

# Fostering inclusion and diversity

## Chapter 4

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Diversity and inclusion are two pillars in the Premier's Priority of achieving a world-class public service. This chapter touches on many aspects of diversity, particularly women in senior leadership, Aboriginal peoples, and people with disability. It also discusses the importance of fostering inclusive workplaces, and how flexible working can support this.

## Inclusion in the workplace helps diversity flourish

Diversity refers to the seen and unseen characteristics that make each individual different. For the public sector, a diverse workforce is one that reflects the breadth of differences within the community it serves. But a diverse workforce alone does not equate to a successful workforce. To realise the benefits of diversity, it must also be inclusive.

In an inclusive workplace, the culture, leadership, systems and work practices help employees feel safe. It also encourages them to be open, and to be themselves. Inclusion enables genuine participation and contribution, regardless of seen and unseen individual differences.

A diverse and inclusive workforce has several potential benefits, including:<sup>24</sup>

- more innovation in problem solving and decision making, as a result of sharing diverse ideas and avoiding groupthink

- improved productivity and performance, because people aren't wasting mental effort on hiding who they are
- better customer service, because diverse employees are better able to recognise the needs of their diverse customers, and deliver services to meet these needs.

Encouragingly, the scores from several People Matter survey questions related to inclusion increased from 2018 to 2019 (see Table 4.1).

Question	2019 (% positive)	Change from 2018 (pp)
My manager listens to what I have to say	76.4	0.8
My manager encourages and values employee input	72.8	0.7
My organisation respects individual differences (e.g. cultures, working styles, backgrounds, ideas)	77.1	1.5
Personal background is not a barrier to success in my organisation	76.1	1.0
I am able to speak up and share a different view to my colleagues and manager	68.7	1.6

Table 4.1: Employee perceptions of workplace inclusion, 2019 vs 2018

Source: *People Matter Employee Survey (2018, 2019)*

Everyone has a part to play in making their workplace inclusive. Fostering inclusion and diversity requires an active commitment from, and ongoing conversation among, staff members at all levels of an agency. In particular, senior leaders and people managers need to role model inclusion in their day-to-day actions and decision-making processes, such as those relating to hiring and promotions. The Rainbow Connection staff network at the Department of Planning, Industry and Environment is an example of a staff-led, grassroots initiative that is creating a more inclusive workplace where staff members can be their genuine selves.

## Building a network of LGBTIQ+ peers and allies through The Rainbow Connection

The Rainbow Connection is a staff network that aims to inspire and empower LGBTIQ+ staff members and connect them with allies. It helps to ensure that all members of LGBTIQ+ communities can be their genuine selves, and that their sexuality and gender identity have no impact on workplace participation.

Staff members formed The Rainbow Connection as a grassroots initiative in 2017. Senior leaders in the Department of Planning, Industry and Environment support the network, but its success is mainly due to the passion, energy and commitment of its members.

The network distributes regular newsletters about issues affecting LGBTIQ+ communities, runs events, provides peer support, and advocates on behalf of LGBTIQ+ colleagues across the cluster.

To inspire staff, The Rainbow Connection works to create equal and inclusive workplaces through positive reforms. For instance, it advocated adopting gender-neutral language in the Department of Planning, Industry and Environment and including LGBTIQ+ in the diversity inclusion statement at the start of job advertisements.

Through its communications, The Rainbow Connection draws attention to issues faced by members of LGBTIQ+ communities. It also celebrates important days, such as the International Day Against Homophobia, Biphobia, Interphobia and Transphobia; World AIDS Day; Wear it Purple Day; Mardi Gras; and Transgender Day of Remembrance.

The Rainbow Connection proudly entered a float in Mardi Gras for the first time in 2019. The float included 50 public servants who are members of the network and was led by Carolyn McNally, then Secretary of the Department of Planning and Environment.

A staff survey following Mardi Gras was overwhelmingly positive about the impact on those involved and the wider workplace. The float helped staff members connect with other LGBTIQ+ peers and allies, opened up dialogue and contributed to a sense of inclusion in the workplace.

The Rainbow Connection is an amazing community group and initiative that provides a place of support, safety and belonging.

— Network member

The Rainbow Connection has grown from 30 members at its inception to more than 250 members. It was started in Sydney but has expanded to include staff in regional and remote locations, where issues faced by LGBTIQ+ peoples may be amplified by isolation. Work is underway to use what has been learnt so far to establish a sector-wide LGBTIQ+ network.

