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Diversity is power

Creating the future

(15 - 20 minutes plus discussion)

9.00 am 25 July 2000

Hilton Hotel

Pitt Street

Sydney

Good morning.

In my travels I often meet people who say when I am introduced to them “Oh equal opportunity for women - I thought we’d fixed all that”. Others I meet say its getting harder and harder to keep equal opportunity for women on the business agenda.

This is a challenge we’ve faced for a long time.

This was aptly illustrated by Sister Denise Desmarchelier, leading Catholic educationalist, in her recent address in the Catholic Education Convention that I attended in Townsville. She stated that while Jerusalem at the time of Christ had a fairly egalitarian society, when the disciples needed to “on sell” Christianity beyond their borders, women were skilfully edited out to suit the other non-egalitarian societies of the time eg the Romans. She went on to say that the passage that tells the story of the woman who washes Christ’s feet is often quoted, but the previous passage that talks about a woman anointing his head, reflecting that she was a very powerful woman, is rarely discussed. With 2000 years of collective, skilful editing it’s no wonder we’ve had highs and lows!

So what’s different about now? What’s changed in the past 2000 years?

Futurist Jean Houston, from Smart Company, states: “We are the people of the parenthesis. At the end of one era but not quite at the beginning of the next one. Maps no longer fit into new territories. In order to make sense of it all we must cultivate a vision. No old formulas or stop gap solutions will work, recreating and re educating ourselves is our best preparation for the future”.

We have all been trained to be successful in the industrial era. It was the machine that drove the technology, education system and the social system. We began to talk about factories as well oiled machines. Doctors studied human anatomy as a machine that needed to be fuelled, exercised, understood and maintained.

So let’s have a look at what Margot Cairnes, author of “Approaching the Corporate Heart”¹ and leadership strategist, says about the basic premises of this way of thinking in the machine world.

Machines are always tangible, visible and measurable.

The whole ethos of the machine age of thinking is that if you can’t see it, touch it and measure it, it doesn’t exist.

¹ Cairnes, M (1998) *Approaching the Corporate Heart* Simon & Schuster Australia

Machines are controllable

If you act on a machine one way you get a response. You do the same things again you get the same response. So we have things like total quality management which is all about measuring input and output to ensure standardisation.

Machines are made up of bits

If you understand the bits and put them back together you will understand the whole. We study in bits - finance, statistics, human resource management, operations management, new business management, project management and accounting. It is assumed that you learn the bits, fit the bits together and then you'll understand business and how it operates.

In the machine age thinking people are just one more element to be fed into the system. They are cogs in the wheel of the machine. They are the human resources.

In the machine the human psyche was irrelevant.

The Oxford dictionary defines psyche as mind, soul and spirit. In the machine age the emotions mind, soul and spirit of employees was seen as, at best irrelevant, at worst a nuisance; a complicating factor getting in the way of real work.

With the advent of the service based economy and the rising demand of emotional intelligence a prerequisite for highly complex tasks in a rapidly changing environment psyche has again become fashionable.

While the elements of this machine world are essential for operations in business – this analytic process is very important for a geologist for example, diversity and EEO doesn't make it onto the machine world mainstream agenda. Why is that? Because people aren't integral to the system.

The elements that are missing to create the impetus or energy for accepting, encouraging and promoting diversity are described in Margot Cairnes' "E world".

So what are these elements?

Margot describes the E world as one in which relationship is everything. In the E world what you see isn't what matters. What matters is the invisible relationship between objects, between people, and between objects and people.

The E world is:

Invisible and difficult to measure.

I know that when I am in a meeting I can feel tension, excitement or danger but I can't see any of these things. I can experience the consequence of these dynamics but I can't see the energetic exchanges that are taking place.

Transactions in the E world are difficult to control

Because its impossible to control the emotions of someone else. But more than that it's very hard to control things that are paradoxical, nebulous, mercurial and rapidly changing.

Life in the E world is complex, messy and difficult to measure

Systems theory tells us that things aren't discrete and separate. That rather everything exists as a complex web of interdependencies. "For example, a financial decision in Argentina may have world wide ramifications on the moneymarket in the US"².

This is a messy, complex world far away from the tight easy-to-understand, controllable world of machine thinking.

In the E world people are integral.

