Superdiversity Stocktake

Implications for Business, Government & New Zealand

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If you would like to know more about the Superdiversity Stocktake and the Superdiversity Centre’s work, please contact the Centre at: info@superdiversity.co.nz

Other publications of the Superdiversity Centre include: Superdiversity, Democracy and New Zealand’s Electoral and Referenda laws, 3 November 2015, funded by the NZ Law Foundation and also published on the Centre’s website.
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APPENDICES
Appendix Two – Literature Search on Challenges faced by Businesses Overseas

Australia

As at 2013, 27.7 per cent of Australia’s population was born overseas. A significant proportion of Australians identified as English (36.1 per cent) or Australian (35.4 per cent) in the latest Census. People of Irish, Scottish, Italian and German descent comprised 10.4 per cent, 8.9 per cent, 4.6 per cent and 4.5 per cent of the total population respectively. The Chinese and Indian communities were the largest Asian subgroups in Australia at 4.3 per cent and 2 per cent of the population. The Aborigine population in Australia is estimated to be 3 per cent. Western Australia, in particular, is seeing increased migration and superdiversity. It was reported in 2014 that Western Australia’s population now comes from every country in the world, speaks about 270 languages and identifies with more than 100 religious faiths. Sydney has the largest Asian community in Australia (18.97 per cent), followed by Melbourne (18.2 per cent).

Many of the diversity policies for Australian businesses place considerable emphasis on the recruitment of Aboriginal and Torres Strait Islander employees. Much of this is done in compliance with the Reconciliation Action Plan in order to provide opportunities to Aboriginal and Torres Strait Islander people.

In a study of medium-sized Australian hotels, researchers from the University of South Australia found that diverse workforces brought three main challenges, namely:

a. **Lack of English fluency** – Ethnically diverse employees were lacking in English language skills which had an impact at different stages of the communication process;

b. **Operational issues** – Operational standards and procedures in an Australian workforce were different to those in the employee’s home country; and

c. **Intercultural issues** – Difficulties in understanding ethnically diverse employee cultures and vice versa.

Indrawati Nataatmadi and Laurel Evelyn Dyson from the Sydney University of Technology have identified two main challenges in managing a culturally diverse workforce:

a. **People Management** – Ethnocentrism and the “glass ceiling” can hinder the process of capitalising upon cultural diversity;

b. **Knowledge Management** – Cross-cultural differences may prevent the transfer of knowledge and information within an organisation.

Other challenges cited by Australian businesses include reflecting the cultural diversity of contemporary Australia in recruiting newer ethnic groups who are unaccustomed to the Australian way of life and who may exist on the fringes of the community.

Workplace attitudes and perceptions of the benefit of diversity also represent a challenge to Australian businesses. A Leadership Management Australasia survey in 2012, which gathered 2,000 responses from 246 business leaders, 455 middle managers and 1,438 non-managerial employees in Australia and New Zealand, found that only 50 per cent of workers believed that diversity offers benefits to their company. Company leaders and managers were more likely to support ethnic diversity in the workplace, with only one-quarter of non-managerial employees supporting more cultural variety compared to 37 per cent of senior managers and 30 per cent of middle managers.

Australian businesses have also reported difficulties attracting and retaining diverse talent. Although 9.6 per cent of Australians reported having Asian cultural origins as at 2013, just 1.9 per cent of those in ASX200 senior executive positions reported having Asian descent, despite
being well represented in entry and mid-level positions.\textsuperscript{1458}

Attitudes towards the importance of diversity in the workplace are mixed. In a survey of Australian workplaces conducted by Hays Recruitment:\textsuperscript{1459}

\begin{enumerate}
\item 58 per cent of respondents said they would like to see more diversity in their workplace, 33 per cent were happy with efforts made to date, and 9 per cent felt that there were more important issues to deal with;
\item 68 per cent of employers said they were taking steps to create a diverse workforce; and
\item 66 per cent said they were committed to recruiting a multicultural workforce.
\end{enumerate}

Key findings from the 2012 \textit{Leadership, Employment and Direction Survey} of Australasian businesses found that while 66 per cent of leaders, 61 per cent of managers and 58 per cent of employees thought ethnic diversity is, and could be, beneficial for their organisation to a great or moderate extent, just 50 per cent of leaders, 50 per cent of managers and 48 per cent of employees thought that ethnic diversity was benefitting their organisation to a great or moderate extent. The authors of the study concluded that these results suggested that ethnic diversity in the workplace was tolerated rather than truly embraced.

