

# MANAGING DIVERSITY IN THE PUBLIC SECTOR: A CASE STUDY OF A SMALL CITY COUNCIL

Mark Steger and Prof R Erwee

## ABSTRACT

Diversity management is an emerging field within human resource management. However, most of the literature and consulting in the management of diversity in a workforce is focused on and applied in large private or public sector organizations. In contrast, the aims of this consulting project were to assess policies and practices that a small Australian city council (Council X) can implement to meet its legal obligations and capitalize on the diversity of the community. The research employed qualitative and quantitative research methods. Qualitative data was obtained through depth interviews with sixteen of the twenty-eight managers, and a workforce survey yielded quantitative data. The results revealed that Council X has not met legislative requirements and that managers' awareness of diversity management principles was not satisfactory. An analysis of questionnaire responses suggests that Council X has achieved a majority fit with the characteristics of the local community, except in the areas of women, Asian and young workers. Results were compared to other studies in small companies and recommendations were made for the city council.

Diversity management is often viewed as a focal point in some research in human resource management. Most of the literature and consulting in the management of diversity in a workforce is focused on, and applied in, large public and private sector organizations. To contribute to the literature, this case study aims to assess policies and practices in a small Australian city council (Council X) with the research question:

What policies and practices can be introduced to assist a small city council such as Council X to meet and surpass its legal obligations in order to capitalise upon the diversity of the community?

Therefore, in this paper a definition of diversity is provided, the business case for the introduction of diversity initiatives presented, and strategies for achieving diversity management in different types of large organizations identified. The legislative requirements for small and large city councils are also noted. References are made to studies of human resource management in small and medium enterprises in contrast to the discussion on large public and private sector organisations. The small city council (Council X) workforce profile is compared to demographic information from the greater community. Results on issues involved in achieving diversity within a small city council are identified and recommendations for improvements in diversity management at Council X are presented.

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Both authors are at the Department of Human Resource Management, Faculty of Business and Commerce, University of Southern Queensland, Australia (e-mail: erwee@usq.edu.au).

## **LITERATURE REVIEW**

### **Definition**

Diversity is a concept that has traditionally been used in both broad and narrow contexts (Kramar 2001). A broad view of diversity has implications for the prevailing organisational culture, and an appreciation of difference, whereas narrow definitions of diversity focus on eliminating discriminatory practices based on personal characteristics. A broad understanding of diversity thus affects the organisation at all levels, while narrow definitions appear to be of similar orientation as Affirmative Action (AA) and Equal Employment Opportunity (EEO) initiatives.

Various distinctions have been made between EEO, AA, and diversity. EEO has been defined as “giving people a fair chance to succeed without discrimination based on unrelated job factors such as age, race, sex, or nationality” (Stone 1998: 824). AA refers to ‘programs that require firms to make special efforts to recruit, hire, and promote women and members of minority groups’ (Stone 1998:818). As such, AA takes a proactive approach to achieving equity in the workplace, and involves an accommodation of difference, rather than the assimilatory approach consistent with EEO. Diversity management involves going beyond an accommodation of individual difference, to a situation whereby organisational culture is reformed to value and respect it. Diversity is able to address a wider section of the working population than the more specific EEO and AA targets. Furthermore while EEO and AA requirements are covered by legislation, ensuring a truly diverse workforce requires management initiation. While EEO and AA may have been important stages in the evolution of diversity management (Vines 1999), they are only narrow aspects of its current existence.

For the purposes of this research, diversity was defined as a broad concept that requires fundamental change to all aspects of an organisation, to ensure that different perspectives and characteristics of the workforce are valued, and their contribution appreciated. While it involves EEO and AA responsibilities, its managerial impetus ensures that the legal and moral issues involved in such legislation are transcended, and strategic business objectives enhanced.

### **The Business Case for Diversity**

Likewise the benefits of effective diversity management, noted in earlier studies of large private sector organisations, include higher productivity (Wolf 1998), better creativity and innovation (Smith 1998), better understanding of customers, improved recruitment opportunities (Agocs & Burr 2000), lower costs (Cox 1993), more positive morale (Kramar 2001), and higher employee retention (Teicher & Spearitt 1996). Diverse workforces, by improving communication, teamwork, and employee utilization, lead to higher productivity, with innovative and creative solutions arising due to a broader range of perspectives and experiences being incorporated and considered (Wolf 1998; Smith 1998). Diversity awareness allows for a better understanding of global customers’ needs, and provides access to greater labour pools (Agocs & Bur, 2000). Access to wider employment pools allow for recruitment of optimum human resources, and it can also minimise recruitment and training costs (Cox 1993). Large Australian companies, including NRMA and Pacific Dunlop, note an association between ineffective diversity management and such problems as poor morale, high absenteeism, and turnover (Kramar 2001). Organisations that embrace diversity management show improved employee retention (Teicher & Spearitt 1996).

However, criticisms of diversity management have also been presented. One example is that diversity programmes are simply a means of 'concealing enduring patterns of discrimination and prejudice' (Prasad & Mills 1997, p.14). Diverse work groups may experience greater communication difficulty and decision complexity than homogenous groups. Another criticism of diversity theory is that there is currently very limited research available to either support or refute the arguments (Kersten 2000). However, in the Australian context, a number of large organisations including Mobil (Wolf 1998) have demonstrated the potential benefits of diversity initiatives.