In the E world people aren't just useful to the operation of the whole they are valuable in their own right. And relationship is everything, and as relationships are subjective and based on perception, people are central. Moreover, as the E world is more about such nebulous things as services, information and knowledge than it is about things that are tangible and measurable, the E world takes us into the whole province of virtual reality and the human psyche.

The world of the machine age and the E world, while very different, are not incompatible. Master myth scholar Joseph Campbell told us that heroes of all time have been the master of two worlds. The tangible, visible, external work of concrete matter, cause and effect action, and measurable outcomes and the invisible nebulous internal world of psyche and human relationship. We need to be the master of two worlds.

² "Clicks and Mortar" by D.S. Pottruck & T. Pearce Jossey-Bass 2000

This is reflected in this year's Harvard Business School case studies. They have moved away from the traditional case studies of the 90s eg General Electric to the Schwab case study. For example: Schwab is the fastest growing financial Services Company in the U.S. headed by David Pottruck, co-CEO with the founder Charles Schwab.

In his recent book "Clicks and Mortar"³ David states that "the word 'diversity' is so often and so carelessly used that it is nearly bereft of meaning. Few subjects have generated more cliches and few concepts have been used as much as diversity to support strong advocacy for radical change or for clinging doggedly to the status quo. Diversity was first heard by many in the business world as an euphemism for affirmative action. But diversity arguments differ from affirmative action arguments. While the term diversity was and still is applied to racial, ethnic and gender mix of a given company, the rationale for its adoption is not only the moral ground of fairness, it is the practical ground for good business"

He then goes on to talk about the business arguments that support diversity in Schwab and they are not the ones that focus on market share or individual decision models. They are the arguments that focus on the stimulating nature of working with people from significant different backgrounds who bring significantly different perspectives to bear on a business.

³ Ibid

John Quelch, Dean of the London Business School, is quoted as saying “during the next decade professional schools will have to recognise that they are not just in the education business. They are in the transformational business”. The Schwab business case has perspective, precision and heart the necessary attributes of tomorrows enterprise.

Pottrick states that “we have learned a great deal from our success in integrating women into our company. A particular benefit of diversity is demonstrable. There is a fundamentally different atmosphere at Schwab than at other financial service companies precisely because we have done well at recruiting and promoting women”.

He then goes on to say “I have experienced this difference at other companies. Schwab’s style and decision processes feel fundamentally different from those at other companies. I’ve also heard the unsolicited remarks of new executives at Schwab, both men and women, that indicate that we enjoy a much more collegial atmosphere, much more dialogue, and have an easier time focusing on customers rather than focussing on personal career advancement, precisely because our culture is not overly charged with aggressive personal competition”.

How has he done this? By bringing to life the Schwab values of fairness, empathy, responsiveness and service. All E world attributes?

If you put these four values up in front of your Board or CEO - stating that these are going to be the keys of success for your business, I am sure that you would see a lot of blank faces and you may even be shown the door. This is why it's so hard. The challenge is to see the link between diversity and competitiveness.

Examples of Australian companies moving into this new approach to diversity are:

Alcoa, which is currently using a diversity video which has their global plant manager, who is an Australian, stating that when he was the plant manager in Australia he didn't think that diversity was important to the business. If you'd asked him whether women could do business in Asia he would have said "no way". He has now been in the U.S. for two years and he states that his top two plants are run by women – who have the best teams and that he has seen women do fantastic deals in Asia that he would have never believed possible. He is now leading by example.

At our recent "Catalyst for Change" seminar in Melbourne the CEO of Hewlett Packard, Bruce Thompson, personally thanked his senior Human Resource Adviser Katie Spearritt for making the entire HP senior management team aware that they were unconsciously incompetent in their management of diversity (which they all thought they were doing well) and then thanked her for helping them become consciously competent in managing diversity.

These Australian examples are summarised by David Pottruck⁴ who talks in his book about how his attitude changed from tolerating diversity to valuing it from looking at diversity as something that is morally good and difficult to implement to thinking about it as something that is absolutely necessary and more difficult to implement than he ever imagined.

So how did his company move from tolerance to valuing? He states that there are three significant issues everyone has to confront.

