, the most common responses were (i) the nature of the work/meeting business needs (46%); (ii) mindsets (23%); and (iii) the attitudes of managers and employees (23%). These answers are consistent with the data in Graph 13 below.

Opinions about flexibility in their organisations



Graph 13 (part 1)

Opinions about flexibility in their organisations (continued)



Graph 13 (part 2)

In summary, the gap between flexibility policy and practice is less about “in-principle support” for flexibility and more about perceived gaps in management capabilities, managerial confidence and role modelling in relation to flexibility, and consistency of implementation.

7.6 Key differentiators of effective flexibility

In order to gain a deeper level of insight into the factors which differentiate an organisation in terms of the implementation of flexibility, the sample was divided in terms of people who rated the effective implementation of flexibility as being either low, medium or high, and analyses were then conducted to determine the key differentiators of these three groups. These findings are summarised in Graph 14 below (ie the percentage in each of these groups who agreed with the particular question). For example, 67% of those in the highly effective group agreed that managers in their organisation were committed to the effective implementation of flexibility. This contrasts with only 5% who agreed in those organisations where they rated the effective implementation of flexibility as being low. This result indicates that managerial commitment is a key differentiator between those organisations which are implementing flexibility effectively and those which are not.

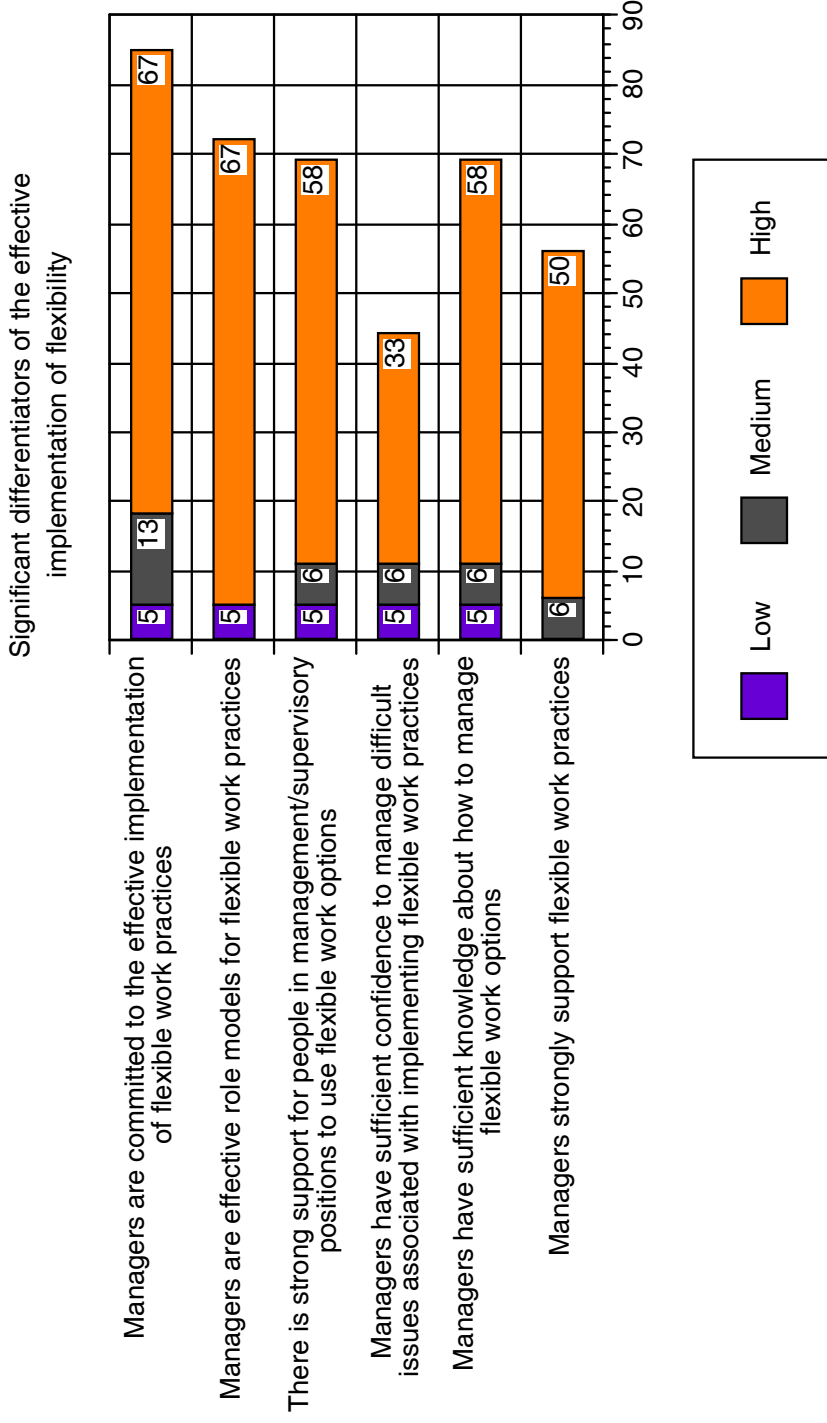
In terms of the ranking of the differentiators, Graph 14 indicates in order of priority that the key differentiators are:

- (i) Managerial commitment to flexibility
- (ii) Managers are effective role models for flexibility
- (iii) There is strong support for managers using flexible work options
- (iv) Managers have sufficient knowledge about how to manage flexible work options
- (v) Managers strongly support flexible work practices
- (vi) Managers have sufficient confidence to manage difficult implementation issues.

