



# Discovering diversity

A quarter of New Zealand's population was born overseas and Auckland is the fourth most diverse city in the world. Increasingly, says Edwina Pio, our workplaces are grappling with difference. She challenges organisations to change the balance in the diversity arabesque and create magic.

**B**irdsong drenches the air as dawn beckons another diverse day, a day promising astonishing success and possibilities. This is 21st century Aotearoa New Zealand where songbirds that were once somnolent in homogeneous cages are now spreading their wings and singing to new heterogeneous rhythms.

The 2013 New Zealand census identified 213 ethnic groups in New Zealand. Maori make up 14.9 percent of the population and Pacific peoples 7.4 percent, and these ethnic groups are youthful populations. A quarter of our population is overseas-born, with Asia as the most common region of birth (11.8 percent) and Hindi the fourth most common language, though English continues to hold sway with 96.1 percent of the population. Our city of sails, Auckland, is the fourth most diverse city in the world with 39 percent of its population born overseas, making it more diverse than Sydney, Los Angeles, London or New York.

Diversity—that trendy but formidable word—is increasingly tossed around, pushed under the carpet or spotlighted as our organisations grapple with difference. At its simplest, diversity is



difference. This difference could be gender, age, religion, marital status, sexual orientation, ethnicity or a host of other dimensions, such as political beliefs, intelligence, work experiences and education. Diversity plays an important part in the implementation of core public values and good citizenship behaviour, while also enhancing social mobility, innovation and a higher profitability footprint.

Developing diversity in the workforce implies recognising, understanding, respecting and embracing the uniqueness that results from differences to create a thriving, hopeful and enduring organisation. A 2015 McKinsey study found that diverse companies with diverse executive boards tend to have a better talent pool, higher customer orientation, greater employee satisfaction, and improved decision making leading to a cycle of increasing returns.

The data for this study was drawn from 266 public companies across a range of industries in North America, Latin America and the United Kingdom. Though correlation does not equate to causality in the study, it does indicate that when companies commit to diversity in rhetoric and action, they are more successful.

In the UK, for every 10 percent increase in gender diversity, EBIT rose by 3.5 percent. Companies in the top quartile for diversity financially out-perform those in the bottom quartile, ie, gender diverse companies are likely to outperform others by 15 percent, and ethnically diverse companies by 35 percent.

A Deloitte report notes that diversity is not political correctness, but an insurance policy in the midst of global expansion, unique talent pools and a portfolio of products and services for diverse market segments.

In the USA, just 16 percent of the average executive team are women, in the United Kingdom it is 12 percent and in Brazil it is six percent. Women fill just 19.9 percent of board seats at S&P 500 companies and, when we look at women of colour on boards, a 2015 Catalyst study indicates they are absent from most Fortune 500 boards—making up just 2.8 percent of board directors. Here in New Zealand, women account for 16 percent of board membership of listed companies.

June 2015 figures from the NZ State Services Commission show women made up 44.2 percent of senior management in New Zealand's public sector, up from 39.6 percent in 2011. If the trend of the last five years continues, the public service will reach 50 percent female representation in senior leadership by 2021.

Māori, Pacific and Asian ethnicities, however, are still under-represented compared to the overall public service workforce, although there has been an increase in the proportion of Pacific senior leaders, from 1.8 percent in 2014 to 2.6 percent in 2015. In 2015, 29 percent of directors at Air New Zealand were female and 33 percent of the company's women were in the senior leadership team.

Goldman Sachs estimates that by closing the gender gap, there would be a 10 percent boost in New Zealand's GDP.

The path to diversity can be challenging and disruptive as the centre of gravity shifts. To be truly beneficial, it must be more than box-ticking and window-dressing. Organisations, like people, are subject to biases. Patterns of the known are more comfortable and there is the intricate weight of historical tradition, a blithe ignorance of cultures and, often, ossified leadership practice.

Yet facts indicate that three in ten Nobel laureates worked outside the country of their birth, more than three out of four patents in the US had a foreign born co-inventor, and 42 percent of Fortune 500 companies were co-founded by migrants. In fact, when the share of a country's immigrant population rises by just one percent, the economy grows by six percent. This is often attributed to increasing global contacts and know-how for trade and financial investment.

