

HRD

HUMAN RESOURCES DIRECTOR

HCAMAG.COM
ISSUE 12.6

ENGAGEMENT
YOUR EVP IN THE
SPOTLIGHT

BULLYING LEGISLATION
6-MONTH UPDATE

DIVERSITY & INCLUSION
A CEO'S JOURNEY FROM
SCEPTIC TO ADVOCATE

LEADERSHIP + CULTURE = PERFORMANCE

The CFO/HRD partnership behind Diageo's success



MAN IN THE MIRROR



Nicholas Barnett, CEO, Insync Surveys, went from stereotypical sceptic to passionate diversity campaigner. He shares his story with *HR Director*

As a well-educated, middle class white male who showed early potential, I was given many high-value and special learning opportunities in the early stages of my career. After three years at KPMG and having achieved my chartered accounting qualification, I was transferred to Taiwan for 18 months to manage KPMG's (then Peat Marwick) office in Taipei in January, 1980. The office had around 60 employees, many of whom were two and almost three times my age. Despite my relative inexperience and being only 22 years old, I was treated with the utmost respect by our employees, clients and others. It was a lot of fun and a fabulous learning experience.

On returning to Australia, I worked for a further 18 months with two of Australia's best known and respected insolvency practitioners, Jim Poulton and David Crawford, in KPMG's insolvency division. I was encouraged and sponsored through the firm from one great opportunity to the next. I was one of the youngest people ever to be admitted to the partnership of KPMG at the age of 28 and was the youngest to retire two years later at the age of 30.

Throughout my career, I've been introduced to many business and community leaders and became a member of many great sporting and other clubs where lots of people just like me frequented. I've been asked to take on many leadership positions during my life and have found it quite natural to do so.

I have also had the added benefit of being tall at six feet and three inches. In the US, males who are over six feet two inches tall are over three times more likely to become CEOs than shorter males.

Today I am a husband, father and grandfather. I sit on a number of boards, have headed up companies and have written two books. I often wonder if I didn't fit the 'leadership mould' quite so well, where might I find myself?

THE LIGHT WAS TURNED ON

As I began to reflect upon my 35-year career, I came to realise that my quick rise through the ranks was due, at least in part, to the fact that I have been given so many opportunities, so much support and had so many obstacles removed for me by others. It began to occur to me that those same special opportunities and support have been given to very few women, those that aren't white Anglo-Saxons and people with a disability.

It has also occurred to me that I have spent most of my time working with people just like me. I have always felt part of the 'in-crowd' and have never been discriminated against. I have begun to realise that very few non-white women or people with a disability would say they feel part of the in-crowd and have never felt discriminated against.

Senior women point out that well-educated, white, middle class men are given respect as soon as they walk in the door. Such men are assumed to deserve respect until they prove otherwise. Women of a similar status are more likely to need to earn the respect before it is given. Many women tell of their experiences in visiting clients who would regularly defer to their more junior male colleague, assuming that he is in charge.

I regularly encourage my male colleagues to

"My antenna in relation to unconscious bias is now very sensitive, but for most of my life, I couldn't see or recount a single case of unconscious bias"

reflect on their careers in the same way I have in the hope that they might also see the light – in the way I have.

UNCONSCIOUS BIAS – UNCONSCIOUS PREJUDICE

Recently I heard a mum telling her young son of age three or four: "Now son, you're the man of the house, so make sure you look after your sister". We've been telling our boys and girls for years that the boys are the boss and they've got to look after the girls. And when our boys show any sign of weakness, we tell them not to be a 'girl'!

Our gender schema, which sets our perceptions as to what it means to be a boy or a girl, is learnt so early on and is reinforced so often, including in our daily media, that it simply becomes unconscious and the natural order of things.

Unfortunately, this means that legitimate leadership decisions are routinely biased in favour of men against women, against non-Anglo-Saxons, against those with a disability and even against shorter people. When choosing a leader or a person for promotion, numerous research studies⁽¹⁾ have shown that most men and women who look at exactly the same resume will select the one with Jack's name more often than the one with Jill's name. The men are considered to be more competent, hireable and have greater leadership ability than the identical female candidates.

Harvard's Implicit Association Test⁽²⁾ has also shown that the majority of the population has an unconscious bias linking men to careers and women to family. It also shows minimal difference in unconscious bias by demographic – women have the same bias as men and younger women are just as biased as older women.

My antenna in relation to unconscious bias is now very sensitive, but for most of my life, I couldn't see or recount a single case of unconscious bias. I now see examples every day that I know most of my

DID YOU KNOW?

