What is the Australian Model of Managing Diversity?

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ABSTRACT

The paper endeavours to offer an objective assessment of Australian response to managing cultural diversity within formal employment sector. First, the paper offers an overview of the historical and the socio-political contexts of cultural diversity in Australia, which is followed by a discussion of how diversity is tackled from legal and organisational perspectives. The discussion seeks to identify the broad features of what the paper terms as ‘Australian model of managing diversity’. The paper argues that the Australian model seeks to promote the business case of managing diversity, which is a response to (1) the demographic changes in the Australian population, and (2) the historical evolution of social policy from assimilation (White Australia Policy) to inclusion (multiculturalism). In practice however the model seems to be predominantly focused on gender and individuality, lacking adequate structures to manage ethnic/racial, religious and other cultural differences in the workplace.

Keywords. Australia; cultural diversity; equal employment opportunity; ethnicity; NESB; race.

INTRODUCTION: CULTURAL DIVERSITY IN AUSTRALIA

Cultural diversity is a key feature of Australia’s national identity that continues to influence its socio-cultural and economic potential. Within the Western world, Australia has a high proportion of the overseas-born population, which is higher than other multicultural societies such as New Zealand (18.7 per cent) and Canada (18.4 per cent), and much higher than the United States (11.4 per cent) (DIMA 2005: 16). In 2002, overseas born residents in Australia comprised 4.6 million people representing about 23 per cent of the total population (ABS 2004: 2). The contribution of overseas cultures in the Australian population becomes more obvious when the countries of birth for parents are also taken into account. At the 2001 Census, 43 per cent of Australians were either born overseas or had at least one parent born overseas (DIMA 2006a).

Diversity is also visible in the workforce and small business ownership. In October 2002, 25 per cent of Australia’s workers were born overseas, with 15 per cent originating from non-English speaking countries. Furthermore, about 29 per cent of the total number of small businesses in Australia are owned or operated by people who were born overseas (DIMA 2006a). About 21 per cent of Australia’s 800,000
small businesses are owned or operated by people of non-English speaking backgrounds (NESB) (RDC 1998: 9). It is worth noting that about 70 per cent of Australia’s workforce is employed by small and medium size enterprises. This sector generates the fastest growth rates in terms of employment, exports and innovation (DIMA 2006a). The lived reality of these statistics has altered Australia’s historical self-image as a largely British-based nation, warranting new discourses and policies to cater for the needs and the aspirations of a multicultural society (Bertone and Leahy 2001: 1).

There is a growing realisation at the government and the corporate policy level that Australia’s cultural diversity offers great challenge as well as potential for socio-cultural and economic capital of the overall society. If inadequately managed, the socio-cultural differences within the population may lead to socio-political disorder as well as economic imbalance in the society. Conversely, if properly managed, Australia’s cultural diversity can provide businesses with language skills, cultural understanding, networks and knowledge of business practices and protocols in overseas markets, and low cost intelligence about overseas markets including consumer behaviour (DIMA 2006b). The purpose of the present paper is to examine current approaches to managing diversity and ways of thinking about cultural diversity in Australia. The paper endeavours to identify the broad features of what may be described as ‘Australian model of managing diversity’, in terms of its various discourses and enactments, and also in terms of its achievements and limitations. The analysis is expected to help identify the predominant discourses on managing diversity and their implementation within organisations.

The paper is divided into four parts. The first part reviews the historical context of cultural diversity in Australia and how this issue has been socio-politically tackled. The second part explores the legal response to cultural diversity and examines anti-discrimination and human rights legislation enacted in Australia. The third part presents organisational approaches towards managing diversity that range from an externally driven EEO or affirmative action based approach to a voluntary corporate approach based on the economic benefits of cultural diversity. The fourth and final part consists of discussions and conclusions followed by implications for future research.

**BRIEF HISTORICAL CONTEXT**

*Multicultural Roots*

It is not just the Anglo-European and other migrants who brought cultural diversity to Australia. The Aboriginal population of Australia is estimated to have settled in this continent for at least 40,000 years before Europeans began early explorations in the 17th century (CIA 2006). In 1788, when the first European Fleet arrived in Australia, the Aboriginal population comprised about 600 different social groups speaking about 200 distinct languages and dialects. The European arrivals themselves were quite diverse. Over 4,200 of the convicts (about 2.6 per cent) sent to NSW between 1817 and 1840 were not
Anglo-Celtic, 900 of them were non-whites and about a thousand were Jews. The Gold Rush era of the 1850s attracted a large number of immigrants from many continents and regions including approximately 60,000 people from Europe, 42,000 from China, 10,000 from the USA and Canada, and over 5,000 from New Zealand and the South Pacific islands. Furthermore, about 62,000 Pacific Islanders were brought to Queensland between 1863 and 1904. These figures demonstrate that Australia at Federation (in 1901) was far from being a homogeneous society (Jupp 2001 pp. 7, 22, 35, 610 cited in Jordens 2002).

White Australia Policy
The presence of Chinese migrants as well as Pacific islanders became a source of concern for the ‘mainstream’ white Anglo-Celtic group. This conflict resulted in the notorious White Australia policy, embodied in the Immigration Restriction Act 1901 (DFAT 2006). From that time until early 1970s, Australian policies towards new migrants were based on the concepts of assimilation and, later, integration. This means that the non-British immigrants were expected to shed their existing cultural identities, including their native languages, to promote their rapid absorption into the host population (DFAT 2006).