### **Achieving Diversity Management**

Smith (1998) has developed a seven-stage process detailing the steps necessary for successfully implementing such a diversity program, especially in large private sector organisations such as Mobil or Hewlett-Packard. The first stage represents the commitment of an organisation's leaders, their personal involvement, communication, and raising awareness throughout the organisation. Stage two involves the development of a diversity council to ensure that the organisation's strategic objectives align with diversity management principles and ensuring leadership, focus, and continuity. Stage three involves an analysis of the organisational climate by means of cultural audits and the development of a workforce profile (Kramar 2001; Pollar 1998; Smith 1998). The workforce profile provides concrete data on the current diversity climate and mix, and identifies areas that require attention. Stage four, data analysis, involves the analysis of this organisational climate information, benchmarking, and a consequent refinement of strategy. Stage five involves utilising the information gathered in previous stages to identify appropriate interventions such as 'education in diversity; changes in culture and management systems such as recruitment, orientation, performance appraisal, compensation and benefits; promotion and training; and development opportunities' (Smith 1998, p. 78). Interventions such as formal mentoring, active employment targeting, and family friendly practices have been recommended (Prasad & Mills 1997). Stage six assesses the effectiveness of this implementation phase on a personal, environmental, and organisational level. The final stage (stage seven), maintenance and measurement, determines whether cultural and workforce profile objectives have been achieved, and what improvements are required in future initiatives. From a business perspective, this is the stage that quantifies such productivity, growth, and profitability measures as retention statistics, cost structures, and employee morale (Smith 1998).

Despite the potential benefits, diversity initiatives in Australia remain largely driven by legislative requirements, applied primarily in large public sector organisations (eg. Education Victoria or Queensland Health) with very few studies on diversity in SMEs being available (Erwee & Innes 1998).

### **Legislative Framework**

Small and large city councils are subject to state and federal legislation (Srivastava, Deklin & Singh 1996). On a federal level, the most important legislation regarding fair and equitable employment practices are the Disability and Discrimination Act 1992, and the Equal Opportunity for Women in the Workplace Act 1999. Their purpose is to prevent discrimination on the basis of sex, marital status, pregnancy, or potential pregnancy, in recruitment, training, promotion, dismissal, and remuneration.

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There is state legislation affecting small and large city councils. The Anti-Discrimination Act 1991 identifies personal attributes such as sex, marital status, age, race, and impairment and details behaviours that are classified as discriminatory in relation to these characteristics. The Equal Opportunity in Public Employment Act identifies target groups for whom equal opportunity should be promoted, and discrimination against eliminated. These target groups are Aborigines or Torres Strait Islanders, people of non-English speaking background, women and people with a physical, sensory, intellectual or psychiatric disability. Employer actions in recruitment, selection, promotion, and transfer must be in accordance with the principle of merit. The Local Government Regulation 1994 identifies a number of benefits associated with equal opportunity employment and notes elements which are necessary in local government equal employment management plans (Local Government Regulation 1994 s16).

The greatest impetus for diversity management initiatives should come from internal policy documents, as benefits attributed to diversity management will not be achieved by compliance with legislative requirements. As such, corporate policy plays an important role in capitalising upon diversity in the workforce.

### **Strategy and Policy**

According to Prasad and Mills (1997) the impetus for managing diversity is entirely voluntaristic. However, the legislative requirements in Australia do not meet the definitive characteristics of diversity. Because of the voluntaristic nature of diversity management, the emphasis should not simply be on compliance with relevant legislation, but should see an extension of these principles. 'It therefore places the onus of achieving workplace diversity squarely on the shoulders of management in different organisations' (Prasad & Mills 1997:8).

Strategic planning and management methods are heavily implicated in organisations setting objectives above and beyond legislative requirements (see also Wiesner & McDonald 2001). Stone defines strategic planning as 'the determination of overall organisational purposes and goals and how they are achieved' (1998, p. 837). According to Dessler, Griffiths, Lloyd-Walker, and Williams (1999) three primary levels of strategy are typically formulated, especially in large organisations. In the case of Council X, the three major levels are the Corporate Plan, Operational Plan, and various Business Plans. The Council X Corporate Plan 2000-2004 serves to identify the corporate mission, and strategic objectives of the council for this period. The objective that pertains to the employment relationship, including diversity management, aims to 'develop an organisation that operates on best management and leadership principles' (Council X Corporate Plan 2000-2004). Of the six strategies linked to achieving this objective, none directly address diversity issues or awareness. This can be contrasted with the way in which a larger city council (Council Y), a leader in Australian diversity initiatives, has addressed the issue. One of the strategies for achieving their employment and career development objective is 'to ensure council is attracting, retaining, and developing employees with the diversity of skills, talents, and experiences needed for future business success' (Council Y Corporate Plan 1999-2003). This policy exhibits clarity and purpose in communicating the importance of diversity in strategic decision-making. Because such corporate policy provides the basis for subordinate policy documents, it is important for the ideals of workplace diversity and equity to receive specific attention.

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The Council X operational plan 2000-2001 establishes an important link between corporate strategy and organisational performance (see also Zheng 2001). For each corporate strategy, the operational plan details actions, performance measures, and branch responsibility. In relation to the strategies devised for achieving the corporate agenda, branch responsibility has been attributed to the people development department. From this demarcation of responsibility emerge the various business plans across the organisation. Included in such business plans is the People Development Plan which encompasses specific policy on recruitment, selection, training, development, (see also Wiesner and McDonald 2001) and, perhaps most importantly to this study, the EEO policy. While it is currently undergoing redevelopment, the current policy, the Equal Employment Opportunity Policy 1996, is simply a reinforcement of legislative requirements. Again this can be contrasted with equivalent policy from Council Y, their Workplace Equity and Diversity Framework 1999-2003. This policy document is a departure from traditional EEO thinking, providing business arguments for diversity, performance measures, targets, and detailed strategy for achieving equity and diversity. Council Y has demonstrated a commitment to achieving the voluntaristic management of diversity as purported in the literature. While Council X's previous policy can be seen as a more traditional approach, it has the opportunity to remedy this through a redesign of corporate objectives, and careful consideration of subordinate documents. Moreover, it can be seen that a systematic approach to diversity management including all aspects of organisational functioning, from policy formulation to programme evaluation, is necessary to achieve true workforce diversity.