### Canada

The latest Census results for Canada found that 20.6 per cent of the total population was foreign-born, with more than 200 ethnicities represented.\textsuperscript{1460} Canada's ethnic diversity is mainly centred in its largest urban centres. Vancouver and Toronto are especially diverse. Forty-six per cent of Toronto's population is foreign-born, followed by Vancouver at 40 per cent. Forty-three per cent of Vancouver residents identify as having Asian heritage (predominantly Chinese, Indians and Filipinos), and 35 per cent of Toronto residents are of Asian descent. Seventy per cent of all recent immigrants to Vancouver originated from Asia as at 2011. Aboriginal people make up just 4.3 per cent of the population. Eight out of 10 Aboriginal people live in Ontario and the western provinces, and 56 per cent of Aboriginal people live in urban areas.

An article from Globoforce looks at the challenges Canada will face from changing workforce demographics:\textsuperscript{1461}

The second way Canada is making up for a shortfall in workers is in the influx of skilled immigrants into the workforce. In fact, Statistics Canada predicts that immigrants will account for 80% of population growth by 2031. In 1991, fewer than one out of every five workers were born outside Canada. By 2031, that number is expected to be closer to one in three. All of this means intense cultural change in the workplace, as Canadian organisations must account for new diversity in languages, customs, and tastes in order to maintain growth and build a single, functional, company culture.

A report by the Royal Bank of Canada from 2005 identifies several superdiversity challenges from a Canadian perspective:\textsuperscript{1462}

\textit{...Canada's track record on successfully integrating immigrants is slipping. On average, immigrants arrive in this country better educated, in better health, and at similar stages of their careers as those born in the country, but the evidence suggests that during the past two decades, they have been much less successful in achieving success than earlier waves of immigration. Immigrants are having a harder time reaching Canadian income levels than was true in the past, in part because we have cut back on programs that help immigrants adjust, and in part because many immigrants have difficulty gaining recognition for the education, skills and work experience they bring with them.}

Other challenges identified as being faced by visible minorities in the Canadian labour market include:\textsuperscript{1463}

\begin{enumerate}
\item Recognition of credentials and experience;
\item Lack of money and computer skills;
\item Loss of self-confidence;
\end{enumerate}
d. Language (for example, a lack of French and/or English skills);
e. Lack of workplace integration and diversity programmes in the workforce;
f. Systemic obstacles; and
g. Discrimination and racism, including unconscious bias.

Managing linguistic diversity has been identified as a concern for the Canadian workforce (particularly given its official bilingual status), and whether English-only policies should be adopted in the workplace.  

In addition, despite the increase in diversity and cultural competence initiatives in Canadian businesses and organisations, these strategies have done little to address institutional racism in the workplace, and their impact has been limited in terms of retaining visible minority employees. While Canada’s regulatory laws (for example, reporting requirements around diversity initiatives and policies) often serve as the impetus for organisations’ initial diversity and inclusion efforts, a 2014 Deloitte study on the current state of diversity and inclusion in Canadian workplaces found that this did not necessarily translate to a collaborative and inclusive workplace that embraced diversity. Further:

- Four per cent of respondents reported that their workplace was largely homogenous with limited diversity, and still only valued the majority culture; and
- Around 24 per cent of respondents had only achieved minimal compliance, and viewed diversity as a problem to be resolved, with a focus on affirmative action goals.

Nearly half of the respondents indicated that their organisation had only started focussing on non-compliance, diversity and inclusion efforts within the previous five years, and 66 per cent of Canadian organisations either did not have a diversity or inclusion function at all, or had such a function staffed solely with volunteers.

**United Kingdom**

Unlike other countries analysed in this study, the United Kingdom has no native indigenous population. It does, however, have a very high level of ethnic diversity – in part attributable to its once expansive colonial empire.