A historical sense of geographical isolation, coupled with fears of domination by other colonial powers as well as highly populous Asian states to the north, served as the context of White Australia policy (D’Netto, Smith and Pinto 2000: 57). The policy was especially focused on ending the employment of Pacific islanders brought in as cheap labour to work on sugar plantations in the north (DFAT 2006). The policy however could not withstand the attitudinal changes after World War II, and the growing acknowledgment of Australia’s responsibilities as a member of the international community. In 1966 the Liberal-Country Party Government began dismantling the White Australia policy by permitting the immigration of ‘distinguished’ non-Europeans (DIMA 2006b). The last vestiges of the White Australia policy were finally discarded in 1973 (DFAT 2006).

From Assimilation to Integration
The prevailing attitude to migrant settlement up until this time was based on the expectation of assimilation, that is, migrants should shed their cultures and languages and rapidly become indistinguishable from the host population (DIMA 2006b). Although, until 1972, the government always officially referred to Australia as a ‘homogeneous society’, by the 1960s this conception was becoming increasingly inappropriate with the gradual erosion of the White Australia policy. In 1964 the government began admitting mixed race immigrants, from 1966 it offered permanent residence to skilled non-Europeans, and following a migration agreement with Turkey in 1967, it admitted large numbers of non-Christian migrants for the first time (Jordens 2002). The integration policy, in effect from the mid-60s
until 1972, recognised that large numbers of migrants who came to Australia after World War II were suffering hardships in settling in Australia because of the language and other cultural barriers (DFAT 2006). The policy makers recognised that large numbers of migrants, especially those whose first language was not English, experienced hardships as they settled in Australia, and required more direct assistance. They also recognised the importance of ethnic organisations in helping with migrant settlement. Expenditure on migrant assistance and welfare rose sharply in the early 1970s in response to these needs (DIMA 2006b).

**Multiculturalism**

By 1973, the word ‘multiculturalism’ had been introduced and minority groups were forming local and national associations to promote their language and heritage within the mainstream institutions (DFAT 2006). When the Whitlam government redefined Australia as a multicultural society in 1973, it borrowed the term from Canada but interpreted it in a very different way. In Canada, multiculturalism was intended to preserve and promote the separate cultures and rights of its distinct cultural groups. In Australia the term served to acknowledge the irreversible cultural pluralism brought to Australia by thirty years of migration, and to ensure equality. In December 1973 the Minister for Immigration, A.J. Grassby, described Australian society as one “in which equal opportunity is accompanied by cultural diversity in an atmosphere of acceptance and tolerance” (Rubenstein 2002: 179-180). Professor Jerzy Zubrzycki of the Australian National University pursued multiculturalism as a social policy while chair of the Social Issues Committee of the Immigration Advisory Council to the Whitlam Labor Government (DIMA 2006b). The multicultural policies developed under the Fraser and subsequent governments aimed to ensure the equal participation of migrants in society, while acknowledging their right to preserve their cultural differences. In 1989, the National Agenda for a Multicultural Australia provided the first authoritative statement of the rights and responsibilities of Australians in a multicultural society (Jordens 2002). In 2005, Diversity Works Policy was announced by the Australian Government, which is built on the positive economic outcomes of managing cultural diversity. In the next section, the implications of these policies on the evolution of the legal framework have been discussed.

**LEGAL RESPONSE TO DIVERSITY**

The present legal framework in Australia generally aims to promote and enact Australian multiculturalism within employment and other societal contexts. In order to protect human rights of a diverse population and to foster greater understanding of these rights, the Human Rights and Equal Opportunity Commission (HREOC) was established in 1986 by the Federal Government. The HREOC administers a number of federal laws (detailed below) that are aimed to protect people from discrimination or harassment in the
workplace and various parts of public life. The Human Rights and Equal Opportunity Commission Act, 1986 (HREOCA) covers discrimination in employment in both public and private organisations on a range of grounds, such as age, religion, sexual preference, political opinion, trade union activity and criminal record. Human rights are defined in the Act by reference to international human rights treaties and declarations, which includes the International Covenant on Civil and Political Rights, and ILO Discrimination (Employment and Occupation) Convention, 1958 (No.111). In addition, complaints may be made under the Act in relation to impairment of equal opportunity in employment on a number of grounds including sex, race and disability. However, discrimination does not occur when a particular attribute is an inherent requirement of the job or in some circumstances when the employer is a religious institution. In the next section, the Acts having direct implications for cultural diversity in Australian organisations will be discussed. The discussion does not include Disability Discrimination Act 1992, however Sex Discrimination Act has been discussed to acknowledge the intersectionality of race and gender as one of the key problems faced by minority ethnic women in Australian organisations (Syed, 2007).

The Racial Discrimination Act
The Racial Discrimination Act, 1975 (RDA) gives effect to Australia's obligations under the International Convention on the Elimination of All Forms of Racial Discrimination. The RDA makes racial discrimination unlawful, with an aim to ensure that everyone can enjoy human rights and freedoms in full equality regardless of race, colour, descent, national or ethnic origin, being an immigrant (in some circumstances) or being a relative or associate of someone of a particular ethnicity or other status. Under the RDA, racial discrimination is unlawful whenever it impairs a person's equal enjoyment of his or her human rights and fundamental freedoms. In addition, the RDA has specific provisions making it unlawful to discriminate in areas such as employment; land; housing and accommodation; provision of goods and services; access to places and facilities for use by the public; advertising and joining a trade union. The RDA also makes indirect racial discrimination unlawful.

