

Diversity and inclusion in the NSW Public Sector: A conversation



Public
Service
Commission



We deliver greater
benefits for the NSW
public when our
workforce is diverse
and inclusive

Aboriginal and Torres Strait Islander acknowledgement

The NSW Public Service Commission (PSC) respectfully acknowledges Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land and waterways of this state and First Peoples of Australia. Aboriginal people have a unique position in the history and culture of NSW. This long history is reflected in the deep connection Aboriginal people continue to maintain with their country, cultural heritage and traditions.

The PSC is deeply appreciative of the contributions of Aboriginal and Torres Strait Islander employees and stakeholders to this paper. The knowledge you have shared will help us to support the recognition and empowerment of Aboriginal and Torres Strait Islander people across NSW now, and into the future.

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Foreword

There is a significant body of research that shows a workforce with greater gender and cultural diversity is more innovative, productive and better able to understand its customer base. However, much of this research is focused on private sector organisations.

To understand what diversity and inclusion means for the NSW public sector, the NSW Public Service Commission Advisory Board (the Advisory Board) led the development of *Diversity and Inclusion in the NSW Public Sector: A conversation* to produce more public sector evidence to support agencies to embrace diversity and inclusion.

Diversity and inclusion is not something that can be managed as a ‘bolt on’ to workplace practices; it needs to be part of the DNA of a workforce’s culture that is integrated into organisational strategy. This requires moving beyond a sole focus on group-focused equal employment opportunity lens to also incorporate an inclusive approach that recognises a diversity of thought.

Our research found an alignment with how NSW public sector employees generally understand diversity and inclusion with contemporary approaches. Workplace practices need to be designed for diversity and intersectionality, taking into account how different individuals experience the world. There was a strong sense from our research that employees see how everyone in the workforce benefits from greater diversity and inclusion.

A differentiator between the public sector and private sector organisations was having a distinct ‘moral case’ for diversity and inclusion. In the public sector, diversity and inclusion is seen as the ‘right thing to do’, which reflects the core values of the public sector. Our research found employees supported diversity and inclusion even when there was no personal benefit. This can be linked to the reason why many people work for the public sector, to make a positive difference to the lives of the people of NSW.

Employees told us a diverse and inclusive workforce has the potential to contribute to improved public engagement with NSW public services. Innovative problem solving and increased effectiveness, when combined with a better understanding of diverse communities, can lead to better service quality and greater service reach. This can then build trust and confidence in the NSW public sector and support greater engagement with services.

A challenge moving forward is measuring these benefits through public sector data. Our initial analysis found when employees feel included at work in the NSW public sector, there are lower rates of unscheduled absence. Building on this initial research will be an area of further investigation, in order to explore the benefits of diversity and inclusion from a productivity perspective, as well as the impact on the people of NSW.

Some promising personal stories emerged of leaders who through effective management of diversity were able to bring about significant benefits for teams and customers. This was coupled with a sense of frustration from employees who felt a lack of commitment from their managers in implementing diversity and inclusion practices. Managing in a diverse context is an important skill for the workforce of the future.

To breathe life into the story of diversity and inclusion in the NSW public sector, the Advisory Board has identified the following areas of focus to keep the conversation progressing:

- *Shape a common understanding about diversity and inclusion.* Develop a communication campaign to create awareness and understanding of what diversity and inclusion means and why it's important.
- *Build genuine support, starting from the top.* Work across the sector to engage senior leaders to build support and commitment. This can be combined with development programs to strengthen the inclusive leadership capability of leaders and managers.
- *Share best practice about diversity and inclusion.* The range of diversity and inclusion initiatives across the sector reflects the range of individual differences within the workforce. What may be appropriate for one agency and one program may not be appropriate for others. To help share best practice, work with the sector to establish a NSW Public Sector Community of Practice for diversity and inclusion practitioners to provide a channel for information and knowledge sharing, and networking.
- *Measure the impact of diversity and inclusion.* Further investigation is required to measure the impact of diversity and inclusion to the NSW public sector and the people it serves in order to further build the business case for diversity and inclusion.

I would like to thank Susan Lloyd-Hurwitz, who led this piece of work on behalf of the Advisory Board. I also extend my thanks to the employees who shared their stories and helped us start the conversation about what diversity and inclusion means and why it's important. We look forward to the work ahead.

Professor Peter Shergold AC

Chairperson

Executive summary

The NSW Public Service Commission (PSC) Advisory Board commissioned research on what diversity and inclusion means for the NSW public sector and why it's important. This paper presents the findings of that research by the PSC, supported by Nous Group.

Over the last few decades much has been written about the potential benefits that diverse workforces bring to organisations in being more innovative, productive and better able to understand their customer base. This business case perspective has become the popular narrative for diversity and inclusion practices. However, much of the literature is skewed towards corporate Australia.

To understand what diversity and inclusion means for the NSW public sector, we set about investigating our unique business case based on what our employees told us, the benefits of diversity and inclusion to our workforce, and the NSW community. We applied an evidence-based approach, which involved a literature review, consultation with around 150 NSW public sector employees, case studies of leading practice organisations and an analysis of our data. From this evidence base, a strong story emerged about what diversity and inclusion means in the NSW public sector and why it's important.

Diversity is the seen and unseen characteristics which make each of us different. When applied to the workforce, this means reflecting the breadth of difference that exists within the NSW community. Inclusion is the act of enabling genuine participation and contribution, regardless of seen and unseen characteristics, which results in employees feeling safe to bring their whole selves to work.

Five key themes about diversity and inclusion emerged from our consultations:

1. Diversity and inclusion is personal and can be challenging at times
2. Everyone in the workforce can benefit from greater diversity and inclusion
3. Progress will require genuine support starting from the top
4. We deliver greater benefits for the people of NSW when each of us are able to contribute
5. Everyone has a role in building a diverse and inclusive workplace

We are extremely grateful for the passion and honesty with which employees approached the consultation. It is their experiences that tell the story of diversity and inclusion in the NSW public sector. A [video](#) has been developed to communicate this experience across the sector, with a version with audio descriptions available [here](#).

There is still much more work to be done to ensure that the diversity of our workforce reflects the communities we serve. Initiatives aimed at increasing the participation of underrepresented groups will continue to be the focus of attention and funding. However, increasing representation alone will not be reflected in better workforce, service and citizen outcomes. To achieve this, it is necessary to create workplaces where everyone has the ability to speak up, feel valued and respected and is able to make an equal contribution, leading to better innovation, decision making and outcomes.

1 Introduction

1.1 Purpose

This paper presents the findings of research undertaken to develop a shared understanding of diversity and inclusion in the NSW public sector and why it's important.

Over the last few decades much has been written about the potential benefits a diverse workforce can bring to organisations in terms of being more innovative, productive and better able to understand customers. This business case perspective has become the popular narrative for justifying diversity and inclusion practices. Much of this research is focused on private sector organisations rather than providing an evidence base for diversity and inclusion within the public sector.

The impetus for this project was to explore whether the themes from the research translated to the public sector and what public servants thought about diversity and inclusion. While significant progress has been made in advancing diversity in the NSW public sector, today's leadership and workforce is still yet to truly reflect the diversity of the NSW population. Workplaces also vary across the public sector, with some agencies making significant strides towards building inclusive work environments while others have a long way to go.

Establishing a shared understanding of diversity and inclusion in the NSW public sector and why it's important will help us build awareness and support to take diversity and inclusion to the next level and realise the benefits.

1.2 Methodology

We applied an evidence-based approach to understanding why diversity and inclusion is important in the NSW public sector. First, we conducted a literature review to identify the key themes and benefits of diversity and inclusion. This research informed the next stages of the project including:

1. Consultation with a cross-section of around 150 employees. Nous Group were engaged to conduct a series of focus groups with employees and analyse the outputs of the consultation to distil concepts and emerging themes.
2. Interviews with leading practice organisations, Australia Post (Appendix A) and New Zealand Police (Appendix B), to learn from their diversity and inclusion journeys and understand more about what works. Case studies were developed based on what these leading practice organisations told us.



3. Analysis of the NSW public sector workforce data to test whether the key findings from the literature review hold true for the NSW public sector.

From this evidence base, a unique story emerged about what diversity and inclusion means in the NSW public sector and why it's important.

This paper sets out the results of our research, which is the unique story of diversity and inclusion in the NSW public sector. Appendix C is a stand-alone resource and can be used to promote our story more broadly across the workforce. To bring the story to life, a [video](#) has been developed to accompany this paper and communicate our unique narrative across the sector.

2 Context

2.1 Diversity and inclusion

Historically in the NSW public sector, diversity has been associated with particular groups that experience disadvantage and/or underrepresentation in relation to employment.

The *Government Sector Employment Act 2013* allows for a broader concept of diversity, although currently undefined within the Act itself.

Many agencies in the NSW public sector identify their top driver for diversity as an ongoing commitment to equal employment opportunity (EEO). This is important. A workforce that is free from discrimination, recruited and promoted on merit, and representative of the wider NSW community, is likely to provide better advice to government and deliver higher-quality services to the public.

While significant progress has been made in advancing diversity in the NSW public sector, today's leadership and workforce is still yet to truly reflect the diversity of the NSW population. This is not unique to the NSW public sector. For example:

- People with disability account for 8.5% of employed people in NSW, compared with 2.7% of NSW public sector employees,¹ and
- Women and Aboriginal and Torres Strait Islander people continue to be underrepresented in senior leadership roles when compared to the broader NSW public sector workforce.²

The experience of working in the NSW public sector also varies. The People Matter Employee Survey, which provides an opportunity for employees to have a say about their workplace, finds that employee experiences of inclusion at work differ.³ For example:

- Employees disclosing a disability or who reported having been diagnosed with a mental health condition (in the last 12 months) report lower inclusion scores than their colleagues⁴
- Reported bullying rates are higher than sector averages for Aboriginal and Torres Strait Islander employees and those disclosing a disability,⁵ and

- Aboriginal and Torres Strait Islander employees are more likely to report that their cultural background is a barrier to their success.⁶

While progress is underway to address these challenges, increasing the diversity of employee representation will not alone achieve the outcomes sought. Strategies to ensure everyone has the ability to speak up, feel valued and respected and is able to make an equal contribution are also necessary.

2.2 What the literature says

While contemporary research has explored the impact and value that a diverse and inclusive workplace has on delivering business results, the literature is skewed towards corporate Australia and uses a business case lens. There is less research in relation to the public sector.

This section explores the key themes that emerged from our review of the literature. These themes informed the consultation process with our employees, as well as the case studies of leading-practice organisations (Appendices A and B).