» **20-25%** of Australian residents are overseas-born and the largest growth in religious affiliation has been in Hinduism and Buddhism* – yet approximately 75% of the leadership pipelines of Australia's 'Big 4' professional services firms are Australian-born or born in North-West Europe (eg the UK, France, Germany, Sweden)**

» Australia ranks **21st** out of 27 OECD countries for disability employment**

Sources:

* Australian Bureau of Statistics;

** Diversity Council Australia;

^^ PricewaterhouseCoopers

AUSTRALIA'S PAY INEQUALITY

» In 2012, it took women 64 days to reach parity, while in the previous two years it was 63 days. On average, men earn 17.5% more than women in comparable jobs

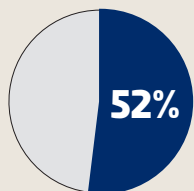


» In 2012, the EOWA annual employee earnings report found the average male worker was earning \$1,227 a week, while the average female earned \$819 a week

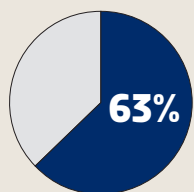
» Less than 40% of companies surveyed by EOWA (now WGEA) conduct an annual gender pay equity analysis. Of the organisations that did conduct an analysis, just over half put together an action plan to address the gender pay gap

WHAT'S HAPPENING?

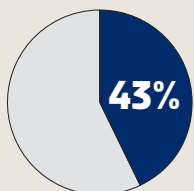
Women make up...



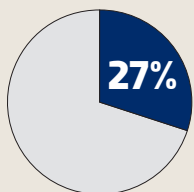
52% of university graduates



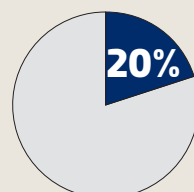
63% of Australian workers in entry-level roles



43% of supervisor/junior management roles



27% of middle management roles



20% of senior executive positions

Source: 'Stop blaming women: Prescribing a 21st century approach to gender diversity', Hay Group

male colleagues and friends don't see. Imagine for a moment a CEO and his leadership team sitting around a large boardroom table with the only female team member at the other end of the table. The CEO has a conference phone in front of him with a 'post it' note with a phone number on it of someone they need to join the meeting. He asks the female leadership team member to dial the number. After a moment of hesitation, she dutifully gets out of her chair, goes to the other end of the room and dials the number. Neither the CEO nor other men noticed the inappropriateness and unconscious bias displayed by that request. That woman wishes she had thought quicker and said something like, "Your CFO is beside you, he's good with numbers, why not let him dial the number?"

The cumulative impact of unconscious bias and prejudice over the career of employees in favour of the dominant group (white Anglo-Saxon, well educated men) is significant. Non-dominant groups have to manoeuvre around or over obstacles throughout their careers that are automatically removed for the dominant group. The non-dominant groups are given much less support and encouragement and have to climb difficult terrain, whereas the dominant group are encouraged and supported as they take the escalator to the top.

Having read much of the research on this topic⁽³⁾ and having watched unconscious bias play out in many different ways, it is now clear to me that, when it comes to positions of leadership, the playing field has been tilted in favour of white men for centuries.

I have arranged unconscious bias training in our organisation and I take every opportunity to talk on this topic, particularly to men, including in public forums and in survey and consulting assignments for clients. This includes telling my story where appropriate. These actions are making a positive difference in our organisation and in others.

THE MYTH OF THE MERITOCRACY

Australians believe in a fair go for all. Most argue that all of our leadership decisions have been based on choosing the best person for the job. As stated above, the evidence is overwhelming that this is not the case. Our workplaces are not meritocracies, never have been and are unlikely to be for decades to come, unless something radical is done to re-tilt the playing field.

Even when Insync Surveys and Gender Worx

have carried out diversity surveys for organisations that clearly show that L&D, career opportunities and promotions favour men, some senior executives overlook the compelling data to argue that their organisation is still a meritocracy with everyone treated equally regardless of gender, colour, or cultural background.

A study at Goldman Sachs that is described in Laura Liswood's book, *The Loudest Duck*⁽⁴⁾ was very telling. The white Anglo-Saxon male executives argued that Goldman Sachs was a meritocracy. They were so sure of themselves, that they allowed an experiment. The white Anglo-Saxon men were put in one room, the white Anglo-Saxon women in another, blacks in another and other minority groups in another. They all discussed whether Goldman Sachs was a meritocracy. The white Anglo-Saxon men were unanimous that Goldman Sachs was a meritocracy and were stunned that all others were unanimous that Goldman Sachs was not a meritocracy.

There are many white Anglo-Saxon male executives, perhaps most, who genuinely believe that their organisations are meritocracies, that they don't make biased decisions or prejudge people based on their gender, colour or cultural background. These men are not bad people. Like me, they have a sense of entitlement, dominance and unconscious biases and prejudices that they learned from a young age and which have been reinforced on a daily basis for decades. They have never been discriminated against and, like the white Anglo-Saxon Goldman Sachs executives, can't see what those in minority groups see so clearly.

A COMPELLING CASE FOR CHANGE

Removing the discrimination and the impact of bias and prejudice against non-dominant groups when it comes to leadership decisions is compelling simply as a result of our desire for equity and a fair go for all. I argue that it is a failure of leadership not to give women the same opportunities as men. There shouldn't have to be any other reason for change. The fact that there are many compelling business advantages of achieving diversity adds to the case for change.