One in eight of the workforce in the United Kingdom belongs to an ethnic minority group, and one in four primary and secondary school students are from an Asian, black or other ethnic minority background or heritage. London, in particular, has an extremely ethnically diverse population. At the 2011 Census, London had a population of 8,173,941, of which only 44.9 per cent were “White British.” Around 37 per cent of the population were born outside of the United Kingdom, including 24.5 per cent born outside of Europe.

Ethnic minority groups in England and Wales have a history of lower rates of employment and higher rates of unemployment than the majority white population. Based on 2011 Census data, white ethnic groups (with the marked exception of the gypsy and Irish traveller groups) were in a more advantaged position in the labour market compared with other ethnic groups.

The differing experiences of different ethnic subgroups make it difficult to isolate the employment challenges faced by ethnic minorities in the United Kingdom. For example, the employment and pay rates of Indians and Chinese are broadly similar to white Britons, whereas those identifying as Caribbean, African, Pakistani and Bangladeshi have much lower employment and pay rates. Unemployment rates among Pakistani and black Caribbean men were one-and-a-half times and three times the rate for white British men respectively.

Low human capital (lack of qualifications, skills and work experience) is regularly cited as a barrier to entry into employment for ethnic minorities in the United Kingdom, particularly for Pakistani, Bangladeshi and black Caribbean communities. However, this is not the case for all minority ethnic groups. In fact, the 2011 Census data showed that people from ethnic minority groups were generally more likely than white British people to have degree level qualifications or equivalent. The groups with the highest proportion of people with degree
level qualifications were the Chinese (43 per cent), Indian (42 per cent) and black African (40 per cent). Pakistani, Bangladeshi, and black and white Caribbean groups were less likely than white British people to have degree level qualifications or equivalent.\textsuperscript{1473}

As with Canada and Australia, lack of English proficiency is also a key employment challenge for some ethnic groups in the United Kingdom, despite English proficiency generally being very high throughout the United Kingdom. The 2011 Census data revealed that, in England, 91.9 per cent of people spoke English as their main language, 6.4 per cent were proficient in English, and only 1.7 per cent were non-proficient. For those that were less proficient in English, however, a report by the Office of National Statistics notes that:\textsuperscript{1474}

*People who were non-proficient in English had a lower employment rate (48.3%), and were more than three times as likely to report no qualifications (46.2%) as those with English as their main language. People non-proficient in English were also most likely to work in elementary, machine operative and skilled trades occupations.*

Unconscious bias or perceived discrimination in the workplace is widely considered to be a key reason for persistent disparity in employment progression and success between ethnic and white British workers.

In 2011, the organisation Business in the Community commissioned research on this issue and published the report Race to Progress: Breaking Down Barriers.\textsuperscript{1475} The report was based on responses to a questionnaire completed by 1,557 full-time employees from eight ethnic groups within the United Kingdom, including white Britons. The research found that ethnic minorities saw the following as key barriers to career advancement:

\begin{itemize}
  \item \textit{Unfair recruitment} – Of those surveyed, about 35 per cent said that they felt they had been treated fairly in the recruitment process.\textsuperscript{1476} Research conducted by the Department for Work and Pensions found that racial discrimination was evident in recruitment practices in relation to all minority ethnic groups in the United Kingdom.\textsuperscript{1477} That research found that, while 68 per cent of “British” applications received a positive response, only 39 per cent of “non-white” applications did. Those with Pakistani and Bangladeshi names received a response rate of just 21 per cent.\textsuperscript{1478}
  \item \textit{A lack of support or poor relationship with their manager} – Of those surveyed, 29 per cent of African workers, 32 per cent of Caribbean workers and 21 per cent of Pakistani workers felt that they did not have the support of their managers. This compared with just one in 10 white British employees.\textsuperscript{1479}
  \item \textit{Racial discrimination in the workplace} – A quarter of African workers and one in seven Caribbean workers said they had been unfairly treated in the workplace because of their ethnicity. This contrasted with one in 100 white British employees (1 per cent). Nearly a quarter of African employees (23 per cent) cited discrimination over their accent.\textsuperscript{1480}
  \item \textit{Lack of promotions} – The research found that, while white British workers were the least motivated by promotion, they received the highest number of promotions, with an average of almost four promotions during their careers. However, African, Indian and Pakistani employees have been promoted an average of just 2.5 times.\textsuperscript{1481}
\end{itemize}