Further reflection: The business case approach and the public sector

Some academics have considered whether the business case approach can be applied to the public sector. They have highlighted the different operational contexts of the private and public sectors. For example:

- Public sector organisations have a distinct ‘moral case’, which means diversity and inclusion being ‘the right thing to do’ may better reflect the core values of the public sector.⁷
- Customers in the public sector may not have a choice of service provider, or the service may not be voluntary, and this can impact arguments around diversity and inclusion leading to improved customer service.⁸

Building an evidence base for the public sector is important if we are to understand the conditions under which workforce diversity and inclusion, in our unique and varied setting, positively impacts employees, teams, organisations and the communities we serve.⁹

2.2.1 Diversity

In the past, the concept of workplace diversity has focused on disadvantaged groups and achieving equality of opportunity, largely with a focus on anti-discrimination legislation. This narrow definition focuses on disadvantaged and/or underrepresented groups, being thought of in terms of the ‘visible’ differences between people of race, gender, ethnicity, age, nationality, religion, disability and sexual orientation.¹⁰

While diversity is still generally measured by representation of key diversity groups within an organisation, contemporary notions of diversity have shifted to encapsulate a broader concept. These have evolved to include all types of individual differences, visible and invisible including diversity of thought.¹¹



2.2.2 Inclusion

Generally, inclusion is used to describe workplace cultures, leadership, systems and work practices that encourage all employees to participate in, and contribute to, the progress and success of their workplace. A central theme in the literature is the critical role inclusive workplace cultures and leadership play in realising the benefits of diversity.¹²

The literature review revealed a number of definitions or frames of reference for inclusion. Generally, these were characterised in terms of individual employees’ feelings and experiences of inclusion and the attributes of managers and leaders. For example: employees’ feelings of being accepted and valued at work, fairness and respect, feeling both a sense of uniqueness and a sense of belonging, and being able to participate, contribute and influence decisions.¹³

Inclusion is generally measured through employee surveys using questions regarding safety to speak up and share a different view to managers or colleagues.

2.2.3 The benefits of diversity and inclusion

The headline message from the literature review is that workforce diversity, when supported by inclusive practices, can result in positive outcomes for individual employees, teams, organisations and the customers they serve.¹⁴

Key themes that emerged from the literature are:

Improved performance

Demographic diversity in the workforce has been found to be a predictor of business performance. Studies indicate that organisations which commit to demographic diversity at leadership levels are more successful than those that do not.¹⁵ The literature mostly defines improved performance in terms of financial returns, which does not readily translate to public sector outcomes.

Increased productivity

Diverse workplaces and inclusive leadership have been found to be associated with higher levels of individual commitment and engagement, job satisfaction and career optimism.¹⁶ These measures have been used as indicators of organisational productivity with most of the research relying on employee perceptions.

Attract and retain employees

Diverse workplaces when coupled with inclusion have been found to have the capacity to attract the best talent from the widest possible pool, measured mainly through existing and future employee perceptions. This in turn leads to lower employee turnover.¹⁷ Conversely, the costs of not promoting diversity and inclusion can be significant in terms of high turnover, absenteeism and even litigation.¹⁸

Satisfied customers

Organisations that commit to diversity have a better chance of aligning their workforce with their customer base and improving the quality of their customer experience. The research suggests that organisations which reflect the communities they serve are better able to understand, connect and appeal to their customer base.¹⁹ This theme was the most commonly reported benefit of diversity and inclusion in our review of other public sectors in Australia and some overseas jurisdictions.²⁰

Better decision making and innovation

The literature indicates that diversity can foster innovation, improved decision making and creative problem solving by drawing on the broadest range of perspectives and experiences. Diverse thinkers can help to guard against group think and expert overconfidence, increase the scale of new insights and are better able to identify individuals who can best tackle the most pressing problems.²¹

Employee wellbeing

Diversity and inclusion is also closely associated with a higher sense of employee wellbeing and psychological safety. The literature indicates that employees are more likely to feel valued and respected when their perspectives inform and enhance the core business of their work.²²

3 Key findings

We wanted to find out whether the themes from the literature review translated to the NSW public sector workforce. The NSW Government is the largest employer in Australia, with almost 400,000 employees. Employees provide a range of services, such as education, health, policing and public administration, to 7.8 million residents.

With this in mind, we consulted with around 150 employees from across the NSW public sector to seek their views on what diversity and inclusion means to them, and what is the impact of having both diversity and inclusion in the workplace. We also tested if we applied a similar methodology from the literature to the NSW public sector data, whether we could replicate the research findings about the impact of diversity and inclusion.

We asked employees to consider diversity and inclusion from the perspective of an employee in the NSW public sector and as a member of the community who accesses NSW Government services - our customers. We tested the consultation outputs with a group of senior leaders from across the NSW public sector, as well as employee groups representing key demographics.²³

A strong story emerged about what diversity and inclusion means in the NSW public sector and why it's important. There was not always alignment in employee views, which demonstrates not only the complexity of the subject but also that diversity of thought is alive and well in the public sector.

3.1 How we define diversity and inclusion

Developing a common understanding and language can help build awareness of what diversity and inclusion means and how it relates to the work of the NSW public sector.

This section defines diversity and inclusion according to what it means for the NSW public sector workforce. It does so by identifying the common elements from employees' responses to the questions: *What does diversity mean to you? What does inclusion mean to you?*

3.1.1 Employees support a broad definition of diversity

Diversity is defined as:

The seen and unseen characteristics that make each of us different. When applied to the workforce, this means reflecting the breadth of difference that exists within the NSW community.

Employees construct diversity in highly personal ways, which reference an individual's identity, experience, upbringing and interactions with others. The definition that best reflects this individualised meaning is: *the seen and unseen characteristics that make each of us different*.

For employees of the NSW public sector, it is also important for the definition of workforce diversity to be linked to reflecting the diversity of the people of NSW and the communities the NSW public sector serves.

Group-based definitions of diversity are limiting



We cannot pull out diversity groups as if they are mutually exclusive. Some people face additional and compelling barriers.

Some employees defined diversity in terms of groups that face disadvantage or stigma in society and employment. The groups identified included women, people with disability, Aboriginal and Torres Strait Islander people, and people from different cultural backgrounds, or extended to include groups defined by age, nationality, LGBTI²⁴ identity and religious beliefs.

Employees noted that a group-based approach has enabled targeted focus and funding, which has delivered results. However, employees also thought that a group-based definition of diversity can be limiting.

Group-based definitions of diversity can also force a simplification of the complexity of an individual's identity—it doesn't leave space for intersectionality, where an individual identifies across multiple demographic groups.²⁵ Multiple group identities can intersect to create a whole that is different from the component identities.

Further reflection: Group-based definitions of diversity

Societal and employment trends mean the level of disadvantage or underrepresentation faced by different groups accessing employment are subject to change. For example, there is evidence about the emerging challenges faced by older workers in finding and retaining employment.²⁶

There can also be sensitivities around who identifies as a diversity group. Some Aboriginal and Torres Strait Islander employees expressed that they don't identify as belonging to a diversity group as they are the traditional owners of the land and First Peoples of Australia. Employees with disability have also commented that disability is individualised and whether someone identifies as having a disability is complex and relates to many factors.

Groups can form in the workplace based on a range of aspects of identity, including seen (gender or ethnicity) and unseen (profession or shared experiences working on a particular project) differences. This can lead to a shift in the balance of power, with the in-groups having status and authority and the out-groups potentially facing disadvantage.²⁷

A broad definition supports the way employees understand diversity

The majority of employees supported a broader definition of diversity. Diversity of thought and experience, professional background, knowledge, ways of working, thinking, approaches and understanding of the world, family make-up, personal responsibilities and commitments were some of the elements of difference identified by employees when defining diversity (see Figure 1).

Figure 1: What does diversity mean to you?



Employees noted that it is difficult to construct a single, unified idea of diversity when people are not homogenous. This is reflected in the following employee definitions of diversity:

- “People from different walks of life”
- “Lots of differences between and amongst people. Who they are, what they do, how they think”
- “Diversity is about difference. We are all different (and not homogenous) despite our visible similarities”
- “Diversity means people are drawn from the broadest base due to their ability to contribute”

A definition of diversity that includes listing all the types of difference will not resonate with the way employees understand diversity. A broad, non-categorical approach recognises the types of difference with which people identify as part of the many aspects of diversity.



Further reflection: Understanding identity

No aspect of a person's identity is experienced in isolation. Our identity is made up of various overlapping factors and influences. In many instances, different parts of a person's identity means they are exposed to overlapping, intersecting forms of discrimination and stigma within society. For example, a female Muslim may experience both sexism and discrimination due to religion.

Societal norms and expectations associated with identity can be detrimental to an individual's true sense of self. Aboriginal and Torres Strait Islander employees raised the issue of assumptions regarding how people think an Aboriginal and Torres Strait Islander person should look (e.g. shape of nose or colour of skin). Aboriginal and Torres Strait Islander identity is not about how a person looks, but was expressed as being about history and connection to past and what is felt inside, rather than physical appearance. Identity is deeply personal and goes beyond widely held assumptions about stereotypes.

This broader definition does not detract from the important role of program-based initiatives aimed at increasing the participation of key disadvantaged and/or underrepresented groups in the workforce (e.g. women, Aboriginal and Torres Strait Islander peoples, and people with disability). These programs still remain an important focus for attention and funding.

Link with reflecting the diversity of the NSW community

The *Government Sector Employment Act 2013* sets out the functions of the Public Service Commissioner, which includes leading the strategic development and management of the workforce to reflect the diversity of the wider community.²⁸

Employees strongly supported the above rationale. Many employees understood workforce diversity as being important given the breadth of diversity that exists in the community and the services the NSW public sector delivers.

Definitions provided by employees to this effect included:

- “A true cross-section of our world”
- “Diversity is seeing the breadth of the community”
- “A collection of ‘many’ and representative of the community”
- “Together we are NSW”

Employees strongly supported the principle that the NSW public sector workforce should reflect the breadth of difference that exists within the NSW community they serve.



3.1.2 Employees define inclusion as enabling participation

Inclusion is defined as:

The act of enabling genuine participation and contribution, regardless of seen and unseen characteristics, which results in employees feeling safe to bring their whole selves to work.

Employees found it more challenging to explain what inclusion means and many employees understood inclusion in terms of the feelings it evoked. For the majority of employees, inclusion was understood as involving:

1. Positive actions by individuals, teams and agencies to provide the space for everyone to contribute, and
2. Having their contributions heard and providing a feeling of safety.

When present, these two aspects become an enabler for people to genuinely contribute and participate (Figure 2).

Figure 2: How employees understood inclusion



Inclusion requires positive actions

Inclusion doesn't happen automatically and requires positive actions to provide the space for everyone to contribute. This could range from accessibility measures for improving the physical space, to providing the opportunity in a meeting for each person to have their say.

Although employees agreed that inclusion requires positive actions, what actions employees thought were needed to create the enabling environment varied. Table 1 sets out the top ten actions that employees identified as creating inclusion, according to frequency.

