



Diversity for a Diverse City

By Chris Hewitt

Almost 45% of working-age Aucklanders were born outside of New Zealand. That's an eye-opening figure and one that means employers, if they're not already, will need to think about the issue of workplace diversity in their business.

"At its root, it's an issue of competitiveness," says Auckland Chamber of Commerce Chief Executive Michael Barnett.

"If a company has a skills gap and a migrant worker is the best person to fill that gap, then the employer who is most willing to employ and engage with that worker will be more competitive."

So are there bottom-line business benefits to effective diversity management? Auckland Chamber of Commerce Employment Division Manager Penny Smith believes so - and she's not alone.

Penny leads the Auckland Chamber's numerous employment initiatives, which connect employers to candidates from a wide variety of industry backgrounds. Through specialist work-readiness and job placement programmes, the

Chamber assists in transitioning not just skilled migrants but also career starters and those returning to the workforce into employment.

Penny believes that businesses who adapt quicker to the changing New Zealand workforce will have a competitive advantage.

"The face of New Zealand business is changing - we have an aging workforce, which means that businesses need to start thinking about how to engage and develop younger people. And with over 200 cultures represented in Auckland alone, we are becoming a much broader mix of cultures and ethnicities."

So how will a business that embraces diversity be more competitive than one that does not? According to Penny, the benefits are numerous. "Auckland businesses operate in a multicultural marketplace. A workforce that reflects those cultures is likely to do well in a variety of market segments. Likewise, if a company wants to export to a particular country, then having someone familiar with the language, customs and business protocols of that society will be much more likely to succeed. Or indeed if you want to target

a young demographic, then having people from that group on staff can only help."

Penny also notes that embracing diversity gives you access to a wider talent pool. "There are large numbers of extremely skilled and experienced global job seekers and returning Kiwis that could add value to New Zealand businesses with their international expertise, particularly in a market where we have skill shortages in many areas."

While there are bottom line benefits, Penny believes a holistic approach needs to be taken to see the true picture. "The fact is - it's about values. If you're promoting an inclusive, transparent culture within your business, your staff are going to be much more engaged. Their productivity will grow and absenteeism and staff turnover will decline. At the end of the day, you're going to get a much more loyal workforce."

Additionally, those values translate to external benefits to your company. "It's a great way to enhance your company brand in the marketplace and have your business seen as an 'employer of choice', further improving



the quality of candidates that apply for roles at your company.”

A common misconception about diversity is that it is solely an ethnic or cultural issue. Diversity goes beyond culture and includes gender, age, beliefs, sexual orientation, disabilities and much more.

New Zealand has a poor track record of gender diversity in governance roles, with only 9% women directors on the boards of the top 100 NZX-listed companies. Research from Leeds University has shown that businesses with at least one woman director are 20% less likely to go bankrupt compared to those without.

So what practical steps do you need to take to effectively manage diversity in your workplace? There are really no drastic changes needed. While team fit is exceptionally important, Penny also believes that the key is to apply merit-based recruitment. The merit principle aims to ensure that the best person for the job is employed and that their suitability for a job is assessed solely on the basis of their ability, skills and experience.

It is however, not enough just to make sure that your hiring practices encourage a diverse workforce. Diversity cannot give your business a competitive advantage unless it is managed effectively on an ongoing basis.

The good news is that managing diversity is a fairly straightforward process, requiring more of a shift in mindset and process rather than monetary cost.

Shifting the mindset within a team can be a challenge, however, and it's easy to fall into pre-existing habits and stereotypical behaviours. A popular stereotype about accountants, for instance, is that they are not creative people. But an accountant operating in a multidisciplinary environment may actually have very good ideas about marketing strategies that are not considered, because the marketing manager may perceive an accountant to be an unlikely source for ideas.

One company that has embraced the business benefits of diversity is EasiYo. The Albany-based yoghurt and dairy products manufacturer have experienced how different cultures in the workplace ➡

First-hand experience

The Auckland Chamber of Commerce is passionate about promoting diversity in the workplace. We firmly believe that there are real business benefits in having a workforce that is diverse, values-based and engaged.

We run a number of successful employment initiatives targeting new and returning Kiwis, youth, and people returning to the workforce. A number of these jobseekers successfully transitioned into employment at the Chamber itself - so we know first-hand the value they bring to an organisation!

We are also a part of the Employers' Disability Network and strongly support a larger role for women in corporate governance.

The Chamber won the New Zealand Diversity Award from the Human Rights Commission in August 2010 for our work in promoting workplace diversity, an achievement we are very proud of.

➤ have unlocked numerous export opportunities and increased productivity.

According to Chief Executive Paul O'Brien, EasiYo have moved from a situation of accepting the fact that they had a multi-cultural workforce and "dealing with it" 18 months ago to actively embracing and looking for diversity from their workers.

According to O'Brien, "having people from different cultures in your organisation is really an asset, particularly if you're an exporter [EasiYo currently exports to 27 countries worldwide]. If we export to a market, or are looking to, we will try and employ someone who is from that country if we can, as it provides us so many benefits."

In addition to the improved knowledge of and communications with that market, as well as the ability to translate documents instantly using an in-house resource, EasiYo found that having a variety of different cultures represented in the workplace led to a happier, more productive workforce that were better engaged overall.

90% of the production team is Tongan, with 24 of them related to each other, adding a family-based culture to the organisation as a whole. Many of the rest of EasiYo's 60 employees were born overseas, which is seen as a valuable business asset.

EasiYo did find some challenges in implementing the culture, often in the form of entrenched attitudes of some staff. But at the end of the day, the results spoke

for themselves: "We managed to turn the attitudes of a number of staff once the productivity benefits became evident."

"Once we started reaping the rewards of diversity, we didn't look back and embraced it more and more. As we gained momentum it became a self-fulfilling prophecy."

So is diversity for diversity's sake the answer? Obviously not. But as all businesses are part a global market, with customers, employees and suppliers from myriad of different backgrounds, it would be short-sighted for a business not to seriously consider the benefits of diversity. ■

Penny Smith

EMPLOYMENT MANAGER
AUCKLAND CHAMBER OF COMMERCE



Paul O'Brien

CHIEF EXECUTIVE
EASIYO



Robert Cormack

MANAGING DIRECTOR
THE INSURANCE GROUP



Seeing things from a different perspective

Over the past few years, The Insurance Group (a Newmarket-based supplier of niche insurance products) have made a conscious effort to include people from different ethnic groups - and they have been reaping the rewards!

The main benefit, according to Managing Director Robert Cormack, has been the ability for employees from different backgrounds to give unique perspectives on business challenges and opportunities.

"If we hire a New Zealander, we're hiring the general business attitude and skillset of our country - we know what we'll get. Different perspectives from people from different cultures drive innovation - which is the source of our competitive advantage."

Case in point: The Insurance Group recently hired Raj Anop as an accountant, who came from South Africa with a wide range of international commercial experience. The Insurance Group were so impressed with the experience and expertise that Raj brought that he was quickly promoted to Group Accountant within a few short months and now sits at the organisation's management table.

As to the suggestion that it's better to hire someone from New Zealand because they have a better background in 'New Zealand business', Cormack responds that "It's easy to teach 'New Zealand business' but it's much more difficult to find that untapped information that comes with having a migrant as part of your team - we don't know what we don't know."

Induction processes at the Insurance Group are largely the same no matter what background a new employee is from. There may be a little extra time spent mentoring and coaching (and occasionally translating New Zealand slang!) but the extra work is described as "minimal".

