

EEO and Diversity: A Vision for 2005

**Paper for 'Women, Management and Industrial Relations' conference
26 July, 2000
Macquarie University**

Introduction

Recently I attended a large workshop to present a case-study of Hewlett-Packard's approach to managing its employee diversity. As I waited to give my presentation, I felt disappointed by a discussion of the same themes that I'd heard many times before. What's more, I was addressing the same sort of audience that I'd done before – an overwhelmingly female audience charged with the responsibility for diversity programs in their various firms. That is to say, an audience 'converted' to the benefits of workforce diversity but hoping for new ways to influence and cajole executives and managers to promote their 'cause'.

This led me to seriously question our progress in changing Australian workplace cultures. The year 2000 clearly presents us with an opportunity to take stock and ask some confronting questions about where to from here. Are EEO and Diversity still relevant as we move into the new internet world? How can we improve opportunities for women and challenge resistance to male norms in the workplace cultures of the old and new economy firms?

There are fresh challenges involved in creating gender equity, both in the new internet landscape and in the core organisations of the old economy. In this paper, I argue that we have a unique opportunity to shape the values and work patterns of the new economy using our insights from EEO and diversity strategies. But before we look to the future of equal employment opportunity and diversity in 2005, I'd like to briefly contextualise the shifts in EEO and diversity since 1995.

Reflections on 1995

In 1995, the term 'managing diversity' was becoming increasingly popular in business circles, both globally and locally. In that year, the World Congress of the International Industrial Relations Association in Washington D.C. devoted a Congress Track to managing diversity for the first time. The term first emerged in Australia in 1991 in the *Business Council of Australia Bulletin* (1991). Yet 'managing diversity' was not widely discussed until the report

of the Industry Task Force on Leadership and Management Skills (1995) listed 'capitalising on the talents of diversity' as one of the five key challenges facing Australian management over the next decade. In the same year, the Foundation Chair of Management (Diversity & Change) - held by Amanda Sinclair - was established at Melbourne Business School.

By then, the term of 'managing diversity' was well and truly edging out the language of 'equal employment opportunity'. EEO was re-interpreted as a social justice program aimed at recruiting women into the workforce. Thus one Australian practitioner said in 1994 that '... A managing diversity approach is a management practice not, like EEO, a recruitment action' (Niland, 1994). A conference leaflet promoted the concept that 'equal employment opportunity for women is not about helping women, it is about harnessing your company's hidden potential' (Esposito, 1995).

Behind this drive to position diversity as distinct from affirmative action was an attempt to shift discussion about workforce opportunity into mainstream business language. Thus diversity management became a means to improve business productivity, provide strategic advantage when marketing to diverse customers, reduce absenteeism, and enhance creativity and innovation. Performance indicators and benchmarking devices went hand-in-hand with this marketing of diversity. Large Australian corporations started to introduce diversity policies and recruited Diversity Managers to oversee them. Hewlett-Packard, for example, took a very proactive approach by setting up a Diversity Advisory Council of senior executives and holding education seminars for all staff in 1996 (Spearritt, 1999).

For most of us – academics and practitioners alike – managing diversity gave us a discourse to enter boardrooms for the first time. Some of us engaged with senior executives in an ongoing dialogue about their people, organisational culture and their personal style of leadership. For many of us, it presented a subversive and pragmatic way to revive interest in beleaguered equal employment opportunity and affirmative action programs in our large firms.

At the same time, many of us have quietly wrestled with the concept of 'managing diversity'. The distinction between EEO and diversity remains, at best, problematic and, at worst, misleading. This is partly because many people have compared an ideal model of managing diversity with perceptions of actual affirmative action practices in Australia.

To begin with, diversity advocates reduced 'affirmative action' to a 'recruitment action', when in fact it was more far-reaching from the start. The eight-step affirmative action program in Australia entailed broader measures to remove informal organisational discrimination. This interpretation arose because the actual experience of many Australian companies was a focus on recruitment and procedural measures to remove bias. Secondly, stereotyping affirmative action as a 'women's issue' rather than a managerial issue misconstrued the design of the eight-step affirmative action program, which contained

significant managerial prerogatives. Managers were vested with power to develop, implement and review affirmative action programs and encouraged to issue policy statements about their programs. Thirdly, affirmative action was narrowly portrayed as a social justice issue, ignoring the fundamental rhetorical shift that occurred in the mid-1980s when early affirmative action proponents began to stress the business gains of implementing affirmative action in Australia.