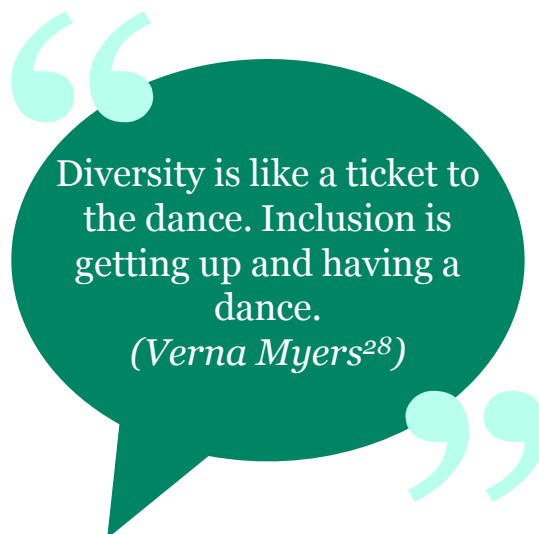


Table 1: Top 10 actions identified by employees to create inclusion³⁰

Action	Example quote
Accept	"Openness of accepting the positives of diversity"
Respect	" Respecting each one's uniqueness- skills, talents, abilities and perspectives"
Value	"Inclusion is about truly valuing opinions and input from people no matter where they sit in terms of diversity"
Recognise	" Recognising difference, not necessarily agreement"
Seek	"Inclusion is actively seeking out different perspectives"
Hear/listen	"My experiences being heard and listened to and validated"
Support	" Supporting people to remain empowered"
Embrace	"Inclusion is a considered approach to how we embrace the breadth of community"
Appreciate	"Inclusion is the appreciation of differences"
Celebrate	"Inclusion means to celebrate , accept and seek to understand the differences"

The variety of actions identified points to the individualised nature of what makes someone feel included. Some people may require more than others based on their background, significant life events or past experience of disadvantage. The definition of inclusion talks to the act of enabling genuine participation and contribution by all, but does not set out what that enabling act should be.

Further reflection: Equity v Equality

The terms equity and equality are often used interchangeably, but there are important distinctions between these concepts that are worth noting.

- **Equity** has been defined as *the quality of being fair and impartial*.³¹ Often understood in practical terms as 'levelling the playing field', it means giving everyone what they need to be successful, which will vary given the imbalance of disadvantage which some people experience compared to others.
- **Equality** has been defined as *a state of being equal, especially in status, rights or opportunities*.³² Equality is often used in the context of promoting fairness and justice but it can only work if everyone starts from the same place and needs the same things.

We are all different: we don't all start from the same place or need the same things to fully participate in life. Being fair means we address the inequalities that may exist between us by levelling the playing field so that we all get to experience the responsibilities and opportunities to fully participate and be successful in life.³³

Employees need to feel safe to contribute

If positive actions don't result in employees feeling safe, inclusion won't be achieved. While employees struggled to define inclusion, they found it easy to express the feelings evoked when they felt they were included:

- "Feeling a sense of safety"
- "Feeling okay to contribute"
- "Feeling accepted"
- "Feeling comfortable to share what makes them unique"
- "Kindness and care towards myself and others"

Many employees said that when they came to work, they didn't leave everything behind. Employees wanted a workplace where they felt they could be themselves.

The definition of inclusion reflects these sentiments through the statement that inclusion results in employees feeling safe to bring their whole selves to work.



A story shared:

An employee shares their story about feeling safe to contribute

Being offered meaningful work within a government agency helped me turn my life around.

After a number of negative and compounding personal events, I began suffering with depression and ultimately had a complete breakdown. I found myself homeless and unemployed. I had always been a hard worker having spent my career as a postgraduate research advisor, so this rapid turn of events was particularly hard for me. I saw an opportunity advertised which specifically targeted people with a disability. I applied for the role, went through a panel interview and was awarded the position on a 12 month contract. This role was made permanent two years later, and five years on I remain a dedicated employee in the same agency.

On my first day of work I remember feeling anxious. I was worried about fitting in, about managing the workload and about whether my illness was going to cause concern. It didn't take long for me to see that this role was different from others I'd tried. I didn't have to cover who I was. My bosses were supportive, and encouraged dialogue about what was going on for me: both inside and outside of work. Under these conditions, I thrived.

The organisation saw my potential, and were willing to stick with me. This made me eager to work hard in return. I even felt comfortable enough to 'come-out' to my workplace, an announcement which was met with encouragement and support.

There is a need to uphold standards of behaviour, values and respect

Employees highlighted that they enjoyed the positive aspects of not having to disguise themselves at work. However, there was also some concern that this could give licence to behaviour that is not acceptable in the workplace under the guise of ‘I’m just being myself’.

The *Government Sector Employment Act 2013* establishes a legal requirement for all employees to comply with the government sector core values and ethical framework, which sets out the values and principles guiding conduct in the NSW public sector.³⁴ Among other things, this includes the principles of:

- Consider people equally without prejudice or favour
- Appreciate difference and welcome learning from others
- Uphold the law, such as the *NSW Anti-Discrimination Act 1977*

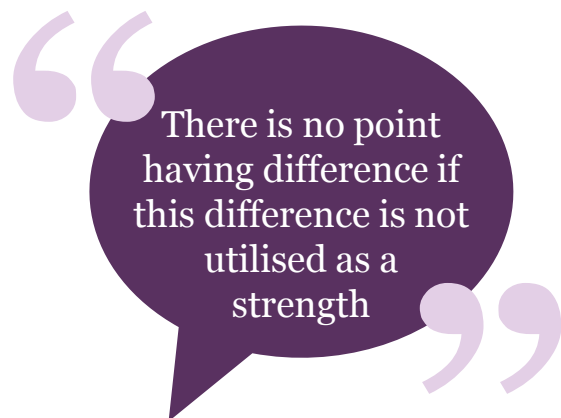
The ethical framework sets out the standards of personal conduct that all employees must meet. An inclusive workplace builds on these standards for employees to feel safe to bring their true selves to work. This reinforces the importance of teaming diversity with inclusion so as to encourage connection and an understanding of difference.³⁵

3.1.3 Employees consider diversity and inclusion as interlinked

A team will be stronger for its diversity when members feel able to contribute.

Diversity must be paired with inclusion to ensure that an environment is created where all individuals feel able to contribute. When asked to describe “*What does diversity mean to you? What does inclusion mean to you*”, several employees stated that the two words were inextricably linked. Most employees provided distinct definitions for diversity and inclusion, and then linked inclusion to the state of leveraging diversity.

Employees also expressed how inclusion is not just for the purpose of realising the benefit of diversity, but is the right thing to do in the interests of fairness and equity for all.



3.2 Our unique story

Employees recognised the importance of capturing the story of what diversity and inclusion means in the NSW public sector to connect the ‘what’ with the ‘why’. Employees also emphasised that the story alone will not be enough and needs to form part of the broader work underway across the sector and agencies to build a diverse and inclusive workforce.

Our unique story reflects where we are now in relation to diversity and inclusion—this will change as further progress is made.

This section presents the five key themes that emerged from our consultation:

1. Diversity and inclusion is personal and can be challenging at times
2. Everyone in the workforce can benefit from greater diversity and inclusion
3. Progress will require genuine support starting from the top
4. We deliver greater benefits for the NSW public when the workforce is diverse and inclusive
5. Everyone has a role in building a diverse and inclusive workplace

The story has been written from the point of view of NSW public sector employees and uses their language, perspectives and experiences.

Appendix C is a stand-alone resource which sets out our story for promotion across the NSW public sector.

Our unique story is being brought to life through a [video](#), which will be used to communicate our narrative across the sector.

3.2.1 Diversity and inclusion is personal and can be challenging at times

If diversity and inclusion was easy, it would have been solved already.

Employees recognised that diversity and inclusion is deeply personal and shaped by each person's unique experiences. Individuals are made up of different elements of identity and are complex. These different elements need to be considered when addressing diversity in the workplace and not revert back to familiar stereotypes in an attempt to simplify what is a complex issue. The focus needs to be on the whole person.

Employees commented how everyone, even those who are socially conscious and self-aware, can exhibit unconscious bias.³⁶ Employees expressed how unconscious bias can particularly impact recruitment and promotion processes. Addressing unconscious bias is important for a fair and meritorious workforce, as unconscious bias can hinder the career advancement of individuals who are the subject of the bias.

Further reflection: What is merit?

Merit is defined as *the quality of being particularly good or worthy, especially so as to deserve praise or reward*.³⁷ At first glance, this definition makes sense. However, on further reflection it raises a number of questions. What does being particularly good or worthy look like? And who decides what that is?

Merit is not objective. It is a fluid idea involving informal and value-laden criteria, susceptible to bias.³⁸ Merit can be used as the justification for why there are less women or Aboriginal people in leadership, or why employment targets are not fair.

Research has shown that our conception of merit is impacted by bias. In fact, a focus on merit can result in more biased outcomes, known as the merit paradox.³⁹ Our world is complex and there are a variety of non-merit factors that influence our decisions, sometimes without us even realising.

Employees thought, at least initially, diversity can slow things down and it may take longer for teams to get into the rhythm of working together. Leveraging the benefits of diversity requires managers and employees to invest greater effort up-front to facilitate and overcome the initial challenges of diverse teams. Conflicts can arise due to strong points of view and differing opinions. It can be hard to stay open to different views, and making modifications can sometimes require significant investment. Employees wanted these challenges to be acknowledged and not to just assume that diversity and inclusion is easy.

These sentiments were also expressed by Australia Post (Appendix A) and New Zealand Police (Appendix B). Both organisations acknowledged the complexities of diversity and inclusion and highlighted the importance of open and honest dialogue to push through the challenges.

3.2.2 Everyone in the workforce can benefit from greater diversity and inclusion

Everyone is likely to have aspects of themselves that they leave behind when entering the workplace and therefore everyone can benefit from inclusion.

The majority of employees believed that we are each diverse: the unseen and seen characteristics which make each of us different. This approach aligns with a broad definition of diversity which encompasses concepts such as different ways of thinking and experience, ways of working, and family make-up. Everyone can therefore experience the benefits of building an inclusive workplace where they feel accepted and valued for who they are.

Further reflection: Covering

Covering is a widespread phenomenon. It happens when individuals manage or play down parts of themselves in order to better fit in at work. Covering has been shown to negatively affect individual's sense of job satisfaction and diminish their commitment to work. The amount of covering varies according to diversity group but Yoshino and Smith (2013) found that 61% of employees cover their identities. The lowest rate of covering was in white males. Yet even among this group, 45% still reported covering at least one dimension of their lives at work such as religion, working class background or veteran status.⁴⁰

One of the motivations for supporting diversity and inclusion was 'what's in it for me'. Employees identified personal benefits from having a diverse and inclusive workplace, including greater wellbeing and opportunity for growth. Other benefits included innovative problem solving and increased effectiveness, resulting in overall improved team performance.

Greater wellbeing

Employees highlighted the wellbeing benefits of an inclusive workplace including:

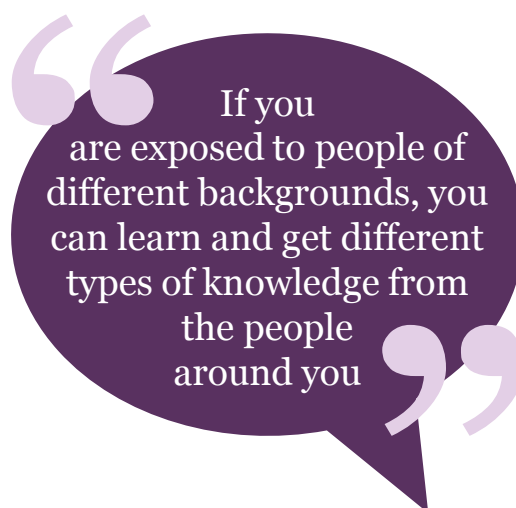
- Reducing anxiety and increasing energy by feeling free to bring their whole selves to work
- Feeling accepted and valued by others despite differences
- Forming stronger professional networks and friendships by being your authentic self
- Reducing conflict, bullying and discrimination through a culture of awareness and respect



Grow and develop as a person

Employees highlighted that by pushing through the initial challenges presented by diversity, there is huge opportunity for growth and personal development.

