

WORKING TOGETHER

THE FACTS

DIVERSITY & INCLUSION

EVERYONE BENEFITS FROM DIVERSE AND INCLUSIVE WORKPLACES

There is a growing body of research showing that diverse and inclusive businesses perform better. Diversity increases the range of opinions, experiences and inputs available in a business, which in turn improves its performance. This effect is especially important in decision-making, planning and strategy.

McKinsey's recent study of 1,000 companies in 12 countries found that:

"Companies in the top-quartile for gender diversity on executive teams were 21% more likely to outperform on profitability and 27% more likely to have superior value creation. The highest-performing companies on both profitability and diversity had more women in line (i.e., typically revenue-generating) roles than in staff roles on their executive teams. ... Companies in the top-quartile for ethnic/cultural diversity on executive teams were 33% more likely to have industry-leading profitability. ... Companies in the bottom quartile for both gender and ethnic/cultural diversity were 29% less likely to achieve above-average profitability than were all other companies in our data set. In short, not only were they not leading, they were lagging."¹

A diverse and inclusive workplace culture enables organisations to leverage diverse knowledge, skills and perspectives to improve business outcomes, for example:

- Better innovation, and creative ideas development;
- Better response to changing consumer demands; and
- Better attraction and retention of talent.

With the rise of digital technologies as part of the "Fourth Industrial Revolution" – or Industry 4.0, more businesses are evaluating and re-organising their core functions and changing the way work is performed. Diversity of thought enabled by diversity of people has been linked to increased innovation.²

THE AUSTRALIAN COMMUNITY IS DIVERSE

The Australian community is diverse. ABS statistics from the 2017 Census show that:

- 28% of Australians are born overseas;

- 1 in 5 Australians have a disability;
- 55% of university graduates are women;
- 3% of the population identify as Aboriginal or Torres Strait Islander;
- The fastest growing age bracket in Australia is 65 years plus.

Businesses that are in tune and responsive to Australia's diversity and changing demographics more readily attract customers and talented employees.

PRACTICES THAT PROMOTE INCLUSION IN WORKPLACES

More businesses are embedding diversity initiatives within their organisations. While an organisation's approach to diversity may vary, integrating diversity objectives with business objectives is likely to produce longer-lasting organisational change.

Practices that promote diversity within organisations include:

- Creating enterprise targets supported by a range of organisation-wide strategies and actions;
- Reviewing recruitment processes and job descriptions;
- Expanding flexible work arrangements;
- Implementing flexible leave policies;
- Conducting a pay equity analysis to identify and address issues of like-for-like pay disparity;
- Providing mentoring and sponsorship programs;
- Providing unconscious bias training;
- Incorporating workplace inclusion into organisational Key Performance Indicators (KPIs);
- Adopting targeted policies and strategies to support diversity of thought in succession planning, talent identification, retention and promotions; and
- Leveraging off any Government procurement targets or requirements.

Data sources

1. McKinsey and Company, *Delivering through Diversity*, January 2018
2. Gao, H. Zhang, W. *Non-Discrimination Laws Make U.S States More Innovative*, Harvard Business Review, 17 August 2016