- Values and vision drive change.
- Accepting change and the fact that it isn't comfortable
- Constructive conflict is positive

To begin to harvest the diversity dividend leaders have to recognise their own biases, have the courage to change themselves, study and express appreciation of cultural differences, embrace conflict as positive and be clear about the need for contribution. These are all unfamiliar but when we do the unfamiliar and get predicted positive results we have the potential to change our wiring to actually shift the judgements that are based on forgotten programming.

Where does the agency fit into all of this?

We are on this path of providing Australian employers with the insight to commit resources and action to move beyond a compliance approach to equal opportunity to one of added value to their business bottom line.

⁴ "Clicks and Mortar" by D.S. Pottruck & T. Pearce Jossey-Bass 2000

Our new legislation encourages employers to develop effective people management processes and practices, and the next step for those of you who want to be exceptional is to look at your leadership and workplace culture. Is it inclusive of diversity so that your business can achieve that competitive edge? Effective diversity management is instrumental in organisational change, stimulates social, economic, intellectual and emotional growth, and helps organisations understand their place in the global community.

If you want to hear more about the impact of our new legislation and what you will need to do to comply with our act, come along to tomorrow's workshop, where Lisa Annese and Michelle Hamberger from the Agency, will show you how to develop a workplace program that complies with our act and makes a positive difference to your workplace.

ONE MANAGER CAN

At our recent "Catalyst for Change" workshop one of the major issues that emerged is that CEOs continue to believe that women have not been in the career pipeline long enough. Yet, as Mary Mattis from the Catalyst organisation which researches women's working status in the United States, said at that event, the pipeline in the US has been 35 years long and some of those people have now retired. The issue is not about the time anymore, its about "What are women doing in the pipeline? Whose seeing them doing it and why are they languishing in roles that are not leading anywhere?"

Di Grady, Lend Lease Board member identified at the same event that “There is not a critical mass of young women coming up against the glass ceiling and if you look at the numbers, yes there are women. There are lots of women engineers and lots of women throughout the organisation but they’re in side roles as opposed to “slip stream” roles”. Contrary to traditional belief the problem actually starts early in their career. In that women are not being given what are called “career making” opportunities in their first, second or third positions. They are not staffed on the big projects, they are not put on the most important teams or the really critical big teams and they are not assigned to the most critical clients. As a result they don’t have an opportunity to make a name for themselves early enough in their career.”

So how do we change this?

Catalyst’s research shows what one manager in your company can do today to make a difference.

One manager can

- Actively intervene when women’s contributions are stifled or interrupted in meetings
- Ask for a woman on every “short list” for every role
- Assign a proportional representation of women to every project
- Include executive women in hiring and promotion interviews
- Participate in at least one diversity workshop annually
- Create social events in which women can participate comfortably

- Encourage training for “plateau” women managers
- Hold discussions on gender diversity issues with a female executive from another company
- Join a committee or professional organisation where you are a minority
- Cover a diversity subject at each major employee meeting
- Have zero tolerance for overt discrimination, inappropriate behaviour or inappropriate entertainment venues
- Send clear and frequent messages that you are committed to your diversity program

CONCLUSION

The advantages of diversity speak to those aspects of a company that keep it a vibrant, exciting community, a place where people can do their best work and are stimulated and excited about growing into new areas rather than clinging to the old models.

“To garner the cultural benefits of diversity we have to want them badly enough to not just tolerate diversity but to embrace it, to demand it as part of our culture as part of our competitive advantage. And once we do we have to adopt the policies, practices and personal discipline it takes to get the most from it”, says David Pottruck.

“By embracing diversity we will find new connections and strengths, new areas to explore and cultivate. Roots of success have to grow in company culture not just in the programs we create and implement”.

Pottruck⁵ goes on to state that “It is absolutely necessary in this world of idea competition to have contribution from as many people in the company as possible. Passion for the work makes people contribute. Passion comes from engagement. Diversity is a fact. Diverse people get engaged when they think they can personally contribute to something worthwhile”.

Nobody in this room can afford to be protective of the information and experiences they have – it’s up to each of us to spread the word and be heard. We owe it to the future to stand up, take action, raise issues and seek support for change.

There is so much untapped potential in our workforce waiting to be mined by people like you who are prepared to manage for diversity. I believe every employee can make a difference. And managers working together, coming together as we have today adds tremendous strength to our purpose and hastens that journey for equality.

Thank you.

5. Ibid