Employees communicated that experiencing diversity provides opportunities to develop personally and professionally by: expanding their world view and perspective; improving empathy; becoming more open minded; and increasing understanding of other's differences.



For managers this was expressed as an opportunity for development to be the best manager you can be. Employees told us that being able to effectively manage a diverse team is an increasingly important skill for managers. Not only is it an essential responsibility, it enables managers to improve their team's performance and deliver better outcomes.

Improve team performance

Employees discussed the opportunity to achieve improved team performance through diversity and inclusion by sharing examples from their workplace.

Although expressed in different ways, there was a general theme that diversity and inclusion results in increased innovation and effectiveness at work.

Table 2 sets out the range of expressions used by employees that relate to the themes of innovation and effectiveness.

Table 2: Innovation and effectiveness

Theme	Employee Expressions
Innovation	"fresh eyes"; "new ideas"; "break assumptions"; "challenge status quo"; "different perspectives"; "creativity"; "prevents stagnation"; "new ways of doing things"
Effectiveness	"better advice"; "the easier it is, the better and cheaper"; "do things quicker"; "fill gaps in knowledge"; "bring greater value to the table"; "better decision making"

Employees provided examples where the diversity of the workforce was leveraged to improve team performance including:

- Conducting diversity of thought case analysis roundtables to apply different perspectives to develop new and innovative approaches to the investigation
- Inviting 200 people from different regions and levels to contribute to the development of the organisation's corporate plan, which resulted in greater engagement
- Asking for advice from a range of people on policy regarding sexual assault services. When different people were involved, the advice was better.

This theme was also reflected in the leading practice case studies, with Australia Post and New Zealand Police identifying some of the benefits of diversity and inclusion as fostering innovation, better problem solving and decision-making.



A story shared:

A manager shares their story about the benefits of diversity and inclusion

While working within a government organisation I experienced first-hand the positive impact of hiring diverse people. When an opening came up within our drafting team, we were faced with a choice. We could choose a candidate who was 'just like us' or take a gamble on someone different. We noticed one of the candidates (who we later learned to be an indigenous South American Mapuche person), who had English as a second language, had a softer, less direct style. I recall we had to dig a bit harder to ascertain his technical fit during the interview. I knew it was going to take a bit more time and patience to train him up and get him going, but I was willing to make the call because of the potential upside.

Over time, he became a solid performer. He had an exceptional work ethic and often put in double the effort to keep up with the team. The unexpected benefit though was the impact he had on team building and the broader culture. His background had given him a finely tuned 'read' on people and speaking up on behalf of others was second nature to him. I started noticing people seeking him out for advice on navigating situations requiring a 'human element'. In a practical and hard-headed world, he provided an insightful counterbalance and became known and sought out for this.

3.2.3 Progress will require genuine support starting from the top

Progressing diversity and inclusion requires guidance and support from senior leaders. It requires senior leaders to role model inclusion, to set an example of behaviours that are acceptable and call out those that are not. Senior leaders and managers need to promote diversity and inclusion and empower individuals and teams to do the same.

Further reflection: Inclusive leadership

The role of senior leaders and managers is critical to the success of diversity and inclusion. Leaders have an important role in building an inclusive culture where the benefits of diversity are realised and potential risk of conflict reduced.

Senior leaders and managers can create space for everyone to contribute through adopting an inclusive mindset and enhancing capability to manage diversity. This may include:

- **Commitment** to the business case and alignment with personal values
- **Courage** in challenging the status quo and being aware of personal strengths and weakness
- **Cognizance of bias** in themselves and the organisation, and self-regulating their behaviours
- **Curiosity** to understand how others view the world and being comfortable with ambiguity
- **Cultural intelligence** to be confident and effective in cross-cultural interactions
- **Collaborative approach** by empowering individuals and leveraging the thinking of diverse groups⁴¹

In this section, we have separated out what our employees told us from what our senior leaders told us to consider this theme from both perspectives.

What employees say

Employees highlighted the important role that leaders and managers play in influencing perceptions about whether an organisation is committed to, values and supports diversity and whether employees feel included. Employees shared stories where effective management of diversity was able to bring about significant benefits for teams and individuals:

- An employee who was vision impaired joined the team, which meant the team became aware of accessibility issues which previously they had not considered. Removing barriers that prevented the employee from fully contributing in the workplace meant the team began to apply this lens to their everyday work.
- A team developed empathy based on an employee's experience of disadvantage. Although the team members did not share the same personal experience, they became acutely aware of the importance of understanding different experiences and applying those different perspectives to their work.

Employees often expressed their frustration with the lack of commitment from their managers in implementing diversity and inclusion practices and fostering a culture of inclusion. There was a sense that diversity and inclusion was sometimes approached as a tick box exercise with a focus on pie charts, rather than a genuine commitment to building an inclusive culture. A need for greater training and support for leaders and managers in regards to diversity and inclusion was recognised.

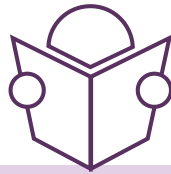
What senior leaders say

A workshop was conducted with senior leaders presenting back the outcomes from the consultation with employees. As part of this workshop, senior leaders were asked to identify actions they could personally commit to, to drive diversity and inclusion.

The actions have been mapped to the framework provided by Chief Executive Women's 'Leadership Shadow'⁴²:

- **'Say'**: Encourage the conversation about diversity and inclusion, celebrate success and share your personal story
- **'Prioritise'**: Bring a diversity and inclusion focus to each decision you make
- **'Act'**: Role model inclusive behaviour, including challenging your own biases, and call out bad behaviour
- **'Measure'**: Track progress by setting KPIs for diversity representation and cultural change, as well as listening to the personal experiences of your staff





A story shared:

A senior leader shares the impact leaders can have on diversity and inclusion in the workplace

I am a female leader, and proud of my cultural heritage. Earlier in my career I remember attending senior leader meetings and seeing a very 'white' view. For me, this didn't accurately represent the world I lived in. It is inspiring to see people who look like you in senior positions. It makes you believe that you too can progress.

I think that sometimes the dominant stereotype of what makes a good leader can mean that people from Asian backgrounds are overlooked as potential. More could be done to promote different ideals of leadership. Australia is a multi-cultural society and our leadership models and ideals should reflect this.

Even though I didn't have visible role models, I was fortunate in that I had great leaders who mentored and encouraged me to speak up and take the opportunities that came my way. We all have a sphere of influence. As you move up, that sphere gets bigger. This is why it is especially incumbent on senior leaders to role model and set the tone for diversity and inclusion.

Senior leaders have an important part to play not only as visible role models, but also taking ownership of their development to build their inclusive leadership capability.

Senior leadership's genuine and explicit support for diversity and inclusion was identified by both Australia Post and New Zealand Police as key to their success. Not only do leaders set the tone for diversity and inclusion, they also stand to reap great benefits if they genuinely support progress in this area.




3.2.4 We deliver greater benefits for the NSW public when the workforce is diverse and inclusive

Many individuals choose to work for the public sector to make a positive difference to the lives of the people of NSW. Employees generally thought that diversity and inclusion was the right thing to do, even when there was no personal benefit.

Employees told us that diversity and inclusion leads to greater benefits for the people of NSW because:

1. The people of NSW are diverse
2. The public sector exists to serve the people of NSW
3. Diversity in the public sector workforce provides a deeper understanding of the people of NSW
4. Outcomes for the people of NSW will be better if the sector reflects the diversity that exists within the community



We are the public sector. We serve the NSW public. Results will be better for the public sector and hence the public if we are diverse because the people of NSW are diverse.

Further reflection: Stewardship sets us apart

“Public servants are the stewards of public resources across electoral cycles. On behalf of government they collect revenues, draft legislation, implement the regulatory framework and oversee the delivery of publicly funded payments, services and programs. These roles together frame the implicit contract that exists between a state and its citizens. The officials are publicly accountable for the manner in which democratic governance is delivered.”⁴³

Delivering services to citizens is at the core of what the NSW public sector does. How well we deliver these services are critical in shaping the public’s trust in, and perceptions of, the public sector.⁴⁴

Arguably, our unique stewardship of public resources and direct and tangible connection with the lives of citizens is what sets us apart from corporate Australia. This applies if the person is driving on a road, being helped by a national park ranger, visiting a hospital or having their children educated in a school.⁴⁵ Some of the services provided by the NSW Government are not voluntary and delivered at times when people are at their most vulnerable. This is true of jobs like that done by the child protection case worker, the police officer or the fire fighter.

Stewardship of publicly funded payments, services and programs and this direct and tangible connection with the lives of citizens is what sets the public sector apart.

Employees reflected on the benefits of diversity and inclusion from the perspective of public sector workers, as well as from the perspective of being community members themselves accessing NSW Government services.

An emerging theme was that a diverse and inclusive workforce has the potential to contribute to improved public engagement with NSW public services. Innovative problem solving and increased effectiveness, when combined with a better understanding of diverse communities, can lead to better service quality and greater service reach. This can then build trust and confidence in the NSW public sector and support greater engagement with services (Figure 3 below illustrates this relationship).

Figure 3: Diversity + Inclusion = Engagement with Public Sector Services



We explore this relationship in more detail below.

Better service quality and reach

Effective service delivery entails consideration of the appropriateness and accessibility of the service for different communities. Employees highlighted that having a public sector workforce which is reflective of the NSW public can help employees better understand the diverse communities they serve. Working with colleagues from a range of backgrounds helps to broaden employee perspectives, as well as enabling employees to leverage the knowledge and experience of their colleagues. Employees shared stories where:

- Delivery of services to Aboriginal and Torres Strait Islander peoples significantly improved when a member of the community delivered the service
- Bilingual employees brought significant benefits to service delivery by delivering messages to linguistically diverse members of the community
- Cultural competency of employees was utilised as a strength to ensure culturally appropriate approaches to solving community problems

Australia Post found for example that having a diverse and inclusive workforce had enabled them to connect effectively with diverse customers and the community to better understand and respond to their needs. New Zealand Police also found that looking like and reflecting the communities they serve resulted in better policing.

Improve trust and confidence

By contributing to better service quality and reach, employees felt that diversity and inclusion has the potential to help improve trust and confidence in public sector services. Some employees commented that if people can recognise themselves in the workforce providing the service, they are more likely to feel accepted and understood. This was seen as particularly important for services where significant barriers to access exist including stigma, discrimination and lack of confidence. Employees shared stories where:

- An Aboriginal and Torres Strait Islander firefighter influenced how the organisation connected and engaged with the community
- In juvenile justice, detainees were more likely to engage if they could recognise themselves in staff
- Nurses who were able to tap into the same cultural background of their patients were able to build trust with their patients

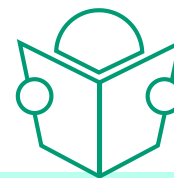
New Zealand Police identified one of the benefits of having a more diverse workforce was greater community trust and confidence, as well as higher satisfaction with the service and improved reputation.

Engagement with public sector services

Although discussed in different ways, there was a general theme that a diverse and inclusive workforce helps build trust and confidence in the NSW public sector and supports the community's engagement with services. This is best demonstrated by the stories shared by employees.