Diversity also borrowed heavily from a historical and theoretical discourse of management attempts to maximise employee potential. Since the 1950s, a rhetorical emphasis on workers as 'reservoirs of untapped potential' has been rife in human resources circles (Miles, 1965). Diversity continued this tradition with its emphasis on how organisations can increase profitability by focussing on individual difference rather than group advantage and disadvantage. In doing so, the advancement of women *per se* became subordinate to business strategy and profit in the rhetorical marketing of managing diversity.

Nonetheless, the fact remains that the concept of managing diversity has won executive support in corporate Australia. Today's leading CEO's regularly promote workforce diversity as a competitive advantage at business presentations. Further, some maintain that women in particular excel in the relationship and teamwork skills required of today's leaders. But the impact of EEO and diversity remains questionable, and future trends in the old and new economies suggest that anglo male-based values and practices may only strengthen.

The Old Economy – A Masculine Core

While workforce diversity is deemed to be a critical business issue for the future, there remains limited evidence of its impact on corporate culture in 2000. The so-called glass ceiling – a metaphorical invisible barrier preventing women from top management positions – has not shattered in Australia by any measure. Today only 24 per cent of managers and administrators are female, a slight increase from a decade ago. Many of us have begun to discuss the new and subtle forms of exclusion within our workplace cultures where men dominate – at least demographically. These subtle barriers are often bundled into what is commonly described as a 'male-dominated' culture'. Attributes of this culture typically include an emphasis on long working hours, limited flexibility, aggressive communication styles and absence of emotion (Spearritt, 1999).

We are already observing the emergence of Charles Handy's (1995) concept of a shamrock organisation consisting of a core of permanent employees, a contractual fringe of professionals who move from project to project, and a further group of 'temporary' suppliers of services. This is particularly evident in high-tech firms.

The core organisation is likely to consist of jobs requiring intense pressure, long hours and international mobility. These core roles will potentially exist in old-economy firms where

traditional notions of masculinity remain dominant. Job-holders may experience early burn-out, before taking on new and alternative challenges in a mix of paid and community work. It is quite feasible that men in their twenties and early thirties will dominate this core, whereas more and more women will be found in the contractor and temporary fringe. Already in Australia, the greatest growth in employment in recent years has been in part-time work, which is predominantly filled by women. The shift of women away from core organisations to small business is a trend that seems set to continue in Australia at least. As I have argued elsewhere (Spearritt, 1999), this shift of managerial women carries with it the loss of a generation of potential mentors and role models for young women in the core organisation. This shift makes it even more difficult to establish a critical mass of women in lean organisations and thus to shift the masculine culture of old economy firms.

These sobering trends suggest the need for significant leadership to transform some of the cultural norms that have traditionally advantaged Anglo men. The changes required call for future leaders with a with a perceptive and reflective mindset about 'difference' in the workplace to complement their traditional leadership skills in maximising shareholder gain. Amanda Sinclair's (2000) recent research highlights the types of experiences that typify leaders with a genuine empathy for diversity. The trends also suggest the need for a continued, vigilant focus on the gendered patterns of advantage and disadvantage in our workplace cultures. If the core of the old economy is set to enshrine male work patterns, what of the new economy?

The Promise of the New Economy

There is little doubt that the internet will play a significant role in our lives in 2005. E-services spending in Australia is growing at a compound annual rate of more than 50 per cent. Women already make up 32 per cent of the internet user population in Australia (www.consult.com.au). An American marketing group predicts that 60 per cent of all people online within two years will be women (see Romyn, 2000).

Most importantly, today's internet companies offer promise of a changing workplace culture. Already the casual dress code, flexible hours and informal management practices suggest a different way of working. These values and work patterns potentially overturn many of the masculine notions upon which our conceptions of leadership in the 'core' economy are based. For example, the concept of working in an office until late at night is meaningless in a globally-connected virtual economy.

Australia is already home to some websites comprised of female management teams, such as 'thelounge.com', that have taken a high-profile stance on content produced by women for women.

But there are some worrying signs. Women make up only 20% of the IT workforce in Australia, and comprise only 12 per cent of IT enrolments in some universities (Alston, 1999). This is particularly alarming given that the executives of the future are likely to have backgrounds in telecommunications and IT. Nicholas Way, in a *Business Review Weekly* article called 'IT Culture: Taming of the Shrew' describes the workplace culture as:

...mostly male, often young, flexible, dedicated, many on contract and acutely aware of their market worth, overwhelmingly non-union, largely enjoying their work and prepared to accept change (Way, 1999).