### **Human Resource management in small companies**

In contrast to the discussion on diversity management in large organisations, some studies highlighting human resource management in small and medium enterprises will be noted to further contextualise the case study in a small city council.

Ritchie (in Harrison 1993) pointed to the growth of smaller businesses in Europe, the United States and the Pacific Rim and noted that these smaller firms differ greatly from each other in terms of their approach to strategy, their individual human resource profile and their willingness to embrace human resource practices. Zheng's (2001) research in Chinese SMEs tested the hypothesis that better Human Resource Management (HRM) will generally be associated with better performance. The better HRM outcomes, and the better enterprise performance, are achieved dominantly by Chinese SMEs who practise performance management and free market selection of staff. The worst enterprise performance and HRM outcomes lie in affiliated state-owned and collectively owned enterprises with cradle to grave social welfare benefits.

Wiesner and McDonald's (2001) literature review indicate that internationally there are studies in industrial relations in SMEs such as unionisation, award coverage and over-award payments, agreements, enterprise bargaining in SMEs and employee participation. Furthermore they cite studies of specific HR practices such as training, recruitment and retention, selection, teams in SMEs and performance appraisal in small private sector companies. Their study in Australia investigated the impact of organisational size, the presence of a HR manager and prevalence of a strategic plan on the uptake of HR practices in SMEs, as well as low unionisation, low employee participation and a low incidence of collective practices. One of their conclusions is that the Australian small business sector has been characterized by low uptake of human resource

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practices, little or no collective representation of employees and little or no employee participation. They note some factors that may have a negative effect on HRM practices. Although their research is the first *national* survey of HR practices in Australian SMEs, they did not specifically address diversity management or public sector companies.

### Workforce Profile: Council X case study

Workforce profiling is a legislative requirement, a general human resource practice and also purported as a powerful diversity management tool (Pollar 1998; Smith 1998). For the purposes of this research, workplace demographic information will be compared with community statistics on gender, age group, birthplace, and occupation of the Council X working labour force.

**Table 1 City labour force by gender**

Gender	Population	Percentage
Male	20021	55
Female	16556	45

**Table 2 City labour force by age group**

Age Group	Population	Percentage
15-19	3813	10
20-24	5394	15
25-34	8480	23
35-44	8566	23
45-54	6972	19
55-64	2870	8
65+	482	1

**Table 3 City population by birthplace**

Birthplace	Population	Percentage
Australia	72170	90.9
Oceania	1409	1.8
America	307	0.4
Europe	3754	4.7
Middle East	79	0.1
Asia	1350	1.7
Africa	294	0.4
Other	9	0.0

In this study, four research objectives are posited namely a) to determine whether Council X strategic policies and managerial practices comply with EEO legislative requirements and b) to identify if the Council X EEO policy and diversity management at Council X are linked to the overall Corporate Strategic Plan. Furthermore to determine c) to what extent the Council X workforce profile reflects the diversity of the community and d) to identify interventions that can be introduced to increase diversity awareness and practices within the Council X.

## **METHOD**

Due to the fact that the research objectives of this study require an assessment of numerical (eg. workforce profile) and non-numerical data (eg. diversity awareness), a combination of quantitative and qualitative research techniques is necessary (Hussey & Hussey 1997). The advantages of using quantitative techniques include objectivity and reliability. Qualitative research allows for greater flexibility, deeper understanding and has a high degree of validity (Flick 1998; Taylor & Bogdan 1998). Research objectives one, two, and four will be assessed using qualitative research and a variety of secondary data sources due to the attitudinal and perceptual complexity of issues involved. Due to its numerical focus, research objective three will employ quantitative data collection.

### **Data Collection Methods**

A depth interview (Burns & Bush 1998) was formulated to obtain the necessary qualitative information of legislation and policy familiarity and practices, and an analysis of diversity management and awareness. At the request of Council X, interviews of about forty-five to ninety minutes were conducted with senior and middle management throughout the organisation. Two members of the research team were present for each interview, one to interview, the other to record and observe. Each session was also recorded to cassette tape following interviewee consent. Each interviewee was also provided with a verbal brief on the study, and its objectives, prior to commencement and was free to terminate the interview at any time.

Quantitative data was gathered using a workforce demographics survey divided into three sections on employment details, demographic information, and Likert scales (strongly agree to strongly disagree) to obtain employee attitudes about employment opportunities. These surveys were distributed to all members of the organisation via the internal mailing system. Once completed, these were placed in sealed boxes provided to each section. To ensure anonymity, entries for the incentive, a thirty-dollar liquor voucher, were placed in a separate box.

Initially, the interview schedule was adopted from a questionnaire designed for a study of diversity within Education Victoria (Erwee 1997). This initial schedule was pre-tested with Human Resource Practices students from a university, the design was deemed inappropriate and the interview was redesigned, with a greater emphasis on specific research objectives. This revised schedule was again pre-tested with the Public Relations Officer of Council X. The demographic questionnaire was organised according to Australian Bureau of Statistics format to compare the internal demographics of Council X and the external community profile.