One employee shared how investment in Aboriginal law students ten years ago meant that they now had more than six percent of staff that identified as Aboriginal and Torres Strait Islander. Better outcomes for the community were observed, as people were coming in more to seek help when needed because they could see that there were Aboriginal and Torres Strait Islander staff available.

Another employee drew on her experience as being a member of the NSW public with a disability. By making train stations accessible through the inclusion of lifts, tactile surfaces and audio announcements, the employee explained how barriers were removed for her to access and engage in the community. She was able to see her needs addressed by the service and felt her presence was valued in the community.



A story shared:

An employee shares her story of being a customer of public sector services

I am an Aboriginal woman, with multiple functional disabilities. Every day I battle my body to engage in the world and care for my teenager who wants to be a full member of society – but who also battles mental health challenges. I battle the history of experiences, personal and community, and ongoing fears when seeking services from Government representatives or organisations.

I need service providers to understand the complex needs of me and my family, my circumstances and my challenges. It is essential that service providers have this understanding so that services are tailored and delivered in non-judgemental manner. If services are not tailored, I will be disengaged, more likely to end up on benefits and add costs to society.

“ Makes me feel hopeful, being a person from another cultural background coming to Australia. If you see someone from your own background in a job, you or your children can aspire to this role.”

3.2.5 Everyone has a role in building a diverse and inclusive workplace

Everyone has a role in progressing and championing diversity and inclusion. Responsibility for diversity and inclusion doesn't lie solely with different groups, human resource professionals, or senior leaders – it lies with everyone.

Employees were asked to identify actions they can take every day to make the workplace more diverse and inclusive. They identified the following:

- Rule people in rather than ruling them out
- Begin a conversation about diversity and be willing to talk about the hard topics
- Seek out a diversity of views and perspectives and apply these to your work
- Include diversity and inclusion concepts in workshops and meeting agenda items
- Call out bad behaviour and bystander behaviour of colleagues
- Continue to challenge individual bias and assumptions
- Share and be proud of your own story of diversity and encourage others to do the same

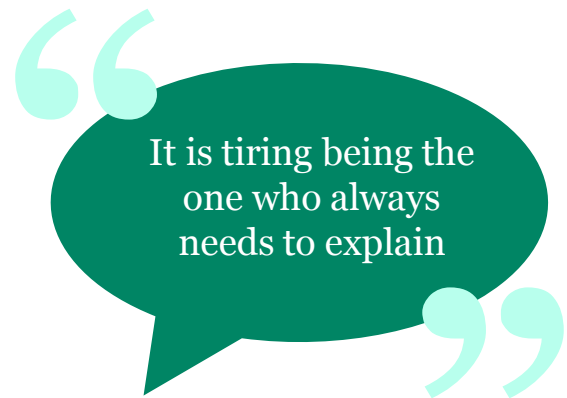
Further reflection: Employee Networks

Employee networks are voluntary groups of employees formed with common interests and objectives to enhance the workplace experience of target employee demographics. Networks can empower employees to own and drive initiatives to build a diverse and inclusive workplace.

Typically networks are sponsored by a senior executive who can advocate on behalf of the network. Membership can be closed to employees who identify as part of the target demographic, or open to all employees. In both types of membership, 'inclusion allies' enable all employees to become involved in networks. Allies are anyone, regardless of background, that support diversity and inclusion. Their role is to champion and promote the activities of the network.

Effective workplace networks can assist with building supportive workplaces; driving diversity initiatives; peer networking and support; and professional development.⁴⁶

As a starting point, we need to involve our employees in our diversity and inclusion story. Both Australia Post and New Zealand Police invested in employee networks and regular, wide-ranging communications so that employees couldn't avoid being part of the conversation. Our employees told us that a communication campaign, supported by videos, motion graphics, posters, pictures and text, is a critical step to bring our story to life.



New Zealand Police added *valuing diversity* and *empathy* to the core values of the organisation. They identified this as being a key enabler for their transformational success.

It is clear from the leading practice case studies that diversity and inclusion is one contributing factor of many in shifting how things get done in an organisation. Diversity and inclusion cannot be considered in isolation and forms part of an organisation's broader strategy.

3.3 What our data says

There is broad agreement that diversity and inclusion is a good thing from a whole range of perspectives. Providing the evidence base in terms of how good, and why it is good, is more challenging.

Our review of the literature indicated a potential relationship between workplaces that are more diverse and inclusive and improved organisational outcomes. This was supported by what our employees told us—that a diverse and inclusive workforce benefits the people of NSW.

We wanted to explore whether our workforce data would support the findings of the literature review and employee consultation. With this in mind, we applied a similar methodology from the research to our data to see if there was a positive relationship between organisational outcomes and workforce diversity and inclusion.

Our approach was hypothesis based and informed by the literature. We wanted to test whether findings from the research would be similar or replicated in the NSW public sector.

3.3.1 Diversity and inclusion = improved performance

Deloitte and the Victorian Equal Opportunity and Human Rights Commission analysed the relationship between workforce diversity and inclusion with a number of organisational outcomes.⁴⁷

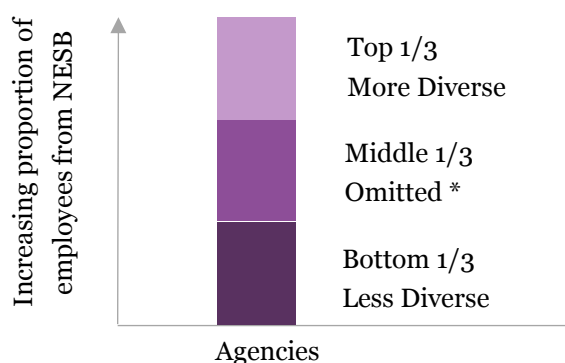
They found a tangible uplift in employees’ perception of business performance when employees think that their workplace is highly committed to, and supportive of diversity and they feel highly included. They also found that the more included an employee feels, the more likely they are to be at work, thereby reducing absenteeism.

Our approach

The hypothesis we tested was: *Do NSW public sector agencies⁴⁸ with a more diverse workforce, and where employees feel more included, have lower rates of unscheduled absence?*

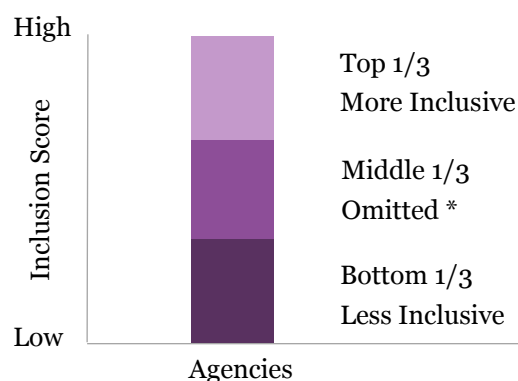
Our first challenge was agreeing a methodology to measure workforce diversity. For example, an agency may have high representation for some demographic groups (e.g. people with disability) but low representation for other groups (e.g. Aboriginal and Torres Strait Islander people). Given the complexity in measuring diversity across different characteristics, we chose one aspect of diversity to investigate. This was an agency’s proportion of employees from a non-English speaking background (NESB) and we divided agencies into three groups based on this measure.⁴⁹ See Figure 4. Measuring inclusion was more straightforward. Agencies were divided into three groups based on the average of their employees’ responses to survey questions relating to inclusion.⁵⁰ See Figure 5.

Figure 4: Diversity Indicator



* Middle 1/3 omitted in order to maximise the difference between the two groups

Figure 5: Inclusion Indicator



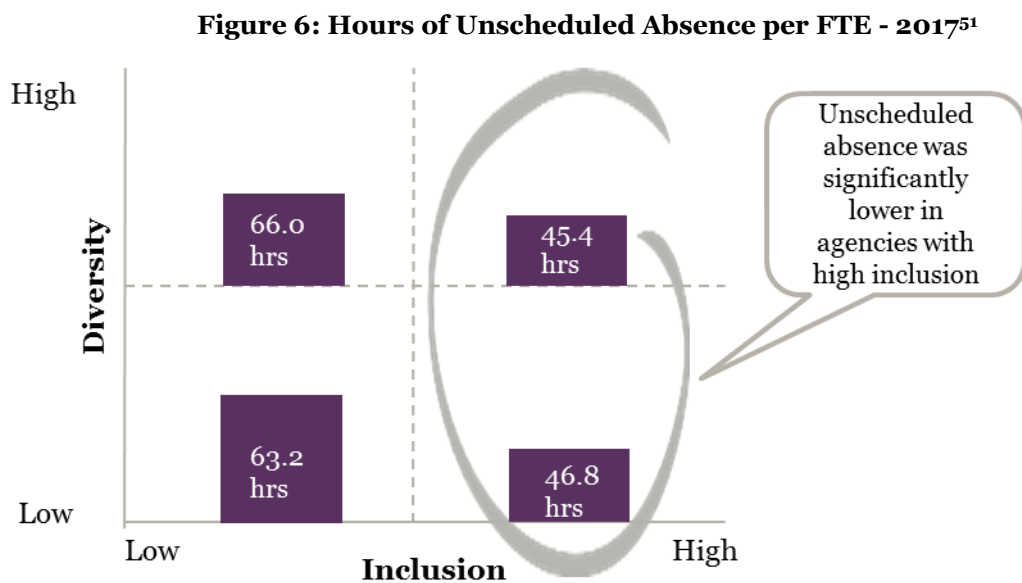
* Middle 1/3 omitted in order to maximise the difference between the two groups

Our findings

Using 2017 data to test the hypothesis, our findings aligned with the research. Agencies where employees felt more included at work had lower rates of unscheduled absence, than those agencies where employees felt less included – a decrease of around 28.6 per cent on average, or 18.5 hours per FTE. The impact of inclusion was found in agencies with both high and low diversity in terms of the proportions of employees from a non-English speaking background.

There was no evidence of an effect of the proportion of employees from a non-English speaking background on unscheduled absence. This suggests that inclusion has a strong effect but diversity (at least in terms of the proportion of employees from a non-English speaking background) has no observable influence on the amount of unscheduled absence taken by employees.

We reproduced the analysis using 2016 data and found diversity and inclusion had the same effects on unscheduled absence, suggesting that the findings are robust. See Figure 6 for the 2017 results.



Although our analysis demonstrates a relationship between inclusion and unscheduled absence, this may not be causal. There may be other contributing factors, such as type of work done, location of work, or industrial arrangements that are impacting the relationship. Another limitation is that only one characteristic of diversity was applied (the proportion of employees from a non-English speaking background). Further work is required into how to develop one measure for workforce diversity across different characteristics, as well as controlling for variables that may be impacting the relationship.

The initial results are encouraging and indicate a relationship exists between employees feeling included at work and lower rates of unscheduled absence. These initial findings support the business case for building an inclusive workplace.

3.3.2 More work to be done

Given the size of the NSW public sector workforce, close to 400,000 employees, we have a unique opportunity to explore the impact of workforce diversity and inclusion on organisational outcomes and add to the growing body of knowledge in this area.

Our initial analysis has demonstrated a correlation does exist between employees feeling included at work and lower rates of unscheduled absence.

Further work needs to be done. This includes investigating diversity and inclusion and how to measure diversity beyond a group-based approach. This will enable us to test what our employees told us, that we deliver greater benefits for the NSW public when our workforce is diverse and inclusive.

