

Numbers don't tell the whole story on gender diversity

July 11 2013, by Betina Szkudlarek



Credit: AI-generated image ([disclaimer](#))

Along with deductions, write-offs and reconciling accounts, Australian businesses have ended the financial year with their [second report](#) on diversity strategy and compliance with the ASX Corporate Governance Council (CGC).

Statistics from the first year's reporting looked encouraging, with more than 90% of S&P ASX 200 companies holding a diversity policy. But what stands behind those policies and reporting?

In many cases, there is too much emphasis placed on plain numeric declarations and not enough on the quality of diversity management.

While the phrase "gender quota" does not appear in the CGC New Corporate Governance Recommendations on Diversity (the main reference for corporations on the structuring of diversity policies and practices), a reference to numeric targets for women's participation in the workforce is the overwhelming focus of the document.

[Research](#) undertaken by KPMG summarising last year's reporting results indicates that similar to the focus of the CGC document, the majority of organisations concentrated their efforts on gender ratios, as opposed to developing a broader strategy for promoting inclusion and diversity. While gender quotas have proven effective in several European contexts—notably Norway, which introduced a 40% quota on supervisory boards more than 10 years ago—diversity management goes far beyond the number of women in executive roles.

Using gender quotas or other purely quantitative measures to eradicate discrimination will inevitably create resistance within firms. This is because focusing on numeric goals does little to promote a positive workplace climate. A gender quota creates the impression that the inclusion of female workers is due to their gender as opposed to their merit. Employees want and need to be recognised for their skills, knowledge and expertise, and the focus of the organisational strategy should be on engagement, inclusion, and embrace of diversity as opposed to a head count.

Numbers on their own say nothing about organisational culture, the

embeddedness of employees in organisational structures, their participation in the decision making processes, or their well-being and job satisfaction. Rather than solely focusing on policies targeting men-to-women ratios, organisations need to tackle the gender role stereotypes and provide strategies and organisational practices that will address both men and women in the workplace. This goes beyond broader use of paternity leave, part-time work arrangements for working fathers or reasonably priced child care solutions, and requires organisations to design an inclusive, open, flexible, and competence-focused workplace.

While numbers are important, especially to create critical mass for the change to become a new social norm, they are meaningless if not accompanied by a strategic focus on changing the organisational climate. While the number of women on corporate boards increased from 13% in 2010 to 23% in 2012, the [Women in Leadership Census report](#) showed that the same women occupied multiple corporate board positions, with 27.5% of women on ASX 200 company boards occupying more than one directorship, a percentage almost twice as high as that among male board members. One of the interpretations of this finding could be that organisations do not actively look to identify and mentor new female talent, but instead tick the gender diversity box when necessary by accessing existing female talent.

It is clear that the Australian workplace is still largely a man's world. The 2012 [Global Gender Gap Report](#), published annually by the World Economic Forum, shows that while Australia leads in terms of open access to education for both genders, we are in 68th place for income equality. By way of comparison, New Zealand ranks 16th.

With inevitable changes to Australia's demographics, organisations that embrace multinational, multigenerational, and [gender](#)-diverse workforces will have a source of unmatched competitive advantage. The war for talent and shortage of highly skilled employees on the Australian

job market means that organisations need to become the "employers of choice" for a very diverse pool of job applicants.

With an increasing participation of highly skilled women in the job market and their growing mobility, only those organisations that provide a positive and rewarding work climate will be able to not only attract, but most of all to retain top performers. Will this year's CGC reporting on diversity acknowledge the evolving demographic trends? The answer is probably not, but those organisations that do appreciate and leverage [diversity](#) will have a good start in the ever-increasing war for attracting, motivating and retaining talent.

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