### **Sampling**

Council X employs eight hundred and fourteen (814) staff in four primary divisions: Corporate Services, Engineering Services, Community and Environmental Services, and Planning Services.

Different sampling methods were used for the qualitative and quantitative measures. The depth interview was conducted with eleven of the twenty-eight (11 of 28) branch managers selected by Council X to participate. These were chosen from each of the four (4) primary divisions: Corporate Services, Engineering Services, Community and Environmental Services, and Planning Services. The director of each of these divisions, and the chief executive officer were also interviewed. As such, a total of sixteen (16) depth interviews were conducted. This is natural, or convenience, sampling, and occurs where researchers have limited control over sample composition and it is an acceptable representation (39 percent) of the sample frame (Hussey & Hussey 1997).

In order to get an accurate representation of the Council X workforce profile and to maximize the response rate, a letter of support accompanied the survey from Council X management. However, of the eight hundred and fourteen (814) employees of the Council X, only three hundred and nineteen (319) replied (39 percent of the population).

The secondary data sources were population demographics information, legislation, and policy documents. The community profile is an important part of assessing how well the diversity of the local community has been capitalised upon by an organization and demographic information has been obtained from the 1996 census (Australian Bureau of Statistics publications 1996).

### **Data Analysis**

Qualitative data has been analysed in terms of specific research objectives. Quantitative data has been processed with the assistance of the statistical software package, SPSS. Such information will form the basis of the workforce profile and will be compared to community representation of key groups.

## **RESULTS**

Results in this section have been presented according to the research objectives. Two tables have been retained to illustrate the format of the data while all other tables are available from the authors. Top management and middle management responses have been separated for comparison purposes.

### **Objective 1: Determine whether the strategic policies and managerial practices comply with EEO legislative requirements**

In order to satisfy objective one, the knowledge and understanding held by Council X regarding legislation and policy issues had to be assessed, the way and extent to which it is implemented and used determined, and the attitude of managers toward whether Council X has established the status of equal opportunity employer identified (see Table 4).

**Table 4 Top Management understanding & knowledge of EEO Legislation**

Themes	Key Comments by Top Management
<ul style="list-style-type: none"> <li>• Council X is an Equal Opportunity Employer</li> <li>• Important part of Council X profile</li> </ul>	3/5 Strongly Agree; 2/5 Agree -Is about providing opportunities for people across a range of different skill levels, beliefs, abilities, religious backgrounds, not discriminating -Obviously we are aware of legislative responsibilities. Equal opportunity should go beyond the limited target groups
<ul style="list-style-type: none"> <li>• Familiarity with EEO and Anti-Discrimination Legislation</li> </ul>	4/5 Familiar to Very Familiar ; 1/5 Unfamiliar -Aware enough that if an issue arose would go and see what legislation or People Development says -Have large responsibility to organisation i.e. EEO officer

Table 4 indicates that top management at Council X views the organisation as an EOE and deems this an important part of their external profile. Furthermore, while four of the five senior managers suggest that they are familiar with the relevant legislation, they also attribute a great deal of such responsibility to the People Development department.

The research suggests that most middle managers feel that Council X is an Equal Opportunity Employer, and that this is a significant element of the council's profile in the community. However, it is also suggested that not all groups are represented as well as they should be. Again, most middle managers indicate familiarity with the legislation, but also communicate a reliance on People Development for specifics.

While senior management at Council X view EEO legislation as an important part of the employment relationship, they rarely refer to it. There is also consensus between senior management that training and development opportunities are available to all employees. Furthermore, the findings suggest that while policy is communicated, the way individual managers apply it varies between departments, and that more accountability is perhaps necessary for such diversity issues. Contribution to workforce diversity, however, does not feature on the list of factors that affect recruitment, selection and promotion within this group of people. The factors affecting recruitment, selection and promotion have been the internal promotion policy, the suitability of the applicant (merit), and the personality of the applicant in terms of fit with organisational culture.

Compliance and interpretation of legislation and policy amongst branch managers, and what factors are involved in recruitment, selection, and promotion were also analysed. It appears that middle managers perceive familiarity with EEO legislative requirements and Council X policy. Moreover, many of them feel that such principles are simply common sense. However, such statements as 'attitude is more important than legislation' indicate that perhaps familiarity is not as high as indicated. Again, it was suggested that general training and development opportunities within the council were available to all employees, and that a greater emphasis on appraisal is necessary, both in terms of diversity indicators and performance. Consistent with the views of

senior management, principles of merit, cultural fit, and personality have been implicated in recruitment and selection processes. Furthermore, the policy of promoting from within has again been identified.

**Objective 2: Identify if the Council X EEO policy and diversity management at Council X are linked to overall Corporate Strategic Plan**

Objective two is examined in terms of the current link between strategic planning and diversity management at the council, and perceptions of how important such a link is to the organisation. Results indicate that generally top management deems that the corporate plan places enough emphasis on the importance of EEO in the workplace. In contrast to senior management, middle management appears divided over whether the current corporate mission places sufficient emphasis on diversity management in the council. Another interesting difference is that a number of these branch managers do not recognise a need for such a link, and do not apply or understand the council’s corporate mission.

**Objective 3: To determine to what extent the Council X workforce profile reflects the diversity of the community**

The workforce demographic questionnaire included gender, age group, percentage born in Australia, and country of origin for those born outside Australia. This information has been categorised according to ABS standards, and is presented in the form of bar charts. Of the three-hundred and fifteen valid responses to gender, two-hundred and twelve (66.6 percent) were male, and one-hundred and six (33.3 percent) were female — see figure 1.