The existence of such barriers has been confirmed in recent research commissioned by the United Kingdom’s Civil Service into the progression in the Civil Service of staff from “BAME” (Black, African and Minority Ethnic) backgrounds.\textsuperscript{1482} The report found that:\textsuperscript{1483}

\textbf{Current cultural and leadership climates are the main barriers to the progression of talented BAME staff within the civil service.}

BAME staff across all levels of responsibility do not feel they work for an organisation that is open, fair and inclusive. Lack of BAME role models at senior civil service (SCS) level is demoralising for those who are committed to a career in the Civil Service and want to progress. They see a leadership that is not diverse and perceptions of an “old boys club” persist. Many feel it is still the case that progression is based on whether “your face fits” and this does not equate to an organisation that is committed to and values diversity. The lack of an explicit, clearly and
consistently communicated diversity and inclusion strategy compounds the view that the Civil Service is not committed to ethnic diversity. Unconscious bias and discrimination persists which can block the progress of talented BAME staff and means there is not always equal access to promotions, projects, senior leaders and secondments. All of this limits the aspirations and success of BAME staff. The Performance Management Review is particularly criticised and is seen to disadvantage BAME staff, who are more likely to be scored “not met” in their reviews with often little objective feedback as to why.

Finally, concerns have been reported over the lack of opportunities and lower levels of managerial support in businesses that are BAME-managed. Given the low rates of ethnic diversity among senior employees in United Kingdom’s top companies, this presents a challenge. The Green Park Leadership 10,000 report,\textsuperscript{1484} which looked at the ethno-cultural diversity across the 10,000 most senior employees operating within the Financial Times Stock Exchange 100 Index (“FTSE”),\textsuperscript{1485} found that most important firms in the United Kingdom have a deep “diversity deficit”. The report found that:

\begin{enumerate}
\item Overall, the top leadership of the FTSE100 remains white and male, with just 10 of the top three posts (Chair, CEO or CFO) held by ethnic minority leaders.
\item Fifty-three companies show no minority presence at all amongst their top 20 leaders. Excluding non-executive directors, 65 companies have no ethnic or cultural minority presence. In effect, two out of every three FTSE100 companies have an all-white executive leadership.
\item Ethno-cultural diversity varies substantially by industrial sector and by level of seniority.\textsuperscript{1486}
\end{enumerate}
Four of the respondents chose not to answer this question.

71.6 per cent of respondents were born in New Zealand and 8.33 per cent gave an unclear answer.

Seventeen respondents did not provide an answer to this question.

Eighteen respondents did not provide an answer to this question.

There was a large drop-off response rate for this question, as 52 of the participants did not answer this question.

Twenty-three respondents did not answer this question.

Twenty-eight respondents did not answer this question or, otherwise, deemed it inapplicable to their circumstances.

Twenty participants did not answer this question.

Twenty participants did not answer this question.

Twenty-three participants did not respond to this question.

Twenty-four respondents skipped this question.

Where respondents identified with more than one ethnicity, this was recorded once under each applicable ethnic group.

Fifty-five respondents did not answer this question.

10.6 per cent said that this question was not applicable, as they did not employ diverse staff.

Fifty-eight respondents skipped this question.

Sixty respondents did not answer this question.

Fifty-nine respondents did not answer this question.

Seventy respondents skipped this question.

Percentages were calculated from the total number of businesses that had experienced challenges.

Two respondents skipped this question.

Five respondents skipped this question.

One respondent did not answer this question or the following questions.


K Robertson “Western Australia now experiencing ‘super diversity’” PerthNow (online ed, 7 June 2014).

See Reconciliation Australia “What is the RAP Programme?” <www.reconciliation.org.au>.

A Manoharan Two Sides of the Same Coin: Benefits and Challenges of Employing an Ethnically Diverse Workforce in Australian Hotels (ANZAM, 2013).


Leadership Management Australasia Leadership, Employment and Direction (LEAD) Survey (June 2012) at 11–14.


D Jacobsen What the World Will Learn from Canada About Workplace Diversity and Sustainability (Globoforce, 22 January 2014).