The Racial Hatred Act extends the coverage of the Racial Discrimination Act to allow people to complain about racially offensive or abusive behaviour. In 1995, the Racial Hatred Act amended the RDA by adding in new laws specifically dealing with racial vilification. The Racial Hatred Act gives effect to some of Australia's obligations under the International Covenant on Civil and Political Rights and the International Convention on the Elimination of All Forms of Racial Discrimination. The Racial Hatred Act aims to strike a balance between two valued rights - the right to communicate freely and the right to live free from vilification.
The Workplace Relations Act
The Workplace Relations Act, 1996 (WRA) deals with a broad category of areas including unlawful termination of employees on discriminatory grounds. It provides for equal remuneration for work of equal value for men and women and seeks to put into effect certain aspects of ILO Conventions 100 and 111, ILO Recommendations 90 and 111, Convention for the Elimination of All Forms of Discrimination Against Women (CEDAW) and the International Convention on Economic, Social and Political Rights (ICESPR). Under the WRA, minimum wages and conditions of employment are provided for by awards made by the Australian Industrial Relations Commission (AIRC). Certified Agreements are collective agreements negotiated at the workplace level, while Australian Workplace Agreements (AWAs) are signed individually. One of the objects of the WRA is to respect and value the diversity of the work force by helping to prevent and eliminate discrimination and to assist in giving effect to Australia's international obligations in relation to labour standards (see ss. 3(j) and (k). The AIRC must ensure that new awards, variations to awards and orders affecting an award do not contain provisions that discriminate against an employee because of a number of factors. Employers are required to explain certified agreements to employees, having regard to the employees’ particular circumstances and needs, for example those of women, persons from an non-English speaking background or young persons (s.170LT(7) ). With respect to Australian Workplace Agreements (AWAs), employers must ensure that they contain anti-discrimination provisions prescribed by regulation. Under s.170CK employment may not be terminated on grounds that include sex, marital status, family responsibilities, pregnancy, and absence from work during maternity leave or other parental leave, with the exception of the inherent requirements of the particular position concerned. In addition, in the case of employment as a member of the staff of an institution that is conducted in accordance with the doctrines, tenets, beliefs or teachings of a particular religion or creed, these grounds may be relied on if the employer terminates the employment in good faith to avoid injury to the religious susceptibilities of adherents of that religion or creed.

The Sex Discrimination Act
The Sex Discrimination Act, 1984 (SDA) declares sex discrimination unlawful in conformance with Australia’s obligations under the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and parts of International Labour Organisation Convention 156. The SDA covers discrimination on the grounds of sex, marital status, pregnancy, and family responsibilities. Similarly, the Equal Opportunity for Women in the Workplace Act, 1999 (EOWA) seeks to promote the principle that employment for women should be dealt with on the basis of merit, aims to eliminate discrimination against, and the provision of equal opportunity for, women in relation to "employment matters", and foster workplace consultation between employers and employees on issues concerning equal opportunity
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for women in relation to employment. Both of these Acts (SDA and EOWA) however do not offer any special provisions for women from minority ethnic backgrounds that face multiple discriminations because of intersectionality of their gender and ethnicity/race or religion.

**Equal Employment Opportunity Act and the Public Service Act**

Equal Employment Opportunity (Commonwealth Authorities) Act, 1987 (EEOA) requires certain incorporated and unincorporated Commonwealth government bodies to develop and implement an equal employment opportunity program. The program must be designed to ensure that appropriate action is taken to eliminate discrimination by the body and to promote equal opportunity for women and persons in designated groups in relation to employment matters. Under s.6, this program must seek to identify any discriminatory policies or practices and any patterns (whether ascertained statistically or otherwise) of lack of equality of opportunity. Under s. 9 and s.10, there is provision for annual and special reports by the body on the implementation and monitoring of its program. Similarly, the Public Service Act, 1999 (PSA) offers provisions under section 10 which sets out the values of the Australian Public Service (APS), which include merit-based decision-making in employment, a workplace which is free from discrimination and the promotion of equity in employment. In addition, the APS should provide a reasonable opportunity to all eligible members of the community to apply for APS employment. Under s.18, Agency heads must establish workplace diversity programs to assist in giving effect to the above APS values.

**The Industrial Relations Reform Act and Anti-discrimination Legislation**

Under the Industrial Relations Reforms of the mid-1990s, equal opportunities became central to industrial regulation and the limitations of the traditional complaints-based approach were attenuated. The major protections provided under the IR reforms pertained to minimum wages, equal pay, unfair dismissals and redundancies, family and parental leave, and award safety net and award reviews.

Drawing primarily on the Termination of Employment Convention, the IR reforms ensured that protection against unfair dismissal was comprehensive and conformed to a national minimum standard. Under the amended Act, employees can only be terminated with a “valid reason” or reasons connected with the employee’s capacity or conduct or based on operational requirements. The Act also aims to eliminate entrenched discrimination and prevent further discrimination on the basis of race, religion, gender and other attributes (s. 150A). The Commission emphasised the importance of regular reviews in ensuring that awards provide a safety net underpinning workplace bargaining and placed particular stress on the role of reviews in bringing about “greater equity in the workplace” (O’Connor 1994: 5). Teicher and Spearitt (1996: 122) however suggest that despite the provision of a mechanism by the Industrial Relations Act to
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They also note that Australia’s increasingly integrated EEO and IR laws may provide an innovative model for other countries (p. 131).