*Figure 1 Gender representation at Council X*

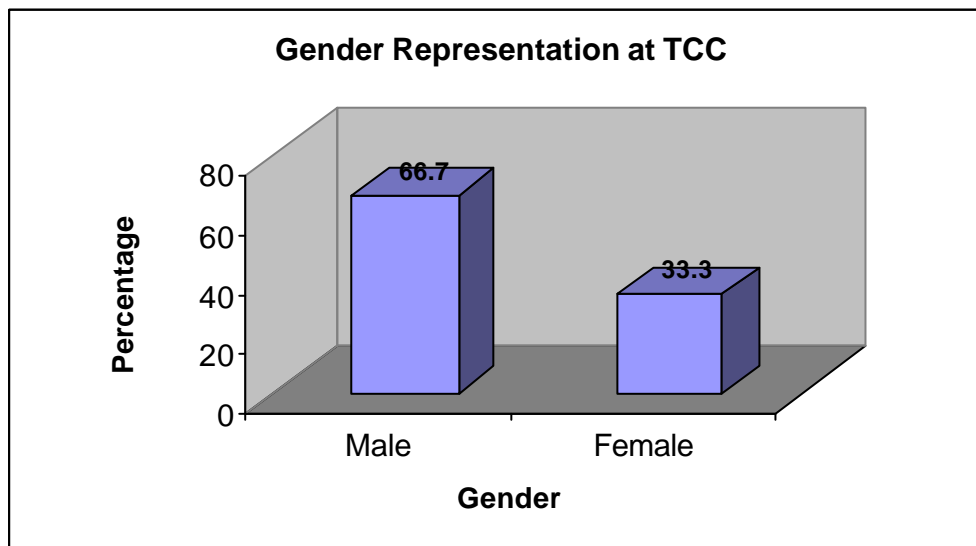


Figure 2 indicates that of the responses to age, seventeen (5.4 percent) were between fifteen and nineteen years of age, thirty (9.4 percent) were between twenty and twenty-four years of age, seventy-eight (24.5 percent) were between twenty-five and thirty-four years of age, one-hundred

and three (32.4 percent) were between thirty-five and forty-four years of age, sixty-six (20.8 percent) were between forty-five and fifty-four years of age, twenty-three (7.2 percent) were between fifty-five and sixty-four years of age, and one (0.3 percent) employee of Council X is sixty-five years or older.

**Figure 2 Age Distribution at Council X**

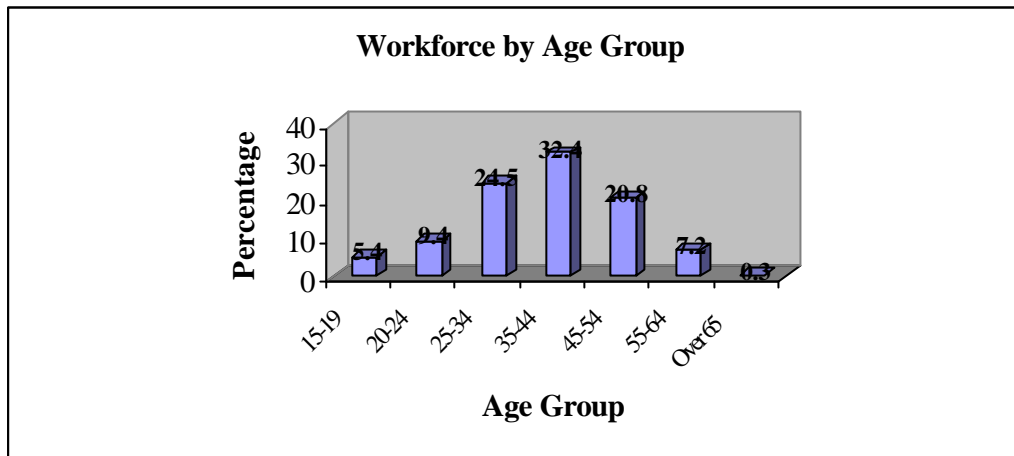


Figure 3 represents the percentage of the Council X workforce born in Australia, as opposed to those born overseas. Of the three hundred and sixteen valid responses, ninety-two percent indicated that they were born in Australia, and eight percent indicated that they were born overseas.

