

Diversity-Network – Newsletter Eight

What's in this issue?

In this eighth issue of the Diversity-Network Newsletter we provide a brief summary of **Managing Diverse Work Teams: A Business Model for Diversity Management**. This Business Model demonstrates the role of diversity management capabilities in enabling effective teamwork.

The Newsletter also contains a summary of a recent diversity-related article, statistical information of the caring responsibilities of Australians, and two best practice case studies of expatriate assignments. Several upcoming Diversity Events are highlighted. We also answer a few of your **Frequently Asked Questions** about the Diversity-Network.

Diversity Resources

Our Business Models are short business-focused arguments for developing diversity policies in a range of areas.

Managing Diverse Work Teams: A Business Model for Diversity Management addresses the role of diversity management capabilities in enabling effective teamwork. The model argues that diverse work teams managed well will outperform homogenous work teams and unmanaged diverse work teams.

Diverse work teams operate differently to homogenous teams. Diverse teams' development and functionality are affected by:

- Differences in communication styles
- The mix of mental models and value sets,
- A tendency towards in-group out-group behaviour and social categorisation

There is a large body of research studies to show that diverse teams will outperform homogenous teams as they draw on a greater pool of ideas and because their interaction will produce better solutions. Individuals bring with them individual views of the world and value sets. A greater diversity of mental models represents more viewpoints and perspectives on a problem or task. A diverse team

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may also have access to greater informational networks through their external communication channels. This will improve the quality of decision-making.

The challenge for business is to manage diverse teams effectively so as to harness these outcomes. Good management involves recognising that diverse teams may have some initial teething problems and acting to ensure these problems are understood and remedied. The aim should be to overcome communication difficulties and produce creative and high quality outcomes.

The Model sets out **four action areas**. Attention to these action areas can improve the performance of diverse work teams and reduce levels of unproductive conflict. The four action areas are:

- Selecting and structuring teams
- Working with existing diverse teams
- Resourcing teams
- Measuring team performance

Associated with each of the action areas are key steps that an organisation should consider in order to realise the **diversity dividend**. For example, the *Resourcing teams* key steps include:

- The provision of communication training
- The provision of conflict resolution training
- Encouraging the valuing of difference
- Developing a team identity
- Giving the team time

These four action areas are covered in **Effective Management of Diverse Teams: A Toolkit for Diversity Management**. This Toolkit will be made available to our Business Partners for comment in the next two weeks.

Managing Diverse Work Teams: A Business Model for Diversity Management will assist diversity champions in arguing the case for greater consideration of the work processes of diverse teams. It argues strongly for considering the benefits of diversity when setting up teams. It also illustrates the importance of managing new and existing diverse work teams appropriately.

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A draft of this Business Model is currently with our Business Partners for feedback. It will soon be available from our Website.

Diversity Research

This section provides you with brief summaries of important research that has appeared recently in academic journals and that is shaping the business case for diversity management.

Employee involvement: opening the diversity Pandora's Box? by Gillian Shapiro (*Personnel Review*, Volume 29, No.3, 2000) investigates the impact of workplace diversity on employment involvement initiatives such as TQM and Continuous Improvement. The paper found that firms often lacked the diversity management skills to implement such involvement initiatives.

Employee involvement programs seek to build and sustain consent and commitment from employees through the promotion of teamwork and use of employees' experiences and creativity. A diversity of experiences and mental models should substantially improve the gains from such initiatives. The authors cite a number of studies however, that have found otherwise. It has been found some groups of employees, such as part-time workers, administrative and shift staff, receive less training and are less involved than their full time, permanent or senior counterparts. This *involvement gap* is the cause of many of the problems identified.

The study investigates fourteen large organisations across eight European Union countries. The companies are named, and include eight telecommunications providers. All of these companies were seen to be proactively addressing the issue of quality management. The major finding from these case studies was that the firms had not developed the requisite resources and capabilities to positively manage diversity such that involvement was rewarded, multi-communication channels were developed, and improvement objectives were seen as key to enhancing organisational performance. In essence, while the workplaces and teams were

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diverse, the management and communication policies of the organisations were not. The *Pandora's Box* of the title was that this involvement gap was generating diversity problems. Without adequate diversity management policies, exposure to diversity was found to actually lead to further segregation, weakening communication, and a widening of the involvement gap. Workers were not managed to appreciate the opportunities that exist in the interaction of diverse members. This inhibited their ability to adapt and learn.

The lesson from this article is that diversity management must be integrated into an organisation's larger HRM and business strategies. Employee involvement and diversity management interact in a reciprocal relationship to enhance and reinforce each other.