## Representation of women in senior leadership is above 40% for the first time

One of the targets of the Premier's Priorities is to reach 50% female representation in the government sector's senior leadership cohort by 2025. In 2019, representation reached more than 40% for the first time since the priority was announced. This is a major achievement for the sector, but there is still considerable variability across clusters. There are some overperformers and some underperformers among clusters (see Figure 4.1), and an overall acceleration is required to reach equality by 2025.

*Source: Workforce Profile (2019)*

*Note: The leadership pipeline comprises employees at grades 9/10 and 11/12 (and equivalent). For Education and Health, the pipeline includes many teachers and nurses, respectively.*

The PSC has used Workforce Profile data to forecast the likely level of representation of women in senior leadership by 2025, under three different scenarios (see Figure 4.2).<sup>25</sup> If the sector continues with its current hiring rate of roughly four female senior leader hires for every 10 senior leader hires (Scenario 1), the representation of women in senior leadership in 2025 will be 42.1%, short of the 50% target. Even if the high-performing clusters continue with their current hiring rates and all other clusters immediately achieve a hiring rate of five out of 10 (Scenario 2), the level of representation will only reach 46.8%. To hit the 50% target by 2025, the government sector needs to reach and sustain a hiring rate of six out of 10 until the 2025 targeted deadline (Scenario 3).

*Source: Workforce Profile (2014–2019)*

Initiatives currently in place to improve the representation of women in senior leadership include:

- having at least one woman on all executive recruitment shortlists, and a stretch target of 50% women on all shortlists
- including diversity and inclusion key performance indicators (KPIs) in senior executive performance plans
- implementing flexible working practices across the sector.

The Secretaries Board has established a male champions of change program to further drive momentum. The aim of the program is to engage male leaders in the sector to work alongside women to promote gender equality. Research has supported the view that men can play a pivotal role in helping change the experiences of women in the workforce.<sup>26</sup>

In a similar space, the PSC is also piloting a career sponsorship program called Opendoors, with the Customer Service and Stronger Communities clusters. This six-month program provides diverse high achievers with opportunities to understand, develop and improve their readiness for more challenging roles, and ultimately join and grow within sector leadership teams. Once the second pilot program concludes in

November 2019, the program will be evaluated and refined. Early insights from the evaluation will be shared across the sector to promote uptake in various clusters, encouraging them to engage and mobilise high-potential emerging senior leaders.

On the back of collaborative research by the PSC and the Customer Service cluster's Behavioural Insights Unit, the PSC is also looking at how behavioural 'nudges' might be used to encourage more women to apply for senior leadership roles.

Even when women are successful in winning a senior leadership role, they often face the additional challenge of negotiating their pay. Meeting a commitment made under the **NSW Women's Strategy 2018–22 Year One Action Plan**, the PSC used Workforce Profile data to review gender pay parity for Band 1–3 executives and equivalent across the government sector.

The PSC used the OECD (Organisation for Economic Co-operation and Development) method of calculating the gender pay gap, which measures the difference between the full-time median remuneration of men and women, relative to the median remuneration of men. A by-grade analysis revealed that every band had a pay gap that favoured men (see Figure 4.3), even in female-dominated occupations. The total gender pay gap between male and female executives in Bands 1–3 was 2.2% in 2019, or a difference of \$5,236.

*Source: Workforce Profile (2019)*

The PSC is working with clusters to analyse gender pay equity at the cluster level, and will review this analysis annually to monitor progress in closing the pay gap. Cluster-level data will be reported to the Secretaries Board.

## The sector is a leader in Aboriginal employment

The NSW public sector is a national leader in Aboriginal employment, with workforce representation that exceeds representation in the NSW general population and the NSW working population. By attracting and developing Aboriginal employees, the sector can improve the services it provides, and grow social and economic participation in Aboriginal communities.

Another key target of the Premier's Priorities is to double the 2014 baseline number of 57 Aboriginal senior leaders in the government sector by 2025. Progress towards this target remains very strong. At the end of June 2019, the government sector had 98 Aboriginal senior leaders, only 16 shy of the 2025 target. In fact, if the sector continues to hire and promote Aboriginal employees at the current rate, it will achieve the target much earlier than expected.

Progress toward the Premier's Priority target was driven in part by the NSW public sector's Aboriginal Employment Strategy 2014–2017, under which the proportion of the NSW public sector workforce that identifies as Aboriginal increased from 2.9% in 2014 to 3.3% in 2018. The increase continued from 2018 to 2019, with 3.5% of the sector's workforce identifying as Aboriginal in 2019. Unsurprisingly, there is a relationship between the number of Aboriginal people in a cluster's leadership pipeline and the number in the senior leadership cohort (see Table 4.2).