LIMITATIONS OF THE RACIAL DISCRIMINATION LEGISLATION

From the perspective of cultural diversity, the legal response demonstrates a passive focus on the elimination of discrimination in broader societal contexts including employment. However, unlike the EOWA (focused on women’s increased participation in employment), no specific Act has been legislated to monitor and eradicate racial discrimination in the workplace. Furthermore, it seems that in at least some respects the scope of the racial discrimination laws is limited and inconsistent across Australia’s states and territories. For example, in some states it is not against the law to racially vilify another person. Different states and territories deal with religious discrimination and vilification differently. See Table 1.

Table 1. Scope of laws against racial and religious discrimination and vilification

<table>
<thead>
<tr>
<th></th>
<th>Federal</th>
<th>NSW</th>
<th>QLD</th>
<th>VIC</th>
<th>SA</th>
<th>WA</th>
<th>ACT</th>
<th>TAS</th>
<th>NT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Racial discrimination</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Racial vilification or hatred</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Religious discrimination</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Religious vilification or hatred</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

(Source: Based on HREOC, 2005a: 77)

Table 1 demonstrates that laws directed toward religious and racial discrimination or vilification/hatred are not consistent across Australia’s states and territories. For example, there is no specific federal legislation that prohibits discrimination in employment on the basis of religion (Dent 2002: 24). Though HREOC can hear complaints about religious discrimination in employment, its decisions are not enforceable by law. Similarly, there is only a limited definition of religious discrimination, defined as ‘ethno-religious’ discrimination under the NSW law.

This loophole has at times given rise to complex situations for employees, employers and other stakeholders. For example, a Muslim IT worker in Sydney was threatened with termination after praying during working hours. The worker subsequently won a reprieve following a deal that was struck between the employer and the union. The NSW Labour Council expressed its concern over the fact that the State anti-discrimination law did not cover religions such as Islam or Christianity, forcing workers to choose...
between their jobs and their religions (LaborNet 2002). There is some evidence for similar legal ‘oversights’, which seem to particularly disadvantage employees from minority ethnic backgrounds.

Religious discrimination is not made unlawful by the Race Discrimination Act. However the term ‘ethnic origin’ has been interpreted broadly in a number of jurisdictions to include Jewish and Sikh people. Such protection is not available to people of other faiths such as Muslims, who remain particularly disadvantaged in the post-9/11 world. Theoretically, complaints about religious discrimination in employment may be made to HREOC under the ILO 111 discrimination provisions of the HREOC Act; but, this does not give rise to enforceable remedies and the matter cannot be taken to court (HREOC 2005b). HREOC has recommended that a federal law be introduced making unlawful discrimination on the grounds of religion or belief and vilification on the grounds of religion or belief. The recommendation was made after national consultations vis-a-vis eliminating prejudice against Arab and Muslim Australians (HREOC 2003: 129).

The Explanatory Memorandum to the Racial Hatred Bill 1994 (which became the Racial Hatred Act 1995 and amended the RDA by introducing Part IIA, which prohibits offensive behaviour based on racial hatred) suggests that Muslims are included in the expressions ‘race’ and/or ‘ethnic origin’. However, cases that have considered this issue in other jurisdictions have found that Muslims do not constitute a group with a common ethnic origin because while Muslims profess a common belief system, the Muslim faith is widespread covering many nations, colours and languages (HREOC, 2005b). It seems that the spread of Islam across many nations has served to disadvantage Muslims, at least within the legal contexts in Australia.

The existence of racial bias embedded in Australian society and institutions has been routinely acknowledged by policy makers and judiciary considering allegations of race discrimination. The extent to which this enables inferences to be drawn as to the basis for a particular Act, especially in the context of decisions about employment or promotion in organisations, has been a matter of debate. Legal proceedings highlight the difficulties faced by complainants in proving racial discrimination in the absence of direct evidence (Hunyor 2003: 25, HREOC 2005b). The chronic nature of racial/ethnic bias was also acknowledged by the Race Discrimination Commissioner in Australia, on the eve of the 30th anniversary of the Race Discrimination Act, when he stated:

“[G]aping holes still exist. The entrenched deprivations suffered by Indigenous Australians are unacceptable and embarrassing given our status as a first world country… The threat of terrorism has led to a marked increase in the level of prejudice experienced by Arab and Muslim Australians. It has also had a negative impact on the treatment of refugees and newly-arrived immigrants” (Doussa 2005: 8).
In the next section, the paper will examine organisational approaches towards the issues of equal employment opportunity and anti-discrimination. The discussion will help illustrate employers’ perspectives as well as practices in terms of managing cultural diversity.

**ORGANISATIONAL APPROACHES TO DIVERSITY**

Pyke (2005: 15) notes that the diversity and equal opportunity legislation is generally limited in its ability to facilitate cultural and attitudinal change in organisations. The literature however suggests that highlighting economic benefits of managing diversity is instrumental in aligning the issue of overcoming discrimination with the interests of the organisation (Kramar 1997: 88). Antonios (1997) suggests that equal employment opportunity and affirmative action programs are now a feature of modern management bringing greater equality between different elements of the workforce. Managers now talk about diversity both to keep on the right side of the law and to make sure that new parts of the workforce maintain a commitment to the organisation and its goals. There is however significant difference in different approaches and practical responses towards workforce diversity.

**Equal Employment Opportunity and Affirmative Action**

The concept of EEO recognises that past prejudice has resulted in some members of society being left out of key positions. In order to redress this situation, organisations need to work towards strategies that will create a more equitable workforce. EEO may be described as passive non-discrimination where all human resource management decisions are made without regards to sex, race/ethnicity or any other attribute. Equal pay came into existence at the Australian Government level in 1972 (Pratt 1982), which was followed by Acts prohibiting various kinds of discrimination, and ensuring equal employment opportunity in the workplace.