We have drawn on articles such as this in developing our **Business Case for Diversity Management** - available from our website at <http://www.ecom.unimelb.edu.au/acib/diverse/home.html>

Diversity Demographics

This section provides you with useful information on the changing demographics of Australian society. Best practice organisations should seek to adapt their management strategies to accommodate the changing needs of their employees. Such organisations will also aim to be well situated to understand and meet the needs of our diverse population.

Carers are a growing group within the Australian society. The **Australian Bureau of Statistics (ABS)** defines a carer as

"a person of any age who provides help or supervision to any person with a disability, or long-term health condition, or to any person aged 60 years and over."

In 1998, approximately 13 percent of Australians (2.3m) acted as carers, mostly for family members living in the same household. Roughly 15 percent of Australians in the age group 15-64 were carers.



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Women (14 percent) were more likely to be in this role than men (11 percent). Women of working age were generally 67 percent more likely to be carers than men. Carers represented 13 percent of full-time employees. The age group 35-64 had the highest proportion caring for at least one person living elsewhere, typically a parent.

Primary carers provide “the most help” to a person with one or more disabilities, typically a profound or severe disability. Roughly one fifth of carers are in the primary carer role.

In 1998, 43 percent of primary carers were caring mainly for their partner, 24 percent for one of their parents, and 22 percent for one of their children. The transition over age groups is typically from caring for one’s children, to one’s parents, to one’s partner.

Fifty-nine (59) percent of carers combined their caring role with full or part-time employment. The majority of employed carers (63 percent) had full-time positions. Of the 158,200 primary carers that were employed, however, only 48 percent were in full-time employment.

In terms of the impact on work life, the majority (71 percent) of employed primary carers reported that their caring duties did not affect the number of hours they work. A significant minority (22 percent) stated they had reduced their weekly hours in paid work since taking on the caring role. Twenty four (24) percent required time off work, as often as once a week, on average, to perform caring duties.

Australian organisations need to be aware of these changes and adjust their practices and policies. Organisations should encourage an environment that allows employees to balance their caring and work responsibilities. Greater flexibility and understanding may be necessary to best harness the output of these employees. The alternative is most likely higher than acceptable levels of job stress, absenteeism and employee turnover. Employers should also be conscious of the many skills job applicants and employees may have gained through their caring roles.

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These data are taken from *Caring in the Community, Australia* (1998) and *Australian Social Trends* (2001) at <http://www.abs.gov.au/>.

Best Practice Diversity Management

In this section we highlight examples of Australian firms adopting best practice Diversity Management strategies and policies. Our Toolkits include a large number of case studies.

This week’s example combines two case studies, both illustrative of how organisations have adjusted their policies in light of their understanding of cultural differences.

Hewlett Packard’s (HP) Australian National Commercial Sales Manager, Kim Hamilton, has significant international business experience throughout the Asia Pacific region. He spent three years (1998-2000) based in Singapore as a manager of business development and marketing. Hamilton relocated from Melbourne to Singapore with his wife and young son.

Reflecting on his expatriate experience, Hamilton states, “I almost felt like I was a teacher and a student”.

He had the opportunity to teach his Asian colleagues about Australian culture while he learned about their cultures. The learning experience of his expatriation was very satisfying and Hamilton says with confidence, “I am a better manager now than I was three years ago”.

He uses the cultural, managerial and technical knowledge and skills that he developed overseas in his present role with HP.

When asked what is important in an expatriate manager, Hamilton emphasises “an openness to experience new things and to be willing to look at different ways of getting results”.

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His experience has taught him that “the best managers are those who can move between different ways of doing things” and that “the worst managers are those who only have one way of managing people from different backgrounds”.

Hamilton believes that HP’s corporate culture, which emphasises the value of workforce diversity, makes it an employer of first choice. He asserts that HP’s “human touch absolutely gets the right people into the business”.

HP people value diversity and are open to differences, key attributes for thriving in an international environment. This means that HP can select the “best people” for expatriate assignments from a large pool of capable people.

Telstra’s Alan Humrich spent two and a half years in Indonesia as Director of Operations of an international joint venture. The venture, called Mitra Global Telecommunications Indonesia (MGTI), brought together Australian, Japanese and Indonesian investors to establish world-class telecommunications in Central Java. It employed about 4000 people, around 50 of whom were Australian expatriates.

Prior to relocation, Humrich spent three weeks in Indonesia learning about the local language and culture. During the three weeks, he met local people, visited their homes and gained an appreciation for the region, its customs and the national religion, Islam. Alan stresses the importance of such a visit, to gain some familiarity with the host environment and its people.