In addition to the above analysis of the closed questions, survey respondents were asked to identify the changes needed to enable flexibility to be implemented more effectively. 83% of the sample provided a response to this open-ended question. The most common responses were (i) managers being able to see the value/benefits of flexibility (22%); (ii) managers having a different mindset (20%); (iii) managers having higher level of skill/tools to implement flexibility (15%); (iv) more training for managers (12%); (v) more training for employees (8%); and (vi) an overall culture change in relation to flexibility (7%). The focus on managers is

consistent with the overall conclusion to be drawn from Graphs 13 and 14, namely that managers, as the gatekeepers to flexibility, require greater levels of knowledge, confidence and implementation skills in order to be able to implement a flexibility agenda effectively.

Focus group participants supported the emphasis on building managerial capability as a strategy to bridge the gap between policy and practice. In addition participants suggested that their flexibility agenda could be furthered by (i) collecting sophisticated data on the take-up of flexible work practices (eg beyond levels of part-time work); (ii) creating managerial accountabilities and rewards (at present some managers are not highly motivated to create a flexible workplace and creating metrics could assist in that regard); (iii) focussing on results rather than presenteeism; and (iv) raising the awareness and skills of diversity/HR practitioners to create relevant flexibility metrics. Finally, focus group participants identified the need for full and frank discussions with managers about their fears (eg that resources won't be available when needed if employees work reduced hours), fixed mindsets (eg their need for control and lack of trust); and dilemmas (eg whether flexibility is seen as a reward for good performers or available to all employees).



Graph 14

In summary, the key differentiators between those organisations implementing flexibility effectively and those which are not, concern managers – both in terms of managers themselves accessing and role modelling flexibility, and in terms of managers’ practical support for employees using flexible work practices.

8. Conclusions

The 2008 ADES consolidates the experiences of diversity/HR practitioners who are located in a diverse range of small, medium and large enterprises in the government, private and not-for-profit sectors. The consistency of responses by survey and focus group participants suggests clear commonalities in their experiences, and therefore the value of their insights into (i) why organisations are interested in diversity; (ii) how organisations implement a diversity agenda; (iii) challenges to implementation; and (iv) strategies to address roadblocks. The findings of the 2008 ADES in relation to diversity are broadly consistent with the 2003 and 2005 results, namely that there are significant opportunities for improvements to organisational practice regarding diversity. In particular, these improvements include:

- (i) linking diversity to core business outcomes, rather than just employment related outcomes such as the attraction and retention of staff;
- (ii) developing actions and initiatives based on the collection of data on the full range of diversity dimensions;
- (iii) implementing (and resourcing) diversity strategies which go beyond high level policies and programmes and address fundamental and covert barriers to inclusion;
- (iv) building diversity specific accountabilities and rewards for managers.

Given the availability of data from the 2003 and 2005 ADES, the 2008 results enable an understanding of the diversity journey in Australia and New Zealand over time. We are thus able to reflect on how the shape of diversity is changing (or not). One notable improvement in 2008 is the trend towards diversity being perceived as part of business as usual, ie the integration of diversity into mainstream business processes. Whilst there is still a long way to go, that trend is very positive. Another notable change was the nature of diversity programmes, ie in 2008 there is much more of an emphasis on age and indigenous related actions than in previous years, and an expansion of “caring responsibilities” initiatives to be more inclusive of the broader work/life and flexibility needs of employees.

The 2008 ADES included a special section on flexibility, in recognition of the high profile given to work/life and flexibility issues over the past three years and the recent introduction of legislation/industrial amendments in Australia and New Zealand in 2008. Focus group participants identified a clear gap between flexibility policy and practice, and the value of the 2008 ADES is that it pinpoints the critical actions necessary to bridge that gap. In particular the 2008 ADES identified the importance of building managerial capability, in terms of managers' knowledge about the value of flexibility, their confidence and skills to manage difficult implementation issues, and incentivising positive mindsets and practices (eg through building flexibility related accountabilities and rewards). Further the ADES identified the importance of enabling managers themselves to access flexible work practices, rather than seeing flexibility as relevant only to employees.

The 2008 ADES results in relation to flexibility also provide a benchmark against which public policy makers in Australia and New Zealand will be able to measure the impact of legislative and industrial changes which provide rights to "request" flexibility. Key questions will be whether (i) the framing of those rights provides sufficient impetus to organisations to introduce actions to build managerial capability to implement flexibility (notably, for example, there is limited opportunity for an employee to contest an employer's rejection of their request); or (ii) amendments are required to improve the operation of the legislative/industrial frameworks (eg to expand the (Australian) National Employment Standards' "right to request" beyond parents of under-school age children).