Affirmative Action is a step forward, which has usually resulted in targets being set in acknowledgment of the fact that a more diverse workforce would help to better serve an increasingly diverse customer base. The introduction to parliament of the Affirmative Action (EEO for Women) Bill in 1986 was a logical progression from passive non-discrimination to affirmative action (D’Netto et al. 2000: 60). The term ‘affirmative action’ was subsequently removed with the revised legislation Equal Opportunity for Women in the Workplace Act 1999. The affirmative action strategies range from programs designed to expand the employment pool by seeking minorities for employment to programs designed to give preference to persons from minority groups and establishment of hard quotas (Compton 1986). While there is no mention of hard quotas, Australian legislation does specify targets and forward estimates. The legislation requires private organisation employing more than 100 staff to report annually
to a government authority on their progress in implementing affirmative programs. Those employers who do not meet the requirements of that authority may be named in parliament. The Affirmative Action Agency reported high rates of compliance. However, the emphasis on affirmative action (also known as positive discrimination in the favour of previously disadvantaged groups such as women) sparked most resistance (D’Netto et al. 2000). Despite these fears, the practical implications of the Affirmative Action have been quite limited, its major effects confined to raising business awareness of equity and diversity issues, and ensuring the formulation of affirmative action plans (Teicher and Spearitt 1996: 119).

Managing diversity

In contrast to the legally (or externally) driven EEO and affirmative action programs, managing diversity is an internally driven, voluntary corporate approach that recognises that Australian labour force today is more diverse that ever, and that industry leaders must implement necessary changes in order to become more responsive and receptive to the newly evolving workplace (Coleman 1995). Thomas and Ely (1996) argue that the emerging paradigm of diversity not only accepts that discrimination is wrong, both legally and morally and that diversity is good for business. However, this transformation will require a fundamental change in organisational leadership (D’Netto et al. 2000: 61).

Managing diversity can be termed as the next generation of equal employment opportunity in Australia (Teicher and Spearitt 1996). The concept followed the wave of anti-discrimination and affirmative action legislation enacted during the 1970s and 1980s. The diversity agenda has been described as the one that “has come to Australia from the USA as an HRM workplace strategy” (Strachan et al. 2004: 199). Within the context of public policy, diversity first emerged as a concept in 1988, when the then Prime Minister Bob Hawke acknowledged that “diversity is one of our biggest endowments” (Rod and Webster 1995). Within employment contexts, the term was first used in a report on the experience of EEO programs in organisations by Nyland and Champion (1990).

One of the earliest articles on managing diversity in the Australian context was published in 1991 (Carmody and Smith 1991). The authors highlighted, in a bulletin of The Business Council of Australia, the need to actively recognise diversity in the workplace, pointing towards the diversity of Australia’s workforce and business competitors. Carmody and Smith stated that there was a business imperative to interact effectively and collaboratively with the diverse employees, customers and international partners. Five years later, managing diversity was regarded as “still in its infancy”; only a small number of Australian companies and Government departments were reported to have “responded to issues of workplace diversity in any comprehensive and programmatic way” (Teicher and Spearitt 1996: 131).

Teicher and Spearitt reported that some public sector organisations as well as Australian branches of US businesses were adopting diversity management policies as part of the broader process of microeconomic
reforms. They however acknowledged that barely a handful of Australian companies, government departments and public sector organisations had responded to issues of workforce diversity in a comprehensive manner (p. 131). In 2004, Robin Kramar still wondered if Australia really had diversity management (Kramar 2004).

Teicher and Spearritt (1996: 109) identify four key drivers of diversity policies in Australia: (1) pressures for business to become internationally competitive, (2) changing labour force composition, (3) growing awareness of the importance of human resource management, and (4) a backlash created by perceptions of special treatment for women. In practice, however, it seems that organisations and managers generally do not treat diversity as a priority area (Karpin 1995: 124).

Bertone and Leahy (2001) suggest that equal employment opportunity policies in Australia have been traditionally externally driven, and influenced by social responsibility doctrine. However, since the mid 1990s, there has been a shift in public policy towards diversity founded on the economic benefits of a diverse workforce. Managing diversity is now considered closely linked to the productivity and performance of a business enterprise (that is, internally driven), and is generally considered a part of corporate strategies (Bertone and Leahy 2001). According to a recent text on human resource management (HRM) in Australia, diversity management was described as a program that was “needed, not only to meet employee needs, but to reduce turnover costs and ensure that customers receive the best service possible” (De Cieri and Kramar 2003: 28-29).

The literature suggests that some employers and managers treat managing diversity as “a timely response to organisational restructuring and the articulation of new corporate values focused on employee commitment, quality and innovation” (Teicher and Spearritt 1996: 110). O’Flynn et al. (2001) propose a five point ‘getting started’ model which is consistent with managing diversity in Australian organisations: (1) build awareness of the business case for diversity management; (2) cultivate support and commitment for diversity management; (3) develop vision, set strategy and goals; (4) allocate resources; and (5) set in motion diversity and culture audits (O’Flynn et al. 2001: 10).
Teicher and Spearitt (1996: 124) note that in Australia, managing diversity has been pioneered by a small number of foreign owned companies and some government departments and business enterprises. Some private sector firms, generally the USA-based companies, are generally seen as exemplars of strategic human resources management. This seems to be an ongoing trend. For instance in 2004, Philip Bullock, CEO of IBM in Australia and New Zealand, was recognized by the Equal Opportunity for Women in the Workplace Agency (EOWA) as the 'Leading CEO for the Advancement of Women'. Previously, in 2003, IBM Australia received Partner Award for its longstanding commitment and support of Technical Aid to the Disabled (IBM 2006).