**Figure 3 Council X Workforce by Birthplace**

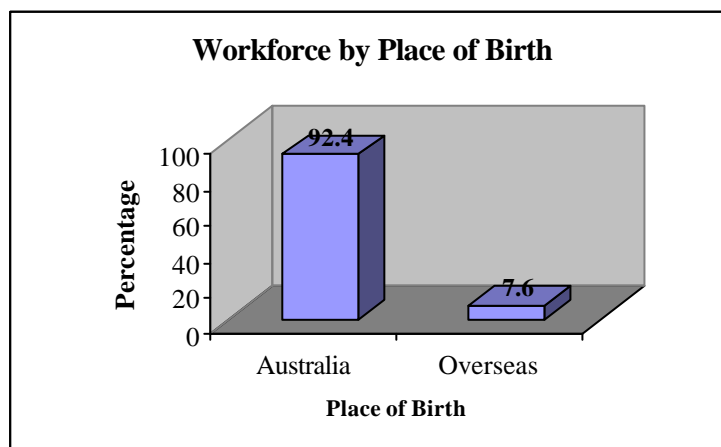
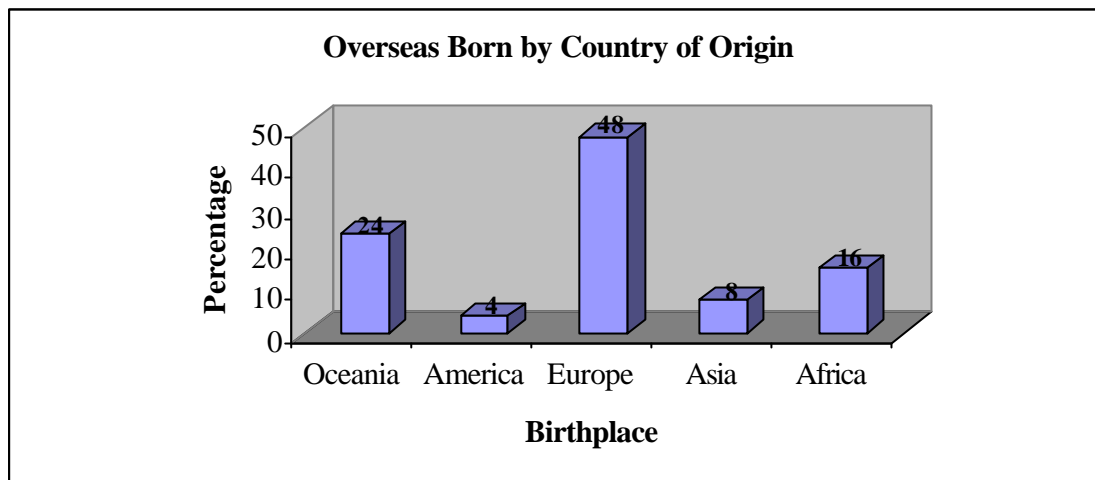


Figure 4 details the country of origin for those born outside of Australia. Of the twenty-five valid responses, twenty four percent were born in Oceania (New Zealand and the Pacific Islands), four percent was born in America, forty-eight percent were born in Europe, eight percent were born in Asia, and four (16 percent) were born in Africa.

**Figure 4 Overseas Born by Country**

**Objective 4: To identify interventions that can be introduced to increase diversity awareness and practices within the Council X**

The current level of awareness has been assessed, the perceived importance of such diversity awareness clarified, any difficulties attributed to diversity awareness examined, and potential interventions identified. Finally, attitudes towards the implementation of a diversity management programme must be gauged, and suggested diversity management interventions detailed.

Throughout the interview process, senior management at the council provided broad definitions of diversity. It has also been identified that true workforce diversity is reflective of the greater community. The respondents also showed a high degree of awareness of the current diversity status of the organisation. Greater divergence was evident in the level of diversity awareness among middle management. A broad range of conceptual awareness was evident in the definitions of diversity presented by branch managers. While a number of narrow definitions based on characteristics were provided, a significant number of managers also recognised the broader implications for diversity. Moreover, many of these middle managers identified that the more important element of diversity was the appreciation of such difference. The importance of skills and workforce profiling were also implicated. Furthermore, these managers identified an increased commitment to diversity within Council X, but were not as aware of current workforce characteristics as their senior counterparts.

Council X management has identified a number of advantages that can be attributed to diversity awareness. The most important benefits have been presented as an improved customer focus, flexible work options, a greater pool of human capital being available, improved cultural awareness, and improved productivity through more innovative approaches to work and problem solving. Despite this, they indicate that Council X is not committed to achieving targets, except in the case of ATSI and disabled employees.

The greatest disadvantages associated with diversity awareness, according to Council X management, are that it is costly to establish, can necessitate productivity sacrifices, and it can create tension and communication issues if the environment is not conducive. The proposed diversity awareness interventions detailed in table 14 have a definite focus on communicating the benefits of and strategic importance of such awareness, improved supervisor knowledge of the subject, and diversity awareness training.

The research further identified the perception that current investment in staff, especially in training, demonstrates the fact that all staff at Council X is valued. It suggests that Council X has serious reservations about the use of active targeting measures, but that it is the responsibility of all managers to improve upon the current homogeneity of the Council X workforce. Senior management do not understand the complexity involved in diversity management.

Table 5 Strategies for diversity management

Themes	Key Comments By Top Management
<p><b>Current Practices</b></p> <ul style="list-style-type: none"> <li>• Job sharing and flexible work hours</li> <li>• Communication and reinforcement</li> <li>• Development assistance</li> </ul>	<p>-Job share arrangements that have worked particularly well. -Flexible work hours - will cost Council X to go further, computer equipment etc. Most training is across the board, there are a number of opportunities related to women</p> <p>-Family friendly practices are too difficult within the hours of work. Through enterprise agreements, one can accrue recreational leave by working extra hours</p> <p>-Recreation leave, sick leave, bereavement leave, work from home. Workloads often make it impossible to use these flexible options</p> <p>-Start with CEO and executive team. They hold regular meetings with branch heads, and then filtered down to various levels of people accepting their responsibilities. One upper person will be there to reinforce plans to two levels lower, to give support to the person in between</p> <p>-Encourage professional and self-development study assistance programme; provide employees with time-off and monetary assistance.</p>
<p><b>Proposed Interventions</b></p> <ul style="list-style-type: none"> <li>• Skill assessment</li> <li>• Workforce profiling</li> <li>• Recruitment targeting</li> <li>• Training</li> <li>• Mentoring</li> </ul>	<p>-Skill based assessment for employees to identify areas in which skills aren't strong enough to meet a particular need.</p> <p>-Really need to look at what you have got within your workforce in comparison to what community representation is. Then looking at strategies for moving toward that without alienating current employees</p> <p>-Positive discrimination can be some intervention to improve the mix. Lot of the older workforce appears to be vulnerable (mid 40-50s).</p> <p>More encouraging of women, integrating family life into their careers</p> <p>-To be closer to diversity, put performance against performance target eg. If a target of 20% of managers will be women by 2005 are set and not achieved, then why? Should have active intervention in encouraging other minority in higher positions</p> <p>-Training people on the ground as well as managers, have to target managers. Has to be in everyone's job description and duty statements.</p> <p>-Leadership and empowerment training</p> <p>-Mentoring groups that are not well represented</p>