When asked what makes a good expatriate, Humrich emphasises a “basic openness and understanding of other peoples”.

He stresses that expatriates should not embark on foreign assignments with false assumptions of glamour, but should be prepared for the “highs and lows” of working overseas.

Hewlett Packard and **Telstra** have both been Business Partners with the Programme over the past eighteen months.

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These case studies appear in **Keys to Expatriate Success: A Toolkit for Diversity Management** available from our website at <http://www.ecom.unimelb.edu.au/acib/diverse/home.html>

Diversity Events

In this section we aim to keep you informed of upcoming workshops, conferences, seminars and awards and events that may be of interest to Diversity Managers, Diversity Committee Members, HR managers and CEOs.

If you have a Diversity Event you would like us to mention contact us at Diversity-Network@unimelb.edu.au

Diversity and Culture – Optimising your ROI is a conference being held on March 18-19 in Sydney. The program is focused on addressing how organisations quantify the cost of successfully implementing and managing their diversity strategy, and evaluating the resulting return on investment. Among the presenters are key diversity leaders from Westpac, NAB, Shell, IBM, AMP, BHP Billiton, Qantas, DIMA, KPMG, and the Australian Federal Police.

Professor Stephen Nicholas from the ACIB will present on *Putting the Business Case Forward*.

For more information on this event, contact Rhayver International Corporate Events on 02 8221 8810 or sales@rhayver.com.

Harmony Day falls on March 21 each year and coincides with the United Nations International Day for the Elimination of Racial Discrimination.

Harmony Day 2002 has three key objectives:

- inclusiveness - to show that multiculturalism is relevant to all Australians
- benefits - to highlight the social, economic and cultural benefits of diversity

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- community harmony - to provide an opportunity for Australians to acknowledge our success as a harmonious and diverse nation and promote harmony.

The theme for Harmony Day 2002 is You + Me = Us

Orange is the official Harmony Day colour. By wearing orange clothing or an orange ribbon on 21 March you can make a statement about your personal commitment to community harmony.

Many Australian businesses and other organisations will be conducting special Harmony Day events. To find out more about Harmony day visit the Department Of Immigration and Multicultural and Indigenous Affairs' webpage:
<http://www.immi.gov.au/harmony/>

The Diversity-Network

The Diversity-Network has grown significantly over the last few editions. It appears many of you have forwarded the Newsletters on to colleagues as we now have a number of members from particular organisations. With this new intake of members, we have received several emails seeking more information about the Network. Here are our responses to several of the **Frequently Asked Questions**.

What is the Diversity-Network? The Diversity-Network is a free service that aims to promote greater communication between those engaged in diversity management. As a Diversity-Network member you will receive a newsletter every three weeks. The Network is designed to be interactive in that we seek feedback from Network members and draw on your experiences of diversity management.

Who hosts the Network? The Diversity-Network is part of the Programme for the Practice of Diversity Management, a collaborative arrangement between the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) and the Australian Centre for International Business (ACIB). The ACIB (at the University of Melbourne) prepares the newsletter.

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The ACIB delivers generic diversity management material through the Programme and also tailored material and briefings on a consultancy basis.

Who is the target audience? The content of our Newsletters is aimed not only at diversity specialists but also line managers, senior managers and diversity committee members – basically anyone with an interest in people management and the strategic direction of their organisation.

How big is the Network? We currently send the Newsletter out to over 200 members from more than 120 organisations. We have a mix of members from the private and public sector organisations. We also have a small number of members from outside Australia – from New Zealand, Japan and Brazil.

Can I access the Network email list? We do NOT share Network members' email details with any other parties. If you have an event or service you are seeking to promote, please contact us and we may include a profile of the event or your organisation in future Newsletters.

Can I access earlier additions of the Newsletter? We archive the Newsletters on our website at <http://www.ecom.unimelb.edu.au/acib/diverse/home.html>

Can I forward the Newsletter on? We are keen to see our message reach as wide an audience as possible. Please forward the Newsletter through to colleagues who you believe would be interested in the bottom line benefits of best practice diversity management. Encourage them to sign on by contacting us at Diversity-Network@unimelb.edu.au or through our website.

When is the next Newsletter out? Edition Nine of the Newsletter will be emailed out on March 27th. Currently the Newsletters are sent out every three weeks. With greater readership we may increase their frequency.

How do I submit material? We are keen to include examples from a wider range of organisations. Contact us at Diversity-Network@unimelb.edu.au with any material.