See D Nider “Racism in the Workplace: Challenges facing Visible Minorities in the Workplace” (presentation to Human Metropolis British Columbia E-Symposium, British Columbia, 14 April 2010). See also RBC Economics Immigrant Labour Market Outcomes in Canada: The Benefits of Addressing Wage and Employment Gaps (December 2011); The Diversity Institute in Management and Technology Peel Immigration Labour Market Survey Findings (December 2009); The Conference Board of Canada Immigrants as Innovators: Boosting Canada’s Global Competitiveness (October 2010).

B Kreissl “Language in the workplace” Canadian HR Reporter (online ed, 7 June 2011).


"White British" is an ethnicity classification used in the United Kingdom’s 2011 Census.

ESRC Centre on Dynamics of Ethnicity (CoDE) Ethnic Inequalities in Labour Market Participation? (September 2013, University of Manchester).

ESRC Centre on Dynamics of Ethnicity (CoDE) Have Ethnic Inequalities in Employment Persisted Between 1991 and 2017? (September 2013, University of Manchester).


ESRC Centre on Dynamics of Ethnicity (CoDE) How are Ethnic Inequalities in Education Changing? (March 2014, University of Manchester).

SRC Centre on Dynamics of Ethnicity (CoDE) How are Ethnic Inequalities in Education Changing? (March 2014, University of Manchester). See also S Burgess Understanding the Success of London’s Schools (Working Paper No 14/333, October 2014, Centre for Market and Public Organisation, University of Bristol).

Office for National Statistics People who could not speak English well or at all had a lower rate of employment (2014).

Business in the Community Race to Progress: Breaking Down Barriers (Based on data collected by Relish Research, June 2011).

Business in the Community Race to Progress: Breaking Down Barriers (Based on data collected by Relish Research, June 2011) at 22.


Business in the Community Race to Progress: Breaking Down Barriers (Based on data collected by Relish Research, June 2011) at 18.

Business in the Community Race to Progress: Breaking Down Barriers (Based on data collected by Relish Research, June 2011) at 16.

Business in the Community Race to Progress: Breaking Down Barriers (Based on data collected by Relish Research, June 2011) at ch 2.

Civil Service Identifying and Removing Barriers to Talented BAME Staff Progression in the Civil Service (Ethnic Dimension, Research and Consultancy, 2014).

Civil Service Identifying and Removing Barriers to Talented BAME Staff Progression in the Civil Service (Ethnic Dimension, Research and Consultancy, 2014) at 4 (emphasis added).


The FTSE100 is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalisation.

The most ethno-culturally diverse sectors at top 20 level are natural resources and industrials. At the top 100 level, the best performers are telecoms and banking/finance. For ethno-cultural diversity, the least diverse sectors at top 20 level are utilities and engineering, with engineering and transport the least diverse sectors at top 100 level. Professional and support services appear to be relatively non-diverse on every measure.


These are (as at 7 September 2015): Amharic, Arabic, Burmese, Cantonese, Dari, Farsi, Filipino, French, Hindi, Japanese, Kirundi, Kiswahili, Korean, Kurdish, Mandarin, Russian, Samoan, Sinhala, Spanish, Taiwanese, Tamil, Urdu and Vietnamese.


Auckland Regional Migrant Services "English Language Advisory Service" <www.settlement.org.nz>.


New Kiwis <www.newkiwis.co.nz>.

New Kiwis <www.newkiwis.co.nz>.


See Office of Ethnic Affairs "Weaving New Zealand’s Future (October 2012) at 17.


See Office of Ethnic Affairs "Weaving New Zealand’s Future (October 2012) at 17.

These languages were as follows at the time of writing: Dari, Pashto, Arabic, French, Samoan, Spanish, German, Bengali, Nepali, Bosnian, Croatian, Serbian, Portuguese, Bulgarian, Khmer, Mandarin, Cantonese, Cook Islands Māori, Amharic, Hindi, Russian, Gujarati, Punjabi, Tamil, Urdu, Indonesian, Farsi, Assyrian, Kurdish, Japanese, Korean, Lao, Myanmar (Burmese), Niuean, Filipino, Somali, Sinhalese, Thai, Tokelauan, Tongan, Tuvaluan, Ukrainian and Vietnamese.


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