



**Symmetra**<sup>®</sup>  
Diversity Consulting

# Global Diversity & Inclusion Benchmark Standards

27 February 2012 Launch Event Data Report

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## Foreword

On 27 February 2012, Symmetra Diversity Consulting and Ernst & Young jointly hosted a conference of approximately 120 attendees, from 60-70 representative organisations, to introduce and discuss the *Global Diversity and Inclusion Benchmark Standards* (GDIBS) for organisations in Australia.

A core outcome achieved on the day was a demonstration of the practical value of this tool for assisting organisations to define what constitutes a successful diversity initiative, as well as providing guidance for leveraging the competitive advantage diversity brings.

On the day, participants explored 9 of the 13 categories covered in the Benchmark Standards. Speakers from organisations which have excelled in these categories presented case studies pioneering company best practice in Australia. Attendees representing Financial Services, IT, Legal, Mineral Resources, Professional Services, Engineering, (and a host of others from across the public and private sectors) were asked to independently rank their internal organisational practices on a scale ranging from **0% (at the starting blocks), 25%, 50%, 75% and 100% (as recognised best practice)**, using these grades as a means of gauging and understanding their performance on Diversity & Inclusion.

Based on the responses provided, this short report correlates the results, demonstrates areas of positive synergy amongst all sectors, and highlights where more work is needed to ensure the adoption of best diversity practices going forward. We drew interesting links between the findings of this pulse survey and prevailing research in this area.

It is important to mention, however, that the evidence provided is based on **limited responses** from a sample of attendees, and signals the need for further research to gain a substantive and reflective picture of the current status quo of the D & I journey in Australia.

In this regard, we are using this opportunity to announce that Symmetra will be taking practical steps to bring Australia into a leadership role in this space. We are planning to **develop an online survey based on the GDIBS**, which we will deploy nationally to obtain rigorous data from a large sample of companies, ensuring a reflective picture is developed for Australia, and our industrial economy. This would make us one of the first countries, to establish a national commercial benchmark for Diversity & Inclusion Best Practices. We will provide this survey free of charge and run it annually, providing businesses with a high quality benchmark against which to measure their progress.

We believe you will find the results on the following link to be of great interest, and we look forward to the feedback and questions you might have on our website blog to further Symmetra's objective of connecting great ideas, rather than building walls around them.

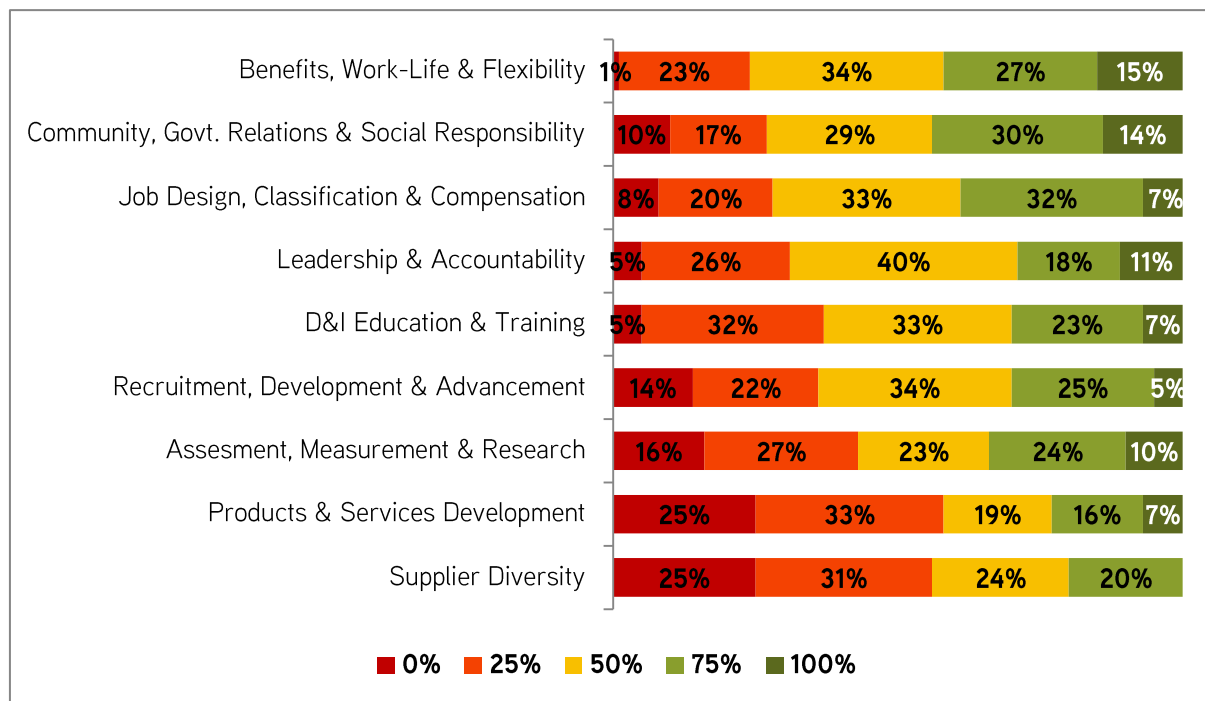
Sincerely,

Heather Price | CEO | Symmetra

## Overview of Findings

From an overview of how individual participants responded to the 9 global diversity and inclusion benchmarks, below are some of the main key findings:

- The category with the highest proportion of 100% rankings was *Category 5, Benefits, Work-Life and Flexibility (15%)*
- The categories where the highest proportion of respondents indicated a 0% were *Category 13, Supplier Diversity (25%)*, and *Category 11, Products and Services Development (25%)*
- The only category without any 100% rankings was *Category 13 Supplier Diversity*.
- From an overall perspective, in 6 out of the 9 categories more than 2/3rds ranked their organisations as performing at the 50% level or less - just moving beyond compliance.



- With the concerted efforts that the Diversity Council of Australia (DCA) is placing on **flexibility and work-life balance**, it is good news to note that this appears to be an issue where responding organisations have made good progress. However, there is still a lot of work to be done in this area, as Nareen Young, CEO of DCA notes below in a recent update:

*“Leading employers have provided a range of flexible work policies and options for many years now...but flexibility is still not viewed as a valid and legitimate management tool and career choice in contemporary Australian workplaces”.*

- Where an organisation indicated that their Diversity Council was chaired by the CEO, they generally rated higher (50% and above) on all benchmark categories compared to organisations who did not have a senior executive chairing their Diversity Council.
- Organisations which indicated they performed at a 100% or 75% for the Foundation category **Leadership & Accountability** generally outperformed other organisations across all other categories. These results reiterate that the most critical step in embedding an inclusive workplace culture is the engagement of senior leadership in role modelling and championing diversity.
- Likewise, organisations who indicated they performed at a 100% or 75% grade for the Internal Category **D&I Education and Training**, generally outperformed other organisations across all other categories. When leaders and employees are equipped with the knowledge and tools to articulate the sustainable competitive advantage that diversity and inclusion brings, they tend to mainstream this thinking across other organisational aspects.
- Generally, the larger the organisation, the better they rated their progress across the categories overall.

## Key Challenges

It is not surprising that **Supplier Diversity** is the category where Australia has not performed well – it is the only category with no companies rating themselves at 100%. In countries such as the United States and South Africa, supplier diversity is a legislated requirement, and for many years companies have been required to consider how they can use their purchasing power to influence their suppliers and mandate for greater diversity in their supply chain. Only a pioneering few organisations are making attempts to do this in Australia – primarily with regard to their recruitment suppliers. It is however

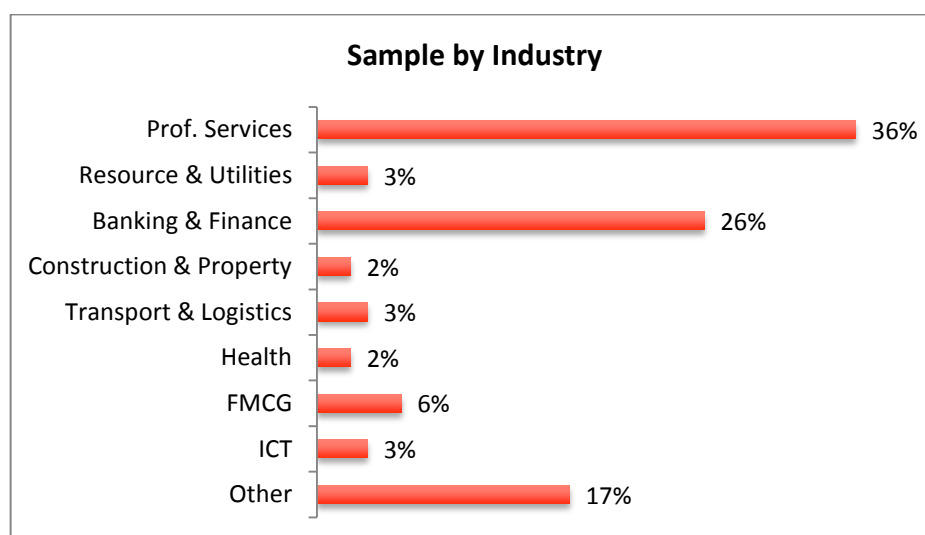
very encouraging that this is occurring, since it is being implemented *proactively* without any regulatory motivation.

We believe that there is a great opportunity here for some Australian companies to position themselves as leaders by embracing supplier diversity. Australia is a country of 22 million people where over 400 languages are spoken, and it possesses a great deal of diversity of all forms, derived in part from its migrant history. If a company recognises that diversity is of benefit to its own productivity and profitability – which clearly many companies do – it follows then that greater diversity amongst the supplier landscape is beneficial for the innovation and productivity of the *Australian economy as a whole*. It is imperative therefore that in order to improve and sustain the competitive advantage of our economy, Australian organisations should implement practical measures for embedding supplier diversity.