According to table 5, Council X currently facilitates diversity through providing flexible work options and job sharing, communicating a commitment to diversity, and encouraging self-development of all employees. However, according to a number of managers, while there are currently flexible work options available, these are not practical due to work requirements. Suggested improvements include skills assessment, diversity management training (especially for managers), formal mentoring for minority employees, and workforce profiling. Moreover, there appears to be division as to whether active targeting is appropriate.

## DISCUSSION

The first element of this research (*Objective 1*) concerns how policies and practices employed by Council X meet legislative requirements. The EEO policy 1996 has been derived directly from legislative requirements, but a number of aspects of formal policy affect employment equity in recruitment, selection, and promotion. These include reference to merit and personality in employment practices, a policy to fill positions from internal applicants wherever possible, and the extent to which Council X targets minority groups.

While there are no finite targeting requirements detailed in the legislation, the fact that legislation clearly prescribes the promotion of opportunities for such target groups implies a responsibility in this area. Council X currently targets such groups as ATSI and those with a disability, but such practices should be expanded to include all of those detailed as targets in the legislation, as well as those in which their current demographic composition is lacking.

One of the requirements of any EEO management plan is that an officer be appointed with specific EEO responsibilities and Council X has appointed a Staff Integration Officer. In contrast, the research by Wiesner and McDonald (2001) found that most SMEs did not have a designated manager whose principle responsibility covered human resource management and only twenty-two percent had a HR department.

Legislation also has provisions for monitoring compliance with legislation and workforce statistics, but there are no such procedures available for evaluating diversity issues at Council X. A number of middle managers have identified a deficiency in evaluative functions which contravenes employment based on merit as a requirement of the Local Government Regulation 1994. Also the fact that personality has been highlighted suggests a degree of subjectivity that could serve as a hindrance to equitable practices. Indeed, it is a departure from principles of merit and creates avenues for potential discrimination unless closely monitored. While the practice of recruiting for promotion from internal applicants is positive for personal career development, it could be an example of indirect discrimination. If a truly diverse workforce does not already exist, such a practice can ensure that minority and target groups are not represented in senior positions. In the Wiesner and McDonald (2001) study the most common aspect of performance appraisal in SMEs was the setting of objectives and, presumably, evaluating performance against goals set. Fewer than half of the respondent organisations used more complex appraisal systems such as rating scales, and very few employed narrative essay forms. The results suggest a heavy reliance upon management and supervisor control of appraisal functions within organisations, which can thus be transferred to the application of potential diversity management initiatives.

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The results of the Council X interview indicate that a significant proportion of middle management at Council X rarely refer to, and would be unable to apply, legislative and policy requirements. One of the requirements of the local government regulation is to ensure that the workforce profile reflects community characteristics. Due to the lack of detailed employee information currently available to the council, it is difficult to suggest that such requirements have been adhered to. Conversely, training and development opportunities are available to all employees in a non-discriminatory manner, which is compliant with legislation. Despite this, it can be proposed that strategic policies and practices are not entirely compliant with legislative requirements.

To address *Objective 2*, managerial perceptions of the need for a strong link between diversity management and corporate policy must be ascertained, beliefs about the sufficiency of the current link must be gauged, and the implications of comparative analysis with Council Y policy must be identified.

In Council X, in terms of knowledge about the corporate mission, senior management and middle management were able to identify the broad nature of this document, and its influence on the organisation through subordinate policy. Despite this, interviewees were divided as to whether the current policy places enough emphasis on workplace diversity. All senior managers and a number of branch managers see the current statement as providing a strong enough link to diversity management. However, it has been suggested that the corporate plan is neither understood nor applied by many managers throughout the organisation. The fact that many managers are not aware of policy directions suggests that sufficient emphasis and communication have not been present. Furthermore, a number of middle managers have explicitly stated that the corporate mission is deficient in relation to diversity and employment practices and low female representation have been proposed as evidence of this.

The literature suggests that policy should be used as a means of surpassing legal requirements (Prasad & Mills 1997). Furthermore, it highlights the importance of the corporate mission in determining the direction of policy, and thus organisational practices (Dessler et al. 1999; Zheng 2001; Wiesner et al 2001). The corporate plan of the Council X does not exhibit the same commitment and, as such, the 1996 policy goes little further than reinforcing legislative requirements. However, Council X has the opportunity to remedy this through the current redesign of the Equal Employment Opportunity policy and through a review of the corporate plan and strategic objectives of the council. Moreover, the current link between diversity management principles and the corporate plan is insufficient given the importance of equitable employment practices to the council's external profile, and its espoused commitment to diversity.