A host of famous companies were created by entrepreneurs

**WORKING IN THE DIVERSITY ARENA**

The Human Rights Commission diversity action programme seeks to bring together diverse communities and organisations to promote the equal enjoyment of every one of their civil, political, economic, social and cultural rights, regardless of race, colour, religion, ethnicity or national origin, while fostering harmonious relations to fulfil the promise of the Treaty of Waitangi.

The Immigration & Inclusion research group at the Auckland University of Technology focuses on diversity policies and action research to deftly leverage refugee and immigrant millennials into the workforce.

Diversity Works, the former Equal Employment Opportunities Trust, helps businesses develop diverse and inclusive workplaces. Their annual diversity awards have recognised organisations such as the NZ Police, Silver Ferns Farms, Jacobs, Te Wananga o Aotearoa, Hell Pizza, Nirvana Health Group, Russell Group, Odyssey and Aurecon.

with immigrant origins: WhatsApp founder Jan Koum, a Ukrainian-American, teamed up with Brian Acton, an American computer programmer; Albert Einstein a German refugee worked in the USA; Sergy Brin, co-founder of Google, is of Russian origin; fashion designer Liz Claiborne is from Belgium; Andrew Grove, co-founder of Intel, originates from Hungary; Andreas von Bechtolsheim from Germany and Vinod Khosla from India are co-founders of Sun Microsystems; Jerry Yang from Taiwan is co-founder of Yahoo and Steve Jobs was born to a Syrian Muslim father.

Organisations in New Zealand tend to focus on gender in their diversity initiatives and, more recently, on LGBTI and those with a disability. Yet ethnicity is one of the prime culprits for prejudice and low career progression. Many ethnic and religious minorities, indigenous peoples and refugees tend to be over-represented in lower-skilled occupations, experience higher rates of unemployment and low occupational progress due to the ethnic penalty. Occupational differences tend to translate into earnings inequality, though second generation immigrants tend to be more successful than their parents.


A growing number of New Zealand organisations have alternative templates that relish diversity and loosen the confines of homogeneity. BNZ has done stellar work in the area of women in their organisation with a clear mandate from a visible CEO, top leadership endorsement, a diversity council, strategic priorities and a tenacious and relentless approach. At Spark New Zealand, practising diversity means talent acquisition and talent management. Z Energy notes that diversity within their workforce makes

the organisation stronger and more capable to understand and respond to broad-ranging customer and stakeholder needs, and a Pride Network for LGBTI employees, as well as Maori and Pacifica networks, endorse diversity.

Champions for Change is a group of NZ CEOs and chairs who are committed to raising the value of diversity and inclusion within their organisations. They include Mark Adamson (Fletcher Building), Barbara Chapman (ASB), Gabriel Makhoul (NZ Treasury), Theo Spiering (Fonterra), Geoff Perry (AUT), Anna Stove (GlaxoSmithKline NZ), Mai Chen (Chen Palmer), Alison Andrew (Transpower) and Sue Sheldon (chair of Global Women).

Deft leverage, possibility in a palette, principled pragmatism and more than grudging admittance can enable organisations to crack the diversity conundrum. While one programme does not fit all, four pivot points can be underscored:

1. **Diversity enlargement**—Recruit employees from diverse backgrounds; have a diverse composition for recruitment panels; advertise in varied outlets; incorporate employee perspectives in the rhythm of daily life; and value and embrace multiple worldviews.
2. **Diversity sensitivity**—Train to increase cultural competence; recognise unconscious bias; improve communication through multiple channels; celebrate Big Gay Out, Pride festival, Matariki, Eid, Diwali, Chanukah and Chinese New Year; provide textured knowledge capsules to showcase the richness within ethnic groups/religions.
3. **Diversity leadership**—This is the lynchpin for fulfilling diversity’s promise. Redesign and, if necessary, redraw how the business operates; have a future orientation that is long term and not impelled by cost-cutting quarterly financial results; take people on the journey; park your perspectives, but remember that, as a CEO, you must be good at leading yourself.
4. **Diversity audit**—Compose, implement and monitor a diversity checklist; track trends for the future such as median age of different populations; audit career progression and salary packages.

These pivot points encourage a cosmopolitan outlook and involve a different spin of the wheel that may seem brazen and audacious, but that can change the balance in the diversity arabesque. They encourage somersaults beyond tepid policies and the discipline of playing the right notes in the right order in the full knowledge that gruelling work and patience are required for miracles. Hop on the diversity waka to join in creating magic. 

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