There is overwhelming evidence that diverse groups add new perspectives to discussions, make better decisions, are better places to work, more innovative, productive and more profitable. These benefits are consistent with my own experience.

Much of the evidence for improved profitability is based on research in relation to gender and points to improvements in profitability and return on equity of between 25% and 40%(5) as a result of diversity at senior ranks in organisations.

Insync Surveys' own research found that gender diverse boards are more effective than male-dominated boards. Gender diverse boards make fewer assumptions, are more open to different perspectives, have broader discussions, have an increased focus on problem solving, are more self-reflective and, accordingly, add more organisational value. Interestingly, the men on gender diverse boards don't think like the men on male-dominated boards – they actually think more like the women on the gender diverse boards. Men – and women – actually moderate their behaviour when in a gender diverse environment and that's where the benefit is derived. It's not because men or women are better. The benefit comes from them working more effectively together than separately.

Many consider that change has been glacial-like. Some have calculated that it could take over 100 years for us to achieve equality based on the current rate of change. I doubt that our society will let us wait anywhere near that long. If substantial change isn't achieved in the next several years, it is likely to be forced upon us in the form of quotas and other interventions.

Personally, I don't think quotas can be avoided because I don't think there is a sufficient understanding of 'others' by male stereotypical leaders nor a sufficient collective desire to bring about change.

Until a critical mass of male leaders see the light and campaign for change, it will take many generations before we achieve true diversity and inclusiveness in our leadership ranks in Australia and the rest of the world. Sex Discrimination Commissioner Elizabeth Broderick's initiative, the Male Champions of Change, is doing good work in this area and many of the male champions are great campaigners for change. I've joined this campaign for change and encourage you to do the same. **HRD**

SIX SUGGESTIONS FOR MALE LEADERS WHO WANT TO MAKE A DIFFERENCE



1. Reflect on your own career: Consider the extent to which you have been helped and supported throughout your career and compare that with the career trajectory of one or more females who were at a similar stage to you. Consider whether you have been discriminated against. In what way? Have you ever been the only man in a meeting with 10 or more senior females? If it has ever happened how did it feel? It felt very strange and I became quite guarded when this first happened to me only a few years ago. Note that this is a regular occurrence for senior females.



2. Study the evidence: There are hundreds of global research studies on the topic including by McKinsey, Catalyst, Bain & Co, The Conference Board, many universities and others. Read *The Loudest Duck*(4) and *Unlocking the Potential of Women at Work: A Decade of Evidence*(3). Do you agree that the evidence shows the playing field is tilted in favour of men and to the disadvantage of women? Can you recount evidence that demonstrates that gender diverse organisations perform better?



3. Become conscious of your unconscious bias: In the early stages of your journey, attempt to articulate two or three examples of unconscious bias playing out in your organisation. Most males can't recount any examples early on but after a time can see new examples every day. Complete the Harvard Implicit Tool(2) for gender and careers to measure your own unconscious bias. Consider how unconscious bias effects recruitment, pay, performance review and promotion decisions in your organisation.



4. Join the discussion: Start or join a discussion in your own organisation. Seek out data from your own organisation that will identify any inequities in recruitment decisions, pay, performance reviews, promotions and allocation of high value opportunities. Join discussion groups outside your organisation and find out what the leading organisations are doing in this area.



5. Build a narrative and join the campaign: Develop a compelling narrative as to why this topic is so important and why you are committed to help bringing about change. Build a coalition of like-minded people, support each other and become a positive force for change in your organisation.



6. Commit to the journey: Treat it as an L&D opportunity but note that there will be a cost in time, effort and focus. You may even experience some backlash along the way but commit to the journey as it will be worthwhile. You'll begin to see things in new ways. It may be worth finding a mentor or a coach to assist you along the way.

References

- (1) Agars MD (2004). *Reconsidering the impact of Gender Stereotypes on the Advancement of Women in Organizations*, *Psychology of Women Quarterly*, 28, 103-111
- Moss-Racusin CA et al (2012). *Science faculty's subtle gender biases favor male students*, New Haven, CT, USA
- (2) Harvard's Implicit Attitude Tests are found at implicit.harvard.edu/implicit/taketest.html
- (3) Dr. Karen Morley (2011). *Unlocking the Potential of Women at Work: a Decade of Evidence*, Melbourne

- (4) Liswood L (2010). *The Loudest Duck: Moving beyond diversity while embracing differences to achieve success at work*. John Wiley & Sons, New Jersey
- Catalyst (2004). *The Bottom Line : Connecting Corporate Performance and Gender Diversity*. Catalyst, New York
- Adler (undated). *Women in the executive suite correlates to higher profits*. European Project on Equal Pay
- Desvaux G et al (2007). *Women Matter: Gender Diversity, a corporate performance driver*. McKinsey & Company