4 Conclusion

Our story forms part of a broader program of work to build a diverse and inclusive workforce and provides the foundation for future work to help ensure the:

- NSW public sector workforce reflects the diversity of the community it serves
- NSW public sector workplaces are environments where employees feel comfortable to bring their true selves to work
- NSW public sector agencies are able to leverage their workforce's diversity to improve outcomes

Further work is required to breathe life into the story of diversity and inclusion in the NSW public sector. This paper is an important step in understanding what diversity and inclusion means for the NSW public sector and producing more public sector evidence to support agencies to embrace diversity and inclusion.



Appendix A: Case Study Australia Post

Australia Post has always been more than just a business. For over 200 years, Australia Post has been part of the very fabric of the nation. Despite substantial changes in its operating environment, including increasing globalisation and digitisation, the company has been able to successfully transform and return a profit in 2016. A fundamental enabler of success has been strong advances in diversity and inclusion, such that Australia Post is now able to better meet the expectations of its employees, customers and communities.



Diversity and inclusion enables us to achieve our purpose of helping our people, customers and communities deliver a better future. Everyone. Everywhere. Every day.

The trigger for change

In 2010, Australia Post launched 'Future Ready' to take the business into new, competitive and sustainable territory. As part of their program of work, organizational diversity and inclusion became a key feature: Australia Post had to be reflective of the community in order to meet their needs.

Employees were brought on the journey

With 40,000 employees, it was a task to bring everyone on the journey to embracing diversity and inclusion. Success was achieved through:

- **Regular and wide-reaching communication**, to bring diversity and inclusion front of mind, such that employees couldn't avoid being part of the conversation.
- **Explicit and genuine support from the top**, through messages, followed by actions, followed by investment to make it a priority.
- **The sharing of personal stories to connect with each other**, including through the video 'Work Mate' and 'Under the Sun' (see extract below).

Our employees are really proud of Australia Post. They love to talk about the fact that we are so diverse and inclusive.

Diversity and inclusion has been hard at times

Diversity of thought triggered a number of debates; however with such a strong strategic imperative behind it, going backward wasn't an option. A critical element in pushing through the challenge was allowing people to respectfully put their views forward and keep the conversation open about diversity and inclusion.

Australia Post acknowledged that commitment to diversity and inclusion is hard at times, but the conversations have shed light and brought about understanding on the importance of such programs within the workplace.

“ We decided not to remove a post on our intranet site with a complaint regarding the existence of our female leadership program. It started a debate and got the conversation flowing about diversity. That post thread holds the record for the amount of views and posts of any intranet post yet. ”



Benefits have accrued for Australia Post

Diversity was not only seen as the right thing to do, but was critical in driving innovation and transforming Australia Post to be sustainable for the future. Diversity and inclusion led to:

- Attracting and retaining talent
- Connecting effectively with diverse customers and the community to understand and respond to their needs
- Fostering innovation by leveraging the experience and ideas of employees and embracing different viewpoints

Spotlight initiative: Sharing Stories

Through the Real Stories Project, Australia Post invited employees to share inspiring stories of diversity, inclusion and respect in the workplace. This resulted in:

- Work Mate, an innovative award winning short film which promotes the employment of people with a disability at Australia Post.
- Under the Sun, a film series created from six winning stories to inspire, promote and encourage diversity and inclusion within Australia Post and communities they serve.

Key achievements have been made

Australia Post is proud that as of 31st March 2017 they have closed the gender pay gap. This was achieved through the development of a Gender Action Plan, to ensure leaders were accountable for their actions, and the successful ProjectMe mentoring program which over 2,000 women have completed.

Always moving forward

In a challenging operating environment and ever changing community profile, persistent improvements in diversity and inclusion are imperatives for Australia Post. There is both opportunity and responsibility in taking your workforce on this journey to be able to successfully interact with the community across Australia every day. There is more to be done to ensure **Everyone, Everywhere, Every day** feels respected and included.

Appendix B: Case Study New Zealand Police

New Zealand Police (NZP) works with the community to achieve its purpose of making people **be safe and feel safe**. A crucial enabler of achieving this purpose has been a focus on bolstering diversity and inclusion within their workforce. NZP’s success in diversity and inclusion, particularly in regards to gender, was acknowledged at the 2016 Diversity Awards NZ where they won the Supreme Award (top prize).



The trigger for change

In 2007, NZP had a ‘sentinel event’ when the results of the formal Commission of Inquiry (COI) into police conduct were released, finding that ‘**attitudes and behaviour within the Police**, and not just systems and procedures, needed to change’.⁵² The findings instigated a significant cultural transformation within NZP to enhance the level of community engagement and improve service outcomes. Core to the change agenda was a focus on building diversity, particularly of gender, within the workforce.

“ More than ever before, we have a healthy, diverse and inclusive culture that puts victims at the heart of everything we do – and we are in the process of building a truly high-performing organization.
Mike Bush, Commissioner of New Zealand Police ”

The Police recognised that better policing would happen when they:

- “looked like” or reflected the communities they served, and
- had diversity of thought to enable better problem solving and decision making.

Embedding diversity through the values

Leadership had awareness of the importance of diversity in the future of the organisation, however were unclear what this meant in a practical sense. After wide-reaching consultations within the workforce, 'Valuing Diversity' and 'Empathy' were added to the core values of NZP. Diversity was broadly defined as diversity of thought and is encapsulated in the NZP's tagline for 'valuing diversity': 'Many views, one purpose'. The new values were communicated to all employees through a clear and consistent marketing campaign and then embedded as an expectation of employees to be upheld and lived by.



Spotlight initiative: Beyond the Blue

Diversity at NZP is about celebrating what makes everyone unique. Beyond the Blue is a series of Facebook posts, YouTube videos and other online content that highlights the diversity of NZP employees.

“Under the uniform we’re just as diverse as everybody else. Surfers, dancers, jewellers, artists, musicians, world champs...we’re proud to have a wide range of people working here at New Zealand Police.”

Benefits have accrued for NZ Police

Over the recent years NZP has achieved a “colossal organisational change”, with demonstrable impact to culture and service offerings. This included attaining 12% growth in female recruits and a strong trajectory of improvement in customer satisfaction scores.⁵³ The benefits of greater diversity at NZP include:

- Greater community trust and confidence in NZP
- Promotion of women throughout the organisation and attracting culturally and linguistically diverse job applicants
- Visibility in the community, enabling a wider more diverse audience to identify with Police and consider recruitment.
- Higher satisfaction with service and improved reputation
- More variation in leadership teams and improved leadership



We recognise the value different perspectives and experiences bring to making us better at what we do. Diversity is essential so that we can effectively serve the needs of New Zealand’s communities.

Enablers of transformational success

Maintaining the momentum and commitment to diversity and inclusion was enabled through:

- **uncompromising commitment from the top**, with the Commissioner providing visible support of the organisation’s values and highlighting their linkage to strategic imperatives.
- **ownership by employees**, such as the establishment of a Women’s Advisory Network, Maori, Pacific and Ethnic networks and LGBTI network. Local districts and employees were empowered to own and drive initiatives.
- **keeping the dialogue open**, and acknowledging the complexities of diversity initiatives. For example, concerns that programs could undermine the perception of women gaining positions by merit were resolved through open and honest dialogue.
- **driving inclusion through more diversity**. Analysis of employee data indicated that if there was a mix of at least 25% women in a workgroup they no longer felt ‘different’. Driving further diversity was used as a means in itself for creating inclusion.

Many of the diversity initiatives began through the women’s networks, with the understanding that once there was progress and traction, a flow on to other diversity groups would result.

Spotlight initiative: Commitment in action

A leadership team in the South Island with historically low turnover recognised a lack of diversity in their senior levels. Rather than simply wait for someone to leave, they decided to increase headcount in their leadership team so they could bring in someone 'different' and benefit from diversity.

Taking the next step

NZP remain as committed as ever to diversity and inclusion. With an increasingly diverse public to serve, a diverse and inclusive New Zealand Police workforce is an important enabler now and into the future.

Appendix C: Our Story

This is a stand-alone resource that can be used to promote our story more broadly across the workforce.

We deliver greater benefits for the people of NSW when each of us are able to contribute



The following are quotes from NSW public sector employees:

- “If this was easy, we wouldn’t still be talking about it”
- “It’s not necessarily easy, in the first instance it may be hard to manage. But when it’s done it becomes part of the business.”
- “It’s tiring being the one who always needs to explain”
- “Diversity and inclusion impacts people’s health, lives and legal rights”

1. Diversity and inclusion is personal and can be challenging at times

If diversity and inclusion was easy, we would have solved it already. In fact, our views about diversity and inclusion are deeply personal and shaped by our unique experiences. As a result it can be quite challenging and confronting at times, there are sharp and uncomfortable edges to deal with. Sometimes it’s easy to revert back to familiar stereotypes instead of focusing on the whole person.

It can be frustrating if we don’t acknowledge the difficulties and just assume that diversity and inclusion is easy. Managing diverse teams and learning to work with people who think differently to ourselves can take more time and effort at first. Conflicts can arise due to strong points of view and differing opinions. It can be hard to stay open to different views, and making modifications can sometimes require significant investment.

Some people still hold the misconception that diversity and inclusion is about special or preferential treatment of one group over another. Instead, equity means ‘levelling the playing field’ so that everyone has access to opportunity to flourish in the workplace, in order to rectify the imbalance of disadvantage which some people experience compared to others. While we have made some progress, it’s time to take diversity and inclusion to the next level. This requires an acknowledgement of the challenges that exist in making progress.

We deliver greater benefits for the people of NSW when each of us are able to contribute



The following are quotes from NSW public sector employees:

- “It’s about me. It’s about you. It’s about us.”
- “This is not just about ‘nice words’. It impacts people.”
- “Cross functional teams bring greater value to the table”
- “Some people shine bright, some shine smaller, but we all contribute in different ways”

2. Everyone in the workforce can benefit from greater diversity and inclusion

Everyone is diverse: the unseen and seen characteristics which make each of us different. Everyone is likely to have aspects of themselves that they leave ‘behind’ when entering the workplace and therefore everyone can benefit from inclusion.

When we adopt a broad definition of diversity, this also encompasses concepts such as diversity of thought and experience, professional background, knowledge, ways of working, thinking, approaching and understanding the world, family make-up, personal responsibilities and commitments. We can therefore all experience the benefits of building an inclusive workplace where we feel accepted and valued for who we are.

Diversity and inclusion is more than just ‘a nice thing to do’. As an employee of the public sector, an inclusive workplace can lead to reduced anxiety and conflict, stronger professional networks and friendships and overall greater wellbeing. A diverse public sector makes the workplace more interesting and provides an opportunity for employees to develop as a person, both professionally and personally, by expanding their world view and perspective and improving empathy and understanding. For managers, this means being the best manager you can be.

Diversity brings innovation to problem solving and greater effectiveness. This leads to overall improved team performance.

We deliver greater benefits for the people of NSW when each of us are able to contribute



The following are quotes from NSW public sector employees:

- “It’s not about ‘pie charts’ and ‘Noah’s Ark’”
- “This will take a bit of guts, as a leader we will have to get out of our comfort zones and have a fight”
- “There needs to be a cultural shift with leaders about actually wanting to do diversity and inclusion, rather than something they have to do”

3. Progress will require genuine support starting from the top

Progressing diversity and inclusion requires guidance and support from senior leaders. It requires senior leaders to role model inclusion, to set an example of behaviours that are acceptable and call out those that are not. Senior leaders need to promote diversity and inclusion, and empower individuals and teams to do the same.