The image of the Australian internet pioneer is overwhelmingly male. A recent BRW list of the best new economy companies to work for in Australia supports this image (Kirby, 1999). Many of the most well known dot coms are headed up by young men. Looksmart is headed by Tim Pethick, 37 years old; ninemsn's CEO is Steve Vamos, 41; Sausage Software is headed by Steve Outtrim, 26; d-store by David Gold in his late twenties. Furthermore, there is growing anecdotal evidence of gender segregation that replicates the old economy: thus 'Louise' wrote in a BRW web-based 'Voxbox' in response to the article that '...the men are highly-paid managers, strategists and programmers, and the women are less well-paid content producers and enhancers. So much for the revolution.' We can only hope that, by 2005, women are playing a significantly more powerful role in shaping internet culture and ownership.

These characteristics of the 'core' old economy organisations and new economy firms provide a compelling argument for a renewed focus on gender dynamics and power in organisations. To some degree, the framework of 'managing diversity' has diverted our focus as researchers and practitioners from the ways in which gender is crucial to organisational processes and labour market structure. Over the past decade, feminist research and EEO scholarship in particular has brought many useful insights into the patterns of male advantage in our workplaces (Spearritt, 1997; Eveline, 1996).

The role of our future leaders is also critical. It can only be hoped that future internet-savvy executives will have gained a deep and highly-tuned understanding of the ways in which gender is relevant to the patterns of exclusion and inclusion in our workplaces through their own personal experiences. As academics and practitioners, one of our roles will be to support these leaders to recognise that their behaviours and insights, and their gender, age and cultural background, invariably influence the firm's management mind-set and culture. This coaching role is one that many of us already play. From my own personal experiences, I know that this can be a confronting and difficult challenge! But I also know that what drives many of us is a strong personal quest to make a difference. I want to end by encouraging and congratulating all of you who live out that quest on a daily basis to remain vigilant as we enter the new millennium.

Bibliography

Alston, R. (1999), Press Release, 27 October.

Carmody, H. & Smith, D. (1991), 'Managing Diversity', *Business Council of Australia Bulletin*, August: 32-5.

Esposito, P. (1995), 'Recruiting, Developing and Retaining the Corporate Woman', IBC Conference Leaflet.

Eveline, J. (1996), 'The Politics of Advantage', *Australian Feminist Studies*, no. 19, Autumn: 129-154.

Handy, C. (1995), *The Age of Unreason*, London: Arrow Books.

Industry Taskforce on Leadership & Management Skills (1995), *Enterprising Nation: Renewing Australia's Managers to Meet the Challenges of the Asia-Pacific Century*, Canberra, AGPS.

Kirby, J. (1999), 'Online's Top 10', *Business Review Weekly*, 17 September, vol. 21, no. 36.

Miles, R. E. (1965), 'Human Relations or Human Resources', *Harvard Business Review*, July-August: 148-163.

Niland, C. (1994), 'Building an Equity Culture: The Agenda for the 90s', Paper presented to Equal Employment Opportunity in the Australian Public Sector National Conference, Canberra, May.

Romyn, L. (2000), 'Woman's World', *The Age* (Good Weekend), 4 March: 19.

Sinclair, A. (2000), unpublished paper, Department of Immigration and Multicultural Affairs.

Spearritt, K. (1997), 'Women Incorporated: Equality and Diversity Strategies in Large Organisations in Australia', unpublished PhD thesis, Monash University, Business & Economics.

Spearritt, K. (1999), 'Deconstructing the Challenges Facing Australian Corporate Women', *Mt Eliza Business Review*, November.

Way, N. (1999), 'IT Culture: Taming of the Shrew', *Business Review Weekly*, 23 July, vol. 21, no.28.

Dr Katie Spearritt

Katie Spearritt leads the E-Services Change Management practice for Hewlett-Packard Consulting. Her role focuses on the impact of e-services change on people, organisational culture and structure. In her most recent HR management position, she was responsible for strategic HR and employee relations issues, including workforce planning, change management, teambuilding, diversity and harassment management.

Katie has a special interest in workforce diversity. She played a key role in the development of Hewlett-Packard's strategy on managing diversity and work-life issues, which earned the company a Silver Award in the Australian Work and Family Awards in 1997. Her doctoral thesis, entitled '*Women Incorporated*', analysed the ways in which both legislative strategies and cultural norms in Australian organisations have historically been based on the assumption that women will incorporate or blend into established male customs.

Katie has published a number of articles in academic journals and in the popular press on women and employment. She also guest lectures in the areas of diversity and Human Resource Management and has an active involvement in the community sector with the Women's Electoral Lobby.

Katie holds a Bachelor of Arts (First-Class Honours) from the University of Queensland and a PhD in Business and Economics from Monash University.