Cluster	Representation in pipeline (headcount)	Representation in senior leadership (headcount)
Education	467	43
Stronger Communities	226	21
Transport	76	16
Health	218	8
Premier and Cabinet	66	5
Planning, Industry and Environment	92	4
Customer Service	26	1
Treasury	2	0

Table 4.2: Representation of Aboriginal people in government sector senior leadership and the pipeline, by cluster

Source: Workforce Profile (2019)

The new **Aboriginal Employment Strategy 2019–2025** builds on the success of the previous strategy. It will compel good practice in Aboriginal employment across the sector, and complement other efforts to make the sector a great place to work. The 2014–2017 strategy set what was at the time an ambitious target of 1.8% representation in all non-executive grades. This has now been achieved, and the new strategy extends on this to set a new target of 3.0% representation in all non-executive grades by 2025. The new target has already been achieved at some lower grades (see Figure 4.4), but more work is needed to shore up the leadership pipeline in the higher grades by developing existing employees and bringing new talent into the sector.

Source: Workforce Profile (2015, 2019)

Beyond employment targets, a key element of the Aboriginal Employment Strategy 2019–2025 is its focus on growing Aboriginal cultural competency for all employees across the sector. Greater cultural competency enables the sector to provide better services to Aboriginal peoples. It also fosters greater inclusion, helping Aboriginal employees feel culturally safe in their workplaces. Supporting Aboriginal employees to draw strength from their identity, culture and community at work helps make the NSW public sector a place they want to work, ultimately helping the sector continue to grow its Aboriginal workforce.

Legal Aid’s Civil Law Service for Aboriginal Communities demonstrates the benefits of a workforce that reflects the diversity of the community it serves. Here, Aboriginal staff members help to build internal cultural competency and provide better, more customer-centric services to clients.

## Aboriginal employees vital to success of Civil Law Service for Aboriginal Communities

In 2019, Aboriginal representation in Legal Aid NSW's workforce was around 6%, with the agency aiming to reach 11% by 2023. Notably, Aboriginal people comprised around half of Legal Aid's Civil Law Service for Aboriginal Communities (CLSAC) workforce.

Established in 2013, CLSAC provides legal assistance to Aboriginal peoples and communities, mainly in regional and remote areas of NSW, where access to legal help can be limited.

Many Aboriginal people face multiple disadvantages that can compound each other. For instance, around 80% of CLSAC's clients experience one or more disadvantages, including homelessness, unemployment and disability. To address this, CLSAC helps with common legal problems such as barriers to housing, disputes with Centrelink, discrimination, unfair consumer contracts and unethical practices of traders. Left unresolved, these issues can lead to further disadvantage.

CLSAC's staff members are respectful, diligent and compassionate. They understand the factors underlying their clients' experiences, which encourages clients to talk more openly about their needs and issues. CLSAC meets with members of the community in locations that suit the community. They share food and build relationships as the same staff members return to the same community.

Aboriginal employees play a vital role in CLSAC's unique service delivery approach, bringing a deep knowledge, respect and understanding of the Aboriginal communities CLSAC serves. These skills – particularly when combined with legal health checks to help uncover the range of issues clients face and a team of lawyers, financial counsellors and project officers – help CLSAC successfully affect positive change on multiple levels.

... this service has helped and spoken to [us] ...  
represented [us] and sat with us one on one in our  
community. Plus it has been a constant service we  
all ... rely and depend on.

– CLSAC client

CLSAC's cultural and client-centred approach to service delivery, grounded in its Aboriginal workforce, has achieved almost \$2.5 million in financial benefits for clients. It has also delivered countless non-monetary benefits, such as helping people retain their housing, get essential repairs and maintenance completed, and have their driver's licence reinstated.

In addition to securing individual outcomes, CLSAC helps build the capabilities of Aboriginal communities and service providers to identify and manage legal problems. It achieves this by weaving legal education into its client and community engagement and using accessible language to discuss



legal issues. Strengthening these capabilities helps tackle systemic issues and contributes to law reform.

Led by its Aboriginal staff members, CLSAC has created a strong foundation of Aboriginal cultural competency among its team and Legal Aid more broadly. Identified roles and Legal Aid's flexible working policy – which recognises the importance of cultural and family needs – have improved employee attraction and retention. In turn, Aboriginal staff members create a sense of pride in the communities they work in, as they deliver services in culturally appropriate and respectful ways.