Gardner and Palmer, (1992, p. 218) suggest that Australian owned firms and small firms are less likely to have established strategic human resources practices than large, foreign owned companies. There is however one significant difference. The exemplars of managing diversity usually aim to minimise the US experience of affirmative action and diversity and address home grown issues. The initiatives of these exemplars have generally evolved around recruitment, career management and work-family balance (Teicher and Spearitt 1996: 124).

Small businesses are an important yet widely ignored sector within the EEO research. The sector is ever growing because of the downsizing of organisations, growth of contracting out and the move away from traditional career paths. This sector is the largest employer of minority ethnic workers in Australia in terms of their proportion in employment. Ironically, this sector does not have to comply with the requirements of affirmative action legislation, which applies to large employers. For the self-employed, small business provides greater independence and autonomy. The growth of this sector also increases the marginalisation of women and minority groups as unionisation rates are low and employment arrangements are often less formal (Teicher and Spearitt 1996: 130).

<table>
<thead>
<tr>
<th>Approach</th>
<th>Attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denial</td>
<td>There are no diversity and inclusion issues in this organisation. We are all equal.</td>
</tr>
<tr>
<td>Dismissiveness</td>
<td>There might be diversity and inclusion issues here but they have no impact on this organisation.</td>
</tr>
<tr>
<td>Awareness</td>
<td>We have some diversity and inclusion issues. This means that we are not getting the best from our people.</td>
</tr>
<tr>
<td>Strategic Approach</td>
<td>Diversity and inclusion is a key component of our long-term business</td>
</tr>
</tbody>
</table>

(Source: Based on Thompson 2000)
Table 2 summarises some common organisational approaches towards workforce diversity based on Frank Thompson’s (2000) description of diversity practices in Mobil Australia. As shown, employers’ approaches towards workforce diversity generally range from straight denial to a strategic approach, which recognises the positive potential of diversity for the long-term business strategy. I have ignored two dimensions proposed by the author, including active involvement that dealt with diversity as a key component of business strategy. This category is part of the Strategic Approach in Table 2. Also, the integration approach (just do it) is a logical or expected outcome of the strategic approach, hence not included in the revised table. It may be noted that the four categories identified are also consistent with Moore’s (1999) description of diversity blindness (neutral attitudes), diversity hostility (negative attitudes), diversity naivete (‘diversity is good’ attitude), and diversity integration (realistic and functional attitude).

According to a survey of about 1500 organisations in 2001, a majority of them (more than 51 per cent) do not have a written diversity management policy (AHRI 2000). The survey identified a problem specific approach as the predominant approach towards diversity management in Australia. The data reflects a lack of integration of managing diversity into a human resource management strategy. Instead, there was a general inclination to treat diversity as a problem, generally focused on flexible work and leave policies, and to some extent on removal of barriers to NESB workers.
Ethnic Identification or the Individual Focus?

Teicher and Spearitt (1996: 129) suggest that some managers appear sceptical of the transferability of the US-based concept of managing diversity to the Australian context. Some of them consider this concept less relevant because minority problems appear to be less visible and immediate in Australia. Some managers believe that highlighting diversity will spark unnecessary ethnic divisions in their workforce. This has caused many managers to favour recognition of individual differences, rather than group differences, in their promotion of diversity.

Yet many practitioners argue that treating all people the same is not equitable and “hobbles the talents of women and minorities” (Gottfredson 1992: 289). Others believe that treating people differently conflicts with corporate philosophies of equality and unitary goals. Teicher and Spearitt (1996: 129) suggest that some companies are attempting to reduce this “one-size-fits-all” approach through diversity training for supervisors and constant reinforcement of the importance of valuing individual differences through performance assessment and informal feedback.

The Predominant Focus on Women

In general, the managing diversity legislation and policies have focused on the participation of women in formal organisations (De Cieri and Kramar 2003: 252). However certain other groups of people such as indigenous Australians, and people from non-English speaking backgrounds (NESB) continue to remain disadvantaged in employment. For instance, in 1986, 9 per cent of Aboriginals and Torres Strait Islanders were in the managerial and professional employment whereas 24 per cent of the total population were employed in this category (Norris 1993: 54). Similarly, in 1994, unemployment among Aboriginals and Torres Strait Islanders was 39.5 per cent far higher than a national rate of 9 per cent (Teicher and Spearitt 1996: 112). Other groups, who do not belong to the white Anglo-European mainstream, experience similar disadvantage. Persons from non-English speaking backgrounds (NESB) are known to have a higher than average unemployment rates. For instance, in 1994, NESB persons had an unemployment rate of 13.9 per cent compared to 7.6 per cent for people born in the main English speaking countries (p. 113).

Furthermore, NESB workers are generally concentrated in low-profile low-paid jobs including plant and machine operators and labourers, occupations requiring low level of skills (Stephen and Bertone 1995: 13). Riach and Rich (1991: 245) report that some minority ethnic workers such as Vietnamese applicants encountered discrimination six times more frequently than the mainstream Anglo-Celtic group.