Leaders need to buy-in to the importance of diversity and inclusion and recognise how it impacts on-the-ground experiences in the workforce. Once leaders commit to the journey, diversity and inclusion can provide significant benefits to the individual, team and organisation. Leaders who persist with diversity and inclusion talk to the positive outcomes and strong business benefits that can be generated.

Leaders need to:

- ‘Say’: Encourage the conversation about diversity and inclusion, celebrate success and share their personal story
- ‘Prioritise’: Bring a diversity and inclusion focus to each decision they make
- ‘Act’: Role model inclusive behaviour, including challenging own biases, and call out bad behaviour
- ‘Measure’: Track progress by setting KPIs for diversity representation and cultural change, as well as listening to the personal experiences of their staff

We deliver greater benefits for the people of NSW when each of us are able to contribute



The following are quotes from NSW public sector employees:

- “We can’t understand and make decisions on behalf of NSW unless we reflect the NSW public”
- “In our contact centre, different backgrounds helped meet different customer needs”
- “Diversity and inclusion can create feelings in the community – of safety, of trust, of belonging, of feeling understood”

4. We deliver greater benefits for the NSW public when our workforce is diverse and inclusive

People choose to work for the public sector to make a positive difference to the lives of the people of NSW. In its simplest form, diversity and inclusion leads to greater benefits for the people of NSW because:

- The NSW people are diverse
- The public sector exists to serve the NSW public
- Diversity in the public sector workforce provides a deeper understanding of the people of NSW
- Outcomes for the public will be better if the sector reflects the diversity that exists within the community

A diverse and inclusive workforce has the potential to contribute to improved public engagement with services. Innovative problem solving and increased effectiveness, when combined with a better understanding of diverse communities, can lead to better service quality and greater service reach. This can then support greater engagement with services as trust and confidence in the NSW public sector grows. This greater engagement with public sector services can drive improved diversity in the workplace. As more people engage with the services and can recognise themselves in the workforce providing the service, they are more likely to consider a job in the NSW public sector.

We deliver greater benefits for the people of NSW when each of us are able to contribute



The following are quotes from NSW public sector employees:

- “Responsibility for progressing diversity and inclusion doesn’t sit with those that may fit within minority groups, it sits with everyone”
- “Diversity is NOT ‘otherness’, it IS the community”
- “If we all push for diversity and inclusion, others won’t have to fight so hard”

5. Everyone has a role in building a diverse and inclusive workplace

Everyone has a role in progressing and championing diversity and inclusion. Responsibility for diversity and inclusion doesn’t lie solely with different employee groups, human resource professionals, or senior leaders – it lies with each and every one of us. There are actions we can take every day to make our workplaces more diverse and inclusive, including:

- Ruling people in rather than ruling them out
- Begin a conversation about diversity and be willing to talk about the hard topics
- Include diversity and inclusion concepts in workshops and meeting agenda items
- Call out bad behaviour and bystander behaviour of colleagues
- Continue to challenge individual bias and assumptions
- Share and be proud of your own story of diversity and encourage others to do the same

As with any cultural change, belief and action from a critical mass will provide momentum for the whole of the public sector to take the next step in diversity and inclusion.

Appendix D: Methodology

Literature review

A desktop review of the literature was conducted to identify the definitions and the benefits for diversity and inclusion in the workplace and the key themes distilled.

The literature review accessed publicly available research articles and papers from a variety of sources including organisations such as Deloitte, McKinsey & Company, Catalyst, Diversity Council Australia, CEB Corporate Leadership Council, the Centre for Ethical Leadership and the Australian Human Rights Commission. A limited search of the peer reviewed academic journals was also undertaken.

In addition, a desktop review was conducted of Australian and a number of international Public Service Commissions to review the approach taken to defining diversity and inclusion and workforce benefits.

Consultation with public sector employees and stakeholders

Our unique story of diversity and inclusion in the NSW public sector is based on a series of consultations conducted by Nous Group and the NSW Public Service Commission between July and September 2017. Qualitative data from the consultations were collated and consolidated. A qualitative analysis was then conducted to distil the key concepts and emerging themes.

Communications were distributed through NSW public sector agencies asking employees to self nominate to attend the focus groups. Our consultations were conducted in three stages with approximately 150 NSW public sector employees participating in the process:

Stage 1: Employee focus groups

Employee focus groups were conducted to develop common definitions and an overarching story for diversity and inclusion for use in the public sector. Four separate employee focus groups were held between 19 and 25 July 2017:

- 26 human resource professionals, including diversity and inclusion specialists
- 22 employees of various grades
- 18 managers
- 22 employees in Regional NSW (Gosford)

Questions asked and activities conducted in the focus groups are included in Table 3.

Table 3 Employee focus group questions and activities

Why do you think a narrative is important?
What does diversity mean to you? What does inclusion mean to you? What is the result of having both diversity and inclusion in a workplace?
What are the benefits of embracing diversity and inclusion, referencing specific examples?
What practices in your work area have been most useful in supporting diversity and inclusion?
As a member of the NSW public, what are the benefits to you for having services delivered by a diverse and inclusive workforce?
Draw a picture that symbolises or represents diversity and inclusion in the workplace.
What would be the best ways for the PSC and agencies to promote this narrative across the sector?
What can you personally do to promote this narrative across the sector?

Stage 2: Testing with Public Sector Senior Executives

The outputs of the the employee focus groups were tested and validated with a group of 30 senior executives from across the public sector. The senior executives were provided an opportunity to view the raw outputs from the employee focus groups and then provide their thoughts on what they heard, as well as other considerations that weren't raised.

Questions asked and activities conducted in the workshop are included in Table 4.

Table 4 Senior Executive focus group questions and activities

What does diversity and inclusion mean to you?
What are the benefits of diversity and inclusion for the public sector and for the customer?
What are the key messages that you think the narrative needs to contain?
What would be the best way for the PSC and agencies to bring the narrative to life?
What can you personally do to bring the narrative to life across the sector?

Stage 3: Testing with stakeholders

The outputs from both the employee focus groups and the senior executive workshop were provided to key stakeholder groups for their input. These groups were asked to provide further commentary as to how the narrative could be appropriate for specific groups. These stakeholders were:

- Disability Employment Advisory Committee Advisory Sub-Group (DEAC ASG)
- Aboriginal Employment Advisory Committee (AEAC)
- Aboriginal Workforce Development Community of Practice (AWD CoP)

Questions asked during the workshop are included in

Table 5.

Table 5 Stakeholder questions

Based on the outputs presented, what did you like? What resonates with you? What would you like to be included in the paper?
Based on the outputs presented, what didn't you like?
Does anything need to change in terms of cultural sensitivity or appropriateness? (AEAC and AWD CoP only)
Does anything need to change from the perspective of lived experience? (DEAC ASG only)

Interviews with leading practice organisations

We interviewed two leading practice organisations, Australia Post and New Zealand Police, to hear their unique diversity and inclusion journey, how they developed their narrative and any lessons they had learnt along the way.

A standard set of questions were developed for these interviews including:

- Confirming where the organisation was up to in their diversity and inclusion journey (starting, mid-way, mature)
- How do they describe diversity and inclusion?
- What strategies and initiatives do they have to support and drive diversity and inclusion?
- What challenges did they experience and what did they do to try to change culture and mindsets to create inclusion?
- What do they see as the benefits of diversity and inclusion?
- How do they measure the efficacy of their initiatives?
- How did they develop their narrative?

- What lessons have they learnt – the one or two things that made the biggest difference and would they have done anything differently?

Both organisations were also asked specific questions relating to their organisation's unique diversity and inclusion journey.

The key themes from these interviews were distilled and used to inform the case studies at Appendices A and B.

NSW public sector data analysis

We applied similar a similar methodology from the research papers to our NSW public sector data to see if there was a positive relationship with organisational outcomes and workforce diversity and inclusion.

Data sources:

1. Workforce Profile Collection (2017 and 2016): A data collection on the characteristics of NSW public sector employment, collected annually since 1999. The data is sourced from HR systems in NSW public sector agencies and de-identified.
2. The People Matter Employee Survey (2017 and 2016): An anonymous and confidential survey sent to all employees in the NSW public sector. It asks questions on employee engagement and opinions on workplace practices. The response rate was 42% in 2017 and 36% in 2016.

Analysis: Diversity and inclusion = improved performance

Based on the Deloitte and Victorian Equal Opportunity & Human Rights Commission (2013) *Waiter is that inclusion in my soup? Inclusive leadership: A new recipe to improve business performance.*⁵⁴

Diversity: The data was sourced from the Workforce Profile Collection for NSW public sector⁵⁵ agencies. One characteristic of diversity was used, which was the percentage of employees in an agency who identified as speaking a language other than English as a child.

Inclusion: This data was sourced from the People Matter Employee Survey (PMES). Inclusion was defined using the average scores for each agency for responses to 17 questions relating to inclusion:

- I feel I make a contribution to achieving the organisation's objectives*
- I feel I am able to suggest ideas to improve our way of doing things*
- I am provided with the support I need to optimise my contribution at work
- My team works collaboratively to achieve its objectives
- I receive help and support from other members of my workgroup
- There is good team spirit in my workgroup

- People in my workgroup treat each other with respect
- My manager listens to what I have to say
- My manager encourages and values employee input
- My manager involves my workgroup in decisions about our work
- My manager takes into account the differing needs and circumstances of employees when making decisions*
- My manager treats employees with dignity and respect*
- My manager provides acknowledgement or other recognition for the work I do
- My manager ensures fair access to developmental opportunities for people in my workgroup*
- I feel that senior managers listen to employees
- My organisation respects individual differences (e.g. cultures, working styles, backgrounds, ideas)
- I am able to speak up and share a different view to my colleagues and manager

**These questions appeared in 2016 PMES, but did not appear in 2017 PMES*

Unscheduled absence: This data was sourced from the Workforce Profile Collection. The number of hours of paid unscheduled absence per Full Time Equivalent was used.⁵⁶

Methodology: Agencies were segmented into thirds according to their diversity and inclusion scores. The top third for diversity were characterised as ‘more diverse’ and the top third for inclusion were categorised as ‘more inclusive’. The bottom third for diversity were categorised as ‘less diverse’ and the bottom third for inclusion were characterised as ‘less inclusive’. The middle third for both diversity and inclusion were eliminated from the analysis in order to maximise the difference between the two groups.

A two-way analysis of variance (ANOVA) was conducted, with diversity and inclusion as two independent variables, and with paid unscheduled absence as the dependent variable. The analysis returned a significant main effect of inclusion. However, there was no evidence of an effect of diversity, or a diversity by inclusion interaction. The initial findings were based on 2016 data and were reproduced using 2017 data.

¹ PSC State of the NSW Public Sector Report 2017

² Ibid.

³ PSC People Matter Employee Survey 2017

⁴ Ibid.

⁵ Ibid.