Legal Aid has evaluated CLSAC's service and found it to be an ideal example of a mainstream service successfully working with Aboriginal clients and communities. CLSAC is now exploring ways of further increasing Aboriginal peoples' access to legal services in NSW.

## Disability representation has stabilised but is far too low

A substantial whole-of-sector effort is required to increase employment for people with disability across the workforce. Driven by the Premier's Priority of delivering a world-class public service, the sector has renewed its commitment to bring about real change in this area. The priority aims to increase the representation of people with disability in the government sector to 5.6% by 2025, more than doubling the current figure.

The fact that the downward trend in representation over the past 10 years has levelled at 2.5% is encouraging. This may reflect more existing employees disclosing their disability status rather than more people with disability entering the sector, considering people with disability had a higher sector exit rate (9.4%) than commencement rate (6.7%) in 2019.<sup>27</sup>

Any strategy to increase disability representation will require the sector to attract people with disability to work in the sector, while at the same time addressing the tendency for existing employees to under-report their disability status.

Disclosing disability is a personal choice, and employees with disability – especially those with hidden or cognitive disabilities – may feel that disclosing their disability could place them at a disadvantage in the workplace. While the disability rates from the anonymous People Matter survey are consistently higher than those from the Workforce Profile – which draws data from agencies' HR systems – the rate from the 2019 survey (2.9%) was still very low compared with that in the wider NSW working population (8.5%). The sector will need to create inclusive workplaces where employees feel safe and supported to disclose their disability. It will need to do so at pace.

Improving accessibility and inclusion practices during recruitment will help reduce the barriers that people with disability often encounter when they try to enter the sector. Accessibility adjustments and alternative assessments during the recruitment process can enable candidates with disability to participate equally with others, and successfully show how they meet the capabilities of a role.



Once a person with disability has entered the sector, it is critical that they receive any adjustments to participate fully at work in a timely manner, and that these adjustments are monitored over time to ensure they continue to be effective. The 2019 People Matter survey revealed an existing area of concern: of the people who said they needed an adjustment at work, around 36% said that the adjustment was either unsatisfactory or incomplete. This reveals a clear opportunity for strong action, especially since reasonable adjustments can make a big difference to an employee's engagement and experience at work (see Figure 4.5).

*Source: People Matter Employee Survey (2019)*

The PSC has begun to coordinate a centralised program of work to target employment initiatives, build evidence and support departmental and agency-level disability employment actions. This includes developing strategic communications resources, supporting implementation and creating more opportunities for cross-sector collaboration and practice sharing. Projects currently underway focus on improving:

- leadership capability and championship of disability inclusion
- the recruitment experience for candidates with disability
- awareness, knowledge and skills among hiring managers and human resources professionals
- access to alternative employment pathways and alternative assessment processes
- accessibility in workplaces, ICT systems and tools, and timely delivery of workplace adjustments.

## Flexible working supports inclusion and diversity

Flexible working is about rethinking where, when and how people work, in ways that maintain or improve service delivery for the people of NSW. The sector is working towards making all roles flexible on an 'if not, why not?' basis, in line with the NSW Government's policy commitment announced in March 2016.

The sector should be commended on its progress to date. In March 2019, all agencies across the government sector self-assessed their progress towards this commitment, using a Flexible Implementation Tracker (FIT).

The FIT helps agencies objectively gauge and compare their progress across five key areas defined in the **Make Flexibility Count** framework: culture and mindsets; skills and experience; communications and awareness; application and implementation; and technology and systems. The FIT produces a score for each key area, based on whether maturity in the area is ad hoc, consolidated or embedded. The same three classifications are used to reach a total score, and each agency can access a customised change playbook to help it build on those figures.

The baseline March 2019 assessment indicated that although there were pockets of excellence in the sector, the sector's overall approach to flexible working remained largely ad hoc. Most agencies reported they had some initiatives in place, but these were sporadic, reactive and accommodating, rather than part of

an agency-wide strategy or business imperative. Technological, industrial and environmental barriers were considerable.

However, by September 2019, when the assessment was conducted again, agencies had made progress. Leveraging a centralised program involving tools, resources and implementation support, the majority of agencies reported that flexible working practices are now more likely to be role modelled by leaders and managers. Agencies are also considering their current work, their workplace design and the workforce planning needed to support flexibility, and investing in other enablers such as technology.