The Affirmative Action Act, 1986 was focused towards individual organisational accountability as opposed to broader legislative and societal standards in terms of female participation. It was effective in organisations with more than one hundred employees. The Act preserved an individual rather than a collectivist focus in its dependence on the merit principle (Thornton 1990: 246). In 1992, the Government
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of Australia added the sanction that companies violating the legislation were ineligible for Federal Government contracts or specified industry assistance. On 1 January 2000, the Government introduced the Equal Opportunity for Women in the Workplace Act 1999. In this law, guidance given to employers on how to implement a program was curtailed, and the previous emphasis on affirmative action was removed. In this way, the Australian system is moving closer to models in other English-speaking countries such as the USA and UK (Strachan, Burgess and Sullivan 2002). It could be argued that less direction from the Act places more emphasis on management decisions. The new Act involved a less regulatory requirement on the provision of labour statistics in a set format that resembled the British system where organisations were generally reluctant to complete the workforce data section of the Benchmarking Survey (Opportunity Now 2001: 56).

This special emphasis on gender has resulted in significant achievements in terms of female participation in formal employment. For instance, there is a continuous increase in the rate of women’s participation in the workforce – 56 per cent of all women were reported to be in the labour force constituting about 45 per cent of overall labour force in Australia (Parr and Murray 2005). The increased female economic activity has been complemented with increasing level of female education in Australia, which in some instances has surpassed male education rates. For instance, 50.6 per cent of women with bachelor degrees were reported to be in professions as compared to only 43.9 per cent of graduate men in professional jobs. Similarly, there is a continuously increasing proportion of women undertaking tertiary education, who now constitute over 50 per cent of tertiary students including law and medicine degrees (HREOC 2004).

However, the issues related to cultural diversity are not completely ignored, at least at the policy level. For instance, the Council for Multicultural Australia (CMA) was established in 2000 to assist the Australian Government in implementing its new policy for multiculturalism. The CMA’s framework was focused on three objectives: inclusiveness – ensuring that Australians understand the relevance of Australian multiculturalism; productive diversity – ensuring that Australians maximise the economic, cultural and social benefits of their rich cultural diversity; and community harmony – ensuring that Australians acknowledge their success as a harmonious society and work to maintain community harmony (DIMIA 2003).

There is some evidence that the multicultural programs in Australia generally demonstrate a commitment to access and equity, workplace diversity initiatives and management education in diversity issues. Such policies are seen to support economic growth. According to a community wide survey about the Multicultural Policies in Australia, over 90 per cent of the respondents expressed high or very high support for multiculturalism. The majority of the respondents agreed that the policies had nation-building goals, primarily focussed on issues such as harmony and inclusiveness. At the same time the
misconception that multicultural policy only relates to ethnic minorities or migrants was also noticed in numerous responses (DIMA 2003).

**Productive Diversity**

D’Netto et al. (2000) suggest that productive diversity recognises the economic value of Australia’s culturally diverse society. It seeks to capitalise on the linguistic and cultural skills, knowledge of overseas markets and experience in business practices often available in people born and educated overseas while at the same time removing impediments to the effective management of a culturally diverse workforce (p. 62). Cope and Kalantzis (1997) argue that productive diversity is an integral part of Australia’s micro-economic reform policy. The concept seeks to promote the business case of managing diversity within employment contexts. The term was first used in 1992 by the then Prime Minister, Paul Keating, and the leader of the opposition, Tim Fischer. Cope and Kalantzis (1997) identify flexibility, multiplicity, devolution, negotiation and pluralism as the key components of productive diversity. They suggest that organisations that have adopted a productive diversity approach are more likely to be open and pluralistic.

Bertone, Esposto and Turner (1998) identify two key features of productive diversity, which include: the emphasis on economic output resulting from the successful management of a multicultural workforce; and the removal of barriers and the development of strategies to ensure that all employees can contribute the full range of their skills and knowledge. Karpin Report (1995) commissioned by the Australian Government highlighted the relationship between workforce diversity and business management in a global economy. This report emphasised the need to utilise the skills of Australia’s diverse workforce, in particular the skills possessed by women and people from ethnically diverse backgrounds (p. 175).

Pyke (2005: 3) suggests that there is a growing body of research that seeks to understand how productive diversity has been implemented (Bertone et al. 1998, Da Gama Pinto et al. 2000) the relative importance of productive diversity to Australian companies (Nicholas 2000), the degree to which productive diversity has been taken up (De Cieri and Olekalns 2001), understanding productive diversity leadership (Sinclair 2000) and the development of tools and resources by which to improve the effective implementation of productive diversity (DIMA 2000). Yet, many scholars question the theoretical assumptions of productive diversity, and its ability as a policy and management framework, and its outcomes in terms of social justice and workplace relations (Pyke 2005: 4). Much of the diversity literature has originated from management theorists in the USA, although there are growing contributions from across the social sciences and internationally (p. 10).

Bertone and Leahy’s (2001) study of productive diversity program in Mobil Australia demonstrates how the program has been highly integrated across human resource and business operations
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policies. The diversity program at Mobile (called ‘Diversity and Inclusion’) seems to incorporate human diversity, whether it flows from people’s demographic characteristics or chosen differences such as dress style and leisure pursuits. The policy has been implemented through a three-pronged strategy - compliance (to meet minimum EEO requirements), competitiveness (strategies to recruit and retain the best staff) and culture (to engender cultural change leading to a more participative and inclusive workplace). However, the definition has focussed individual rather than group level differences, potentially overlooking many of the socio-structural dimensions of difference, such as social exclusion and stigmatisation. Bertone and Leahy (2001: 105) note that the fact that differences as minor as dress styles are somehow equated with more fundamental differences, such as gender and race, would seem problematic. Race and ethnicity have not been a particular focus in this policy.