Another category where Australian Organisations appear to need to focus their efforts is **Products and Services Development**, which had the largest number of organisations rating themselves at 0% or 25%. This is a telling result, as it means that organisations are not yet leveraging the full potential of diversity in their organisation. Tapping into the diverse perspectives of your employees to generate new products/services, or creating new ways to market existing products that will appeal to diverse customer groups, is a key growth opportunity.

## Industry Results

It is difficult to draw exact conclusions on the different industries as not all were well represented in our sample group. However, it is somewhat apparent from the organisations surveyed that Banking and Finance sector perceive themselves to be the most advanced on the diversity journey. The Health and Construction industries on the other hand, appear to perceive themselves as the least advanced.



This may be supported by the fact that gender representation on boards overall is higher within the Finance industry. A number of financial services organisations have been recognised as EOWA Employer of Choice organisations, have been represented across industry awards including: the Diversity@Work Awards, Pride in Diversity, AHRI Diversity Awards, and more recently, Commonwealth Bank's 2012 Catalyst award. Notably, these awards and recognitions have not been predominant across the Health and Construction sectors.

Although some industries did not perform well against these benchmarks, it should be noted that their presence and participation in this initiative indicates a willingness and motivation to tackle these problems to position their sector differently in the future.

## Further Inferences by Sector

### Professional Services:

- **Leadership**

85% of respondents indicated a rating of 50% and below for this category – suggesting that within the professional services sector, the diversity imperative is still not well understood, and that there may be inclusive leadership concerns that need addressing.

In addition, in terms of driving strategic leadership across multiple sectors, Professional Services companies are often sought by other sectors for the provision of a range of people development and leadership services. This suggests that professional services organisations need to further challenge themselves to implement best practices internally, so as to better serve the needs of their clients and customers.

- **D&I, Education and Training**

Responses suggest that professional services underperform in this area with 84% indicating 50% and below. This point arguably correlates with the low scores on leadership above.

- **Recruitment, Development and Advancement**

82% of respondents indicated a rating of 50% and below in this category. This may suggest the prevalence of a 'glass and/or bamboo ceiling' effect in terms of gender inclusivity and ethnic minority representation at senior and executive level, and a possible prevalence of conscious or unconscious bias in the talent management process.

- **Products and services development**

81% rated themselves 50% and under – a possible sign of missed opportunities for innovation which may negatively impact customers and the bottom-line of these companies.

## **Financial Services**

- **Leadership**

93% of respondents rated their organisation at 50% and above for leadership accountability in the FS sector, with a third rating at 100%. This would suggest that financial services organisations regard leadership and diversity as a key strategic issue. Indeed, as previously mentioned, there is evidence that this sector is acknowledged for taking steps to ensure that diversity is leveraged as a competitive advantage.

- **Across all Categories**

It is observed that across all the categories, the financial services sector was rated 50% and upwards by a minimum of 67% of respondents. It also had the largest proportion of respondents indicating a rating of 75% or 100% across many categories. This may suggest a genuine awareness of the concerted effort being undertaken by the FS sector toward becoming diversity best practice organisations.

In all categories except **Products and Services Development**, 60% of all respondents rated themselves between 50% and 100%. These scores appear to suggest that the Finance Sector perceive themselves as moving forward in their journey toward becoming diversity best practice organisations. It is however also interesting that these scores did not appear to translate as favourably in the single area of **Products and Services Development**, where 51% of respondents rated themselves at 50% and below. Indeed, this report recognises that the area of Products and Services Development is a key area for growth potential in the Financial Services sector, and therefore advocates that a greater push may be needed to ensure that diversity is effectively leveraged to bolster development in this category.

## **FMCG**

There appears to be a concentration of scores in the low to middle range of all categories with the majority of ratings at the 25% or 50% level, a small number at 75%, and no ratings at the 100% level. This may suggest a considered and steady approach is being taken to mainstreaming diversity within this sector, but there is still much work to be done.

## Construction and Property

100% of C&P respondents rated their companies at 0% in the following 5 areas - *Recruitment, Job Design, Assessment, Supplier Diversity* and *Products and Services Development* which possibly suggests that concerted effort is needed in this sector to bring it up to date with best practices. Indeed, industry statistics appear to confirm the prevalence of diversity issues in this sector, particularly with regards gender representation and cultural diversity.

## Resources and Utilities

Resources and Utilities companies rated themselves at 50% or below on almost every category. This would suggest the prevalence of existing equity issues in a sector that is traditionally very male dominated.

## Health

Results in the area of *Assessment and Measurement* and *Products and Services Development* show all respondents rating their companies at 0%. It is also observed that in the areas of *Job Design, Supplier Diversity*, and *Communities, Government and Social Responsibility* that a further 100% rated their companies at just 25%. These responses appear to suggest that issues may exist in the recruitment and development of diverse employees, as well as a missed opportunity to leverage diversity externally. This is likely to have a negative impact on service delivery linked directly to improving health outcomes.

## ICT

Apart from the *Benefits, Workplace and Flexibility* category where 33% of respondents rated their company at 100%, in all categories there were no companies that received a 100% rating. Indeed, it is noticeable that in 6 out of the 9 categories, just over 60% of respondents indicated a rating of 25% or below, suggesting that greater focus is needed in this sector across the majority of the categories.