This bears out in the People Matter survey results. From 2018 to 2019, there was an increase of 2.1 percentage points in the number of survey respondents reporting that they use one or more flexible working arrangements. Survey respondents' satisfaction with access to flexible work increased by a negligible 0.1 percentage points over the same period. This could reflect a greater awareness of the options employees have but don't use.

The survey results also provide strong evidence that the rollout of flexible work to frontline roles is less mature than in non-frontline roles. Frontline survey respondents are less likely than their non-frontline colleagues to use flexible working arrangements. They also rate their satisfaction with access to flexible work – and their perceptions of managerial support for it – much lower (see Figure 4.6).

*Source: People Matter Employee Survey (2019)*

Flexibility should be as much an option for frontline employees as it is for office-based staff members. However, taking advantage of it may require more planning, and the menu of options may be smaller. Local Land Services is an example of an agency that has successfully introduced flexibility to a primarily frontline, geographically dispersed regional workforce, while ensuring sustained or improved outcomes for its customers.

### Local Land Services makes success of flexible working

Local Land Services (LLS) is a regionally based agency that helps to secure the future of agriculture and the environment for the communities of regional NSW. It has more than 1,000 staff members in 97 locations across the state and does not have a head office.

LLS recognised that flexible working – such as working from home or varying work hours – can benefit its staff and customers. It allows staff members to spend more time with their families, while also being available throughout the week to meet customers’ needs. The model also means staff members are ready to act during emergency response situations such as bushfires, floods and drought.

Importantly, staff members can take regular breaks from work to maintain good mental health. This is particularly important because the communities they serve have been dealing with distressing situations such as long-term drought and bushfires.

Flexibility is even built into work locations, with many new job offerings advertised across the state rather than being limited to a specific region. For example, the current LSS Chief Executive Officer, David Witherdin, is based in Newcastle, but the closest team member is 200 kilometres away in Merriwa and his Executive Assistant is 600 kilometres away in Walgett.

Team members maintain close working relationships using technology such as video conferencing. The availability of flexible work practices has also enabled LLS to attract and retain a highly skilled workforce in regional areas, where roles are often hard to fill.

Trust, supportive senior executives and digital capability have meant the model has been very successful at LLS. Overall, 87.3% of LLS said they were satisfied with their access to flexible work arrangements in the 2019 People Matter survey, almost 30% higher than in the broader public sector.

Done well, flexible working contributes to a range of better workplace indicators for employees. For example, analysis of 2019 People Matter survey data shows that employees working flexibly are more engaged than those who are not (see Table 4.3). These employees are also more likely to be able to keep their stress at an acceptable level, to have a positive sense of wellbeing, and to see their life at work as fulfilling.

**Work flexibly**

Question or topic	Yes	No
Employee engagement	67.6	63.0
I am able to keep my work stress at an acceptable level (% positive)	65.1	55.6

**Work flexibly**

General wellbeing (/10)	8.0	7.6
Work is fulfilling (/10)	7.7	7.3

Table 4.3: Relationship between flexible work and employee engagement and wellbeing

Source: *People Matter Employee Survey (2019)*

For organisations, flexible working options can help control office costs and, as discussed in the 2018 edition of this report, reduce the amount of paid unscheduled absence (or unplanned leave) among employees. It can also create a more compelling employee value proposition to attract and retain top talent, and thereby manage succession planning.

The policy-focused work undertaken to date has made inroads, but further effort is necessary to gain real traction, particularly in frontline workforces. Agencies will now need to plan how the momentum gained through the centralised project will be embedded in diverse operational contexts.

Making flexible working available to anyone for any reason allows agencies to deconstruct old biases about ‘ideal workers’ who are always present and only work in conventional ways – a bias that prevents the sector from building a culture of inclusion and diversity. As such, flexible working is a powerful part of the mix for agencies seeking to address a range of workforce challenges, including faster progress towards the sector’s inclusion and diversity goals.

**Notes**

<sup>24</sup> Deloitte (2011); Mor Barak et al. (2016); NSW Public Service Commission (2018)

<sup>25</sup> Due to time constraints, the PSC conducted this analysis with the old cluster structure (10 clusters). However, the PSC does not expect the projections to change much with the new cluster structure (eight clusters).

<sup>26</sup> de Vries (2015)

<sup>27</sup> The exit and commencement rates for the broader sector were 6.4% and 9.6% respectively in 2019.