Currently, Australian Government’s ‘Diversity Works!’ program seeks to encourage and support businesses to make better use of the language and cultural skills, business networks and market knowledge and experience of Australia’s culturally diverse workforce and to remove any impediments to their effective participation in the workforce. The program was previously known as the ‘Productive Diversity’ Program, which was launched in 1992 as an Australian Government policy in 1992.

The ‘Diversity Works!’ Program is managed by the Multicultural Affairs Branch of the Department of Immigration and Multicultural Affairs (DIMA), which has responsibility for implementing the Australian Government’s multicultural policy, ‘Multicultural Australia: United in Diversity’. The policy is based on four principles: (1) responsibilities for all, requiring all Australians to support those basic structures and principles of Australian society which guarantee freedom and equality and enable diversity in society to flourish; (2) respect for each person, acknowledging everyone’s right to express their own culture and beliefs, subject to the law, and have a reciprocal obligation to respect the rights of others to do the same; (3) fairness for each person, affirming everyone’s entitlement to equality of treatment and opportunity to contribute to the social, political and economic life free from discrimination, including on the grounds of race, culture, religion, language, location, gender or place of birth; and (4) benefits for all, highlighting the significant cultural and economic dividends for all Australians arising from the diversity of the population. The ‘Diversity Works!’ policy commits the Australian Government to three core strategic priorities including community harmony, access and equity, and diversity management. The ‘Diversity Works!’ Program operates throughout Australia and has established partnerships with a number of Australian corporations, state and territory governments and peak employer representative bodies, developing and disseminating management tools and business case studies based on best practice examples of how utilising diversity can contribute to organisational success (COA 2005: 7-10).
DISCUSSIONS AND CONCLUSIONS

Within the societal and the workplace contexts, Australian society and policy makers have experimented a number of policies ranging from efforts to assimilate or integrate immigrants according to the mainstream (White Anglo-Celtic) culture. These policies were over time transformed into relatively more inclusive multicultural policies, with an aim to enable equitable and culturally sensitive inclusion of ethnic minorities, based on mutual respect and co-existence. Figure 1 offers a schematic representation of the Australian response to managing cultural diversity within employment contexts.

Figure 1. Australian model of managing cultural diversity
The two key drivers (business case and socio-political case) are a response to the contextual forces including history, demography and social policy. However, in practice, diversity and equal opportunity policies and practices in Australia are predominantly focused on gender and individuality, lacking adequate resources and structures for ethnic/racial and religious minorities. From the legal perspective, the Australian model seems to be driven by a desire to decentralise industrial relations (IR) regulations, and is inclined to integrate the equal employment opportunity legislation with the IR legislation. The approach may be effective in the public sector organisations however a majority of small private owned businesses, which are not directly subject to the IR and EEO legislation remain neglected. As discussed in the paper, most minority ethnic workers are hired by small private owned businesses generally in low paid and marginalised positions. This means that most of these workers are not adequately protected from the workplace discrimination.

Australian Government’s ‘Diversity Works!’ Policy may be termed as the key feature of Australian model of managing diversity, which appears to be instrumental in highlighting the business case of managing cultural diversity. Yet, there is some evidence for the ongoing structural disadvantages faced by workers from minority ethnic backgrounds. As discussed, the extant management paradigms as well as socio-economic approaches towards diversity and equal opportunity in Australia need to be reformed to match the ongoing demographic changes in the labour- and the customer-markets.

**Implications for Future Research and Practice**

The increasing awareness about the population and the workforce diversity and the anti-discrimination legislation has indeed impacted the labour utilisation and human resource management strategies of a number of industries where NESB immigrants and women have congregated. Yet most Australian institutions, such as the parliaments, trade unions, corporations, the judiciary, arts and cultural bodies and the public services continue to be dominated by Anglo-Celtic males (Bertone et al. 1998). For instance, NESB immigrants generally receive lower average incomes, suffer higher unemployment rates and find it more difficult to gain promotion than Anglo-Australians (Watson 1997, Syed 2007). This is the context in which this paper suggests that, while ‘managing diversity’ policies have been useful in building inclusive organisational cultures which value and accept a wide range of human differences, in practice this concept has some significant deficiencies.

Australia’s increasingly integrated equal opportunity and industrial relations legislation demonstrates the difficulty of ensuring equity in employment in an increasingly decentralised labour market (Teicher and Spearitt 1996: 131). This is also verified through Kramar (2004: 25) who reports that even in circumstances where the organisation has a strong commitment to managing diversity, the actual progress is more consistent with an early stage of diversity development. Policy makers at macro-national
as well as institutional levels need to closely examine the inadequacy of diversity structures in particular the implications of the disadvantage experienced by minority ethnic workers, such as their current ‘lopsided’ employment in low-grade jobs, and their exclusion from boardroom and other executive positions. Diversity management in Australia and elsewhere will remain inadequate unless it takes into account the joint impact of the intersecting processes of gender, race/ethnicity and religion (Syed 2007). The paper proposes that future policy initiatives at governmental as well as organisational levels must recognise diversity in employees’ backgrounds and issues instead of privileging the ‘mainstream’ employees’ perspectives over the ‘other workers’. Future researchers may like to benefit from Critical Race Theory to unravel the traces of racial bias, and multiracial feminism to examine the predominant focus on the mainstream women’s perspectives in managing diversity in Australian organisations.

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