⁶ PSC People Matter Employee Survey 2016

⁷ Jones, N., Green, A., & Powell, M. (2012) Diversity in the British NHS: the business case versus the moral case, Equality, Diversity and Inclusion: An International Journal. Vol 31 Issue: 8 pp. 768-783; Ohemeng, F., & McGrandle, J. (2015) The prospects for managing diversity in the public sector: The case of the Ontario Public Service. Public Organiz Review 15: 487-507.

⁸ Greene, A M., & Kirton, G. (2009) Diversity management in the UK: organisational and stakeholder experiences. Routledge research in employment relations (No.21). New York: Routledge. ISBN 9780415431767. Within academic circles, the evidence on the impacts of diversity and inclusion has been noted as inconclusive and mixed for both the public and private sectors. See for example, Rohwerder, B. (2017). Diversity and inclusion within organisations. K4D Helpdesk Report. Brighton, UK: Institute of Development Studies.

⁹ Ibid

¹⁰ Ibid.

¹¹ Deloitte (2011) Only skin deep? Re-examining the business case for diversity: Deloitte point of view. Human Capital Australia. (retrieved January 2017); Diaz-Uda, A., Medina, C., & Schill, B. (2013) Diversity's new frontier Diversity of thought and the future of the workforce Deloitte University Press. Retrieved January 2017.

¹² For a comprehensive review see for example: O'Leary, J. Russell, G., & Tilly, J. (2015) Building Inclusion: An evidence based model of inclusive leadership Diversity Council Australia.

¹³ See for example: Deloitte and Victorian Equal Opportunity and Human Rights Commission (2013) Waiter, is that inclusion in my soup? A new recipe to improve business performance. (retrieved January 2017); O'Leary, J. Russell, G., & Tilly, J. (2015) Building Inclusion: An evidence based model of inclusive leadership. Diversity Council Australia.

¹⁴ For a high-level overview of the research see for example Catalyst (2013) Why Diversity Matters (retrieved January 2017) and Hunt, V., Layton, D., & Prince, S. (2015) Diversity Matters McKinsey & Company (retrieved January 2017).

¹⁵ For a comprehensive review of the research see for example Wood, R., (2013) Having more women on boards, in senior management and across organisations makes good business sense Centre for Ethical Leadership, Ormond College, University of Melbourne (retrieved January 2017); Catalyst (2013) Why Diversity Matters (retrieved January 2017); and the latest report from McKinsey & Company – Hunt, V., Layton, D., & Prince, S. (2015) Diversity Matters (retrieved January 2017).

¹⁶ See for example: Prime, J., & Salib, E.R. (2014) Inclusive Leadership: The view from six countries. Catalyst (retrieved January 2017); Corporate Leadership Council Human Resources (2012) Creating competitive advantage through workforce diversity (retrieved January 2017); Deloitte and the Victorian Equal Opportunity & Human Rights Commission, (2012) Waiter, is that inclusion in my soup? A new recipe to improve business performance (retrieved January 2017); Michàlle E. Mor Baraka, Erica Leeanne Lizanob, Ahraemi Kimc, Lei Duand, Min-Kyoung Rheee, Hsin-Yi Hsiaod, and Kimberly C. Brimhallf (2016) The Promise of Diversity Management for Climate of Inclusion: A State-of-the-Art Review and Meta-Analysis Human Service Organisations: Management, Leadership & Governance 2016, Vol. 40, NO. 4, 305–333.

¹⁷ See for example, Catalyst (2013) Why Diversity Matters (retrieved January 2017).

¹⁸ See for example, research cited in Australian Human Rights Commission (2016) Leading for change: A blueprint for cultural diversity and inclusive leadership; pages 10-11 (retrieved January 2017) and O'Leary, J., Russell, G., and Tilly, J. (2015) Building Inclusion: An evidence based model of inclusive leadership; Diversity Council Australia.

¹⁹ See for example: Hunt, V., Layton, D., & Prince, S. (2015) Diversity Matters McKinsey & Company (retrieved January 2017); A K, Paul., T, McElroy., & T, Leatherberry. (2011) Diversity as an Engine of Innovation Retail and Consumer Goods Companies Find Competitive Advantage in Diversity Deloitte (retrieved January 2017).

²⁰ The following Public Service Commissions were considered: ACT, Western Australia, Tasmania: Northern Territory, Australian Public Service, Victoria, South Australia, Queensland, New Zealand, Canada and the United Kingdom.

²¹ Diaz-Uda, A., Medina, C., & Schill, B. (2013) Diversity's new frontier Diversity of thought and the future of the workforce A GovLab report Deloitte University Press (retrieved January 2017); J, Bourke. (2016) Which Two Heads Are Better Than One? How diverse teams create breakthrough ideas and make smarter decisions Australian Institute of Company Directors (eBook); Forbes Insights (2011) Global diversity and inclusion: fostering innovation through a diverse workforce; (retrieved January 2017); and research cited in Australian Human Rights Commission (2016) Leading for change: A blueprint for cultural diversity and inclusive leadership; (retrieved January 2017).

²² Prime, J., & Salib, E.R. (2014) Inclusive Leadership: The view from six countries. Catalyst (retrieved January 2017); Prime, J., & Salib, E.R. (2015) The Secret to Inclusion in Australian Workplaces: Psychological Safety. Catalyst (retrieved January 2017) and research cited in O'Leary, J., Russell, G., and Tilly, J. (2015) Building Inclusion: An evidence based model of inclusive leadership; Diversity Council Australia.

²³ We consulted with existing stakeholder groups in the NSW public sector representing Aboriginal and Torres Strait Islander people and people with disability (See Appendix D).

²⁴ Lesbian, Gay, Bisexual, Transgender and Intersex.

²⁵ W S, Kelly., & C, Smith. (2014) What if the road to inclusion were really an intersection? Deloitte Insights (retrieved January 2017).

²⁶ Australian Human Rights Commission (2016) Willing to Work National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability (retrieved January 2017).

²⁷ O'Leary, J., Russell, G., & Tilly, J. (2015) Building Inclusion: An evidence based model of inclusive leadership; Diversity Council Australia.

²⁸ *Government Sector Employment Act 2013*, section 11(1) (iv).

²⁹ Verna Myers, quoted in Laura Sherbin and Ripa Rashid, Diversity Doesn't Stick Without Inclusion Harvard Business Review February 2017.

³⁰ Actions listed according to frequency of comment in the focus groups.

³¹ <https://en.oxforddictionaries.com/definition/equity>.

³² <https://en.oxforddictionaries.com/definition/equality>.

³³ <https://everydayfeminism.com/2014/09/equality-is-not-enough/>.

³⁴ *Government Sector Employment Act 2013*, Part 2 establishes the legal requirement for all people employed in the government sector to act ethically and in the public interest. There are four government sector core values; Integrity, Trust, Service and Accountability and 18 principles that guide their implementation. The PSC guide, Behaving Ethically: A guide for NSW government sector employees has been produced to assist employees to better understand their obligations to act ethically.

³⁵ The PSC's Positive and Productive Workplaces Guide provides guidance and practical tools for leaders, managers and employees about how to treat each other with dignity and respect and bring aspects of the ethical framework to life.

³⁶ Unconscious bias is defined as "the product of unconscious knowledge and unconscious processes, typically operating together to produce biased responses, which, because they do not take account of all relevant information for a judgement or decision, have a greater risk of being suboptimal". Genat, A., Wood, R. & Sojo, V. (2012) Evaluation Bias and Backlash: Dimensions, predictors and implications for organisations; Centre for Ethical Leadership <https://cel.edu.au/our-research/evaluation-bias-and-backlash-dimensions-predictors-and-implications-for-org>.

³⁷ <https://en.oxforddictionaries.com/definition/merit> (retrieved 2017).

³⁸ UN Women National Committee Australia (2015) Re-thinking merit: Why the meritocracy is failing Australian businesses (retrieved 2017).

³⁹ Castilla, Emilio J. & Bernard, S. (2010) The Paradox of Meritocracy in Organizations, *Administrative Science Quarterly*, 55.

⁴⁰ Yoshino, K., & Smith, C. (2013) Uncovering talent: A new model of inclusion Deloitte University.

⁴¹ Bourke, J., & Dillon, B. (2016) The six signature traits of inclusive leadership: Thriving in a diverse world, Deloitte University Press (retrieved 2017).

⁴² <https://cew.org.au/programs/your-leadership-shadow/>.

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- ⁴³ Speech by Professor Shergold on 4 August 2016: https://www.westernsydney.edu.au/data/assets/pdf_file/0009/1134684/Re-imagining_Public_Service_-_4_August_2016.pdf.
- ⁴⁴ McKinsey & Company (2015) [Implementing a citizen-centric approach to delivering government services](#).
- ⁴⁵ Speech by Blair Comley on 20 November 2017: <https://www.themandarin.com.au/86204-blair-comley-nsw-state-of-the-sector/>.
- ⁴⁶ See for example, NSW Public Service Commission (2016), [Guidelines for Employee Networks](#) (retrieved 2017).
- ⁴⁷ Deloitte and Victorian Equal Opportunity & Human Rights Commission (2013) [Waiter is that inclusion in my soup? Inclusive leadership: A new recipe to improve business performance](#).
- ⁴⁸ The public sector is all of the Government Sector, as well as agencies such as the Independent Commission Against Corruption, the Audit Office of New South Wales, Parliament NSW, the Judicial Commission and State-owned corporations, such as water and energy companies. The Government Sector is defined by the *Government Sector Employment Act 2013* to include the Public Service, as well as the Teaching Service, the Health Service, the Transport Service, the Police Force and other Crown services such as TAFE.
- ⁴⁹ Source: [Workforce Profile Collection](#) 2016 and 2017 – a data collection on the characteristics of NSW public sector employment, collected annually since 1999.
- ⁵⁰ Refer to Appendix D: Methodology for the survey questions relating to inclusion. Source: NSW Public Service Commission [People Matter Employee Survey](#) 2016 and 2017– an anonymous and confidential survey sent to all employees in the NSW public sector. The survey asks questions on employee engagement and opinions on workplace practices.
- ⁵¹ Although there are apparent differences in the pattern of data due to diversity these are not statistically significant and therefore should not be treated as real differences.
- ⁵² A decade of change 2007–2017: Implementing the recommendations from the Commission of Inquiry into Police Conduct. Retrieved from <http://www.police.govt.nz/sites/default/files/publications/plc455-strategy-document.pdf>.
- ⁵³ New Zealand Police Citizens' Satisfaction Survey: Report for 2015/16. Retrieved from http://www.police.govt.nz/sites/default/files/publications/citizens_satisfaction_survey_full_report_-_2016.pdf.
- ⁵⁴ Deloitte and Victorian Equal Opportunity & Human Rights Commission (2013) [Waiter is that inclusion in my soup? Inclusive leadership: A new recipe to improve business performance](#) (retrieved January 2017).
- ⁵⁵ The public sector is all of the Government Sector as well as agencies such as the Independent Commission Against Corruption, the Audit Office of New South Wales, Parliament NSW, the Judicial Commission and State-owned corporations, such as water and energy companies. The Government Sector is defined by the *Government Sector Employment Act 2013* to include the Public Service, as well as the Teaching Service, the Health Service, the Transport Service, the Police Force and other Crown services such as TAFE.
- ⁵⁶ The definition of paid unscheduled absence is the sum of hours of paid sick leave and paid carers leave hours taken during the reference period (Source PSC Workforce Profile Report).