For *Objective 3* the Council X workforce composition was compared with community demographics in order to ensure that such diversity is being capitalised upon. This comparison has revealed that the Council X workforce is largely comparable with that of the general community. In terms of age groups, Council X has a significantly lower proportion of workers between the ages of fifteen and nineteen. Where ten percent of the city labour force is within this age group, just over half that proportion (5.3 percent) is present at Council X. The other significant difference in these tables is that while twenty-three percent of the community

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workforce is between the ages of thirty-five (35) and forty-four (44), the corresponding figure at Council X is over thirty-two percent (32.4 percent). However, other than these two age groups, the rest of the Council X workforce closely fits the city profile in terms of age groups.

In terms of birthplace, those born in Australia make up the vast majority of both the city labour force (90.9 percent) and that of the Council X (92.9 percent). Of those born overseas, the only significant differences are that Council X employs a higher proportion of Africans (16 percent) than are present in the city (4.1 percent), but is not as representative of the Asian contingent of the city labour force (8 percent as opposed to 18.7 percent in the community). The most striking difference, however, between the city community and the Council X workforce profile is in gender distribution. While women make up almost a half of the city labour force (45 percent), the female respondents to this research represent one third (33.3 percent) of the total number. As such, while Council X has achieved a majority fit in terms of cultural and age diversity, the representation of women is significantly lower than in the community and necessitates particular attention.

**Objective 4** of the research dealt with interventions that can be introduced to increase diversity awareness and practices. These practices can be contrasted to the results of the Wiesner and McDonald (2001) research on HRM in SMEs. They found a high level of adoption of recruitment practices, selection practices, training and development practices, performance appraisal practices, compensation practices, employment relations practices, communication practices and general HR practices. As expected, most SMEs did not have a designated manager whose principle responsibility covered human resource management and only twenty-two percent had a HR department.

In the Council X case, at the senior management level there is a sound knowledge of diversity according to narrow characteristics and an awareness of the benefits attributable to such diversity. However, diversity awareness among middle management is quite divergent, indicating that more diversity awareness training is necessary in this area. Moreover, many branch managers view the introduction of diversity management as an economic burden. Thus, not only is conceptual awareness lacking, in many cases the business case for diversity has not been communicated effectively. As such, it is essential for Council X to not only communicate a commitment to diversity awareness, but also to ensure that the advantages of such initiatives are understood, especially by management.

The establishment of a diversity council is pertinent in Council X to ensure that strategic objectives align with diversity management principles (Smith 1998), improve the ability of Council X to integrate diversity initiatives throughout the organisation, and serve to reinforce the commitment of organisational leaders. Currently, the staff integration officer is the only employee with specific diversity management objectives.

The collection of necessary culture and workforce profile information is deficient at the council. As such, conducting a comprehensive cultural audit, and developing a comprehensive workforce profile should become important elements of diversity management at Council X. Furthermore this leads to the formation of strategic diversity objectives such as target figures, benchmarking to compare policy and practices with diversity leaders, and the development of criteria on which

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workplace diversity can be assessed. Interventions that are currently in practice include flexible work options, literacy programmes, and personal development assistance. However, many managers at Council X have suggested that the nature of work conducted makes these inaccessible for the majority of employees. As such, their effectiveness is limited unless they can be made available to a larger proportion of the organisation.

At Council X, there are a number of diversity interventions that could improve diversity management. These include active minority targeting, training and education for the organisation as a whole, and management specific changes to the performance appraisal to reflect diversity principles, mentoring programmes for minority groups, and improved communication from senior management on the importance of diversity to the external profile of Council X, as well as the business case for effective diversity management.

The next stage of the process involves an assessment of how effectively interventions have been implemented. At this point, the diversity management task force must ensure that each of the proposed initiatives devised earlier have been introduced. The final stage of this process involves maintenance of the current programme, and measurement of its effectiveness. Indeed, this should be conducted in relation to changes to the organisational climate, again implicating the need for comprehensive workforce statistics and a cultural audit. Furthermore, changes to such performance indicators as performance appraisals, profit figures, productivity, and employee morale are important (Smith 1998). Such an assessment can be used to ensure the benefit of such diversity, as well as identifying any deficiencies in the programme for improvement in future interventions.

Some limitations to this study are for example the low response rate in terms of the workforce profile means that the findings may not be truly indicative of the organisation as a whole. As Council X does not have a Human Resource Information System (HRIS), there is no alternative avenue for obtaining the necessary workforce statistics. Finally, the scope of the research limits the depth and type of research conducted.

## **CONCLUSION**

The first important finding in the context of Council X is that while existing EEO policy is primarily derived from the relevant legislation, the council has not entirely met its regulatory requirements. In terms of policy, it has been determined that the current link is not sufficient for an organisation promoting itself as an equal opportunity employer. Moreover, the current link has led to less effective subordinate policy and organisational practices. While the response rate to the questionnaire was not as high as anticipated, the information gathered suggests that the Council X workforce profile is indeed reflective of the greater community. The main areas of concern, however, were the representation of women, Asian, and younger employees. A number of recommendations, with implications for both policy and practice, have been posited to assist the Council X in meeting and surpassing its legal obligations in order to capitalise on the diversity of the community. Some of the findings in this study contrasted with the results of the national survey of SMEs by Wiesner and McDonald (2001) and more investigation are needed into these aspects.

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### **Legislation**

Anti-Discrimination Act 1991 (Qld); Disability and Discrimination Act 1992 (Cwlth) ; Equal Opportunity in Public Employment Act 1992 (Qld); Equal Opportunity for Women in the Workplace Act 1999 (Cwlth); Local Government Regulation 1994 (Qld); Sex Discrimination Act 1984 (Qld).

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