

Those who move quickest will access the best talent

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In spite of looming skills shortages and declining productivity, Australia's leading corporations continue to "under-utilise" diversity groups to source talent and leverage their brand, say the authors of a new report.

The latest RossJuliaRoss Diversity Research Report shows 67 per cent of ASX 300 corporations have no *practical* policies in place to actively support the promotion of women to senior executive roles, and more than half have a team of directors that is less than five per cent female.

Most organisations surveyed now have a "meaningful proportion" of employees from different cultural and linguistic backgrounds, but indigenous Australians and workers with disabilities also remain under-utilised.

In regard to the proportion of females on boards and in senior management, Australia "certainly seems to be deteriorating in our rankings against modern competitive economies", says RossJuliaRoss group marketing director Caroline Vickers-Willis.

"And it would seem to me that a logical explanation... is simply that people who are leaders in organisations are not making it an organisational priority.

"Perhaps in the past couple of years there has been more of a need - or a perceived need - to focus on immediate revenue and economic based issues as opposed to more strategic long-term issues," she says.

But by taking advantage of the "full breadth of talent that isn't been accessed", Australian companies can improve their competitive position and productivity, Vickers-Willis says. "And whether it's indigenous candidates, whether it's older people, whether it's younger people, whether it's females - those who move the quickest will access the best talent," she says.

Choose innovation now or be run-of-the-mill tomorrow

Employers that act early will be seen "as leaders and innovators" and will have a competitive edge rather than "just doing it because everyone else is doing it", Vickers-Willis says.

"I think if 20 per cent of ASX 300 companies came out and said, 'We have implemented a new, productive program so that our workforce, our executives and our board better represents the population, and this is what our policy specifies, and this is how it is going to be implemented' ...and 20 per cent came out and did it in two years, the 20 per cent who do it now are going to get a jump on everyone else," she says.

"They will access the talent that's there now [and] get their reputation and brand promise elevated... before it becomes run-of-the-mill."

The failure of organisations to reflect the diversity of the Australian population is also a failure to represent and engage with the country's broad consumer marketplace.

"For example, if you're an organisation where 30 or 40 per cent of your decision makers [involved in] purchasing the product are female, and you've only got five per cent of females in your executive team, you are going to experience a gap between where your company's going and what your marketplace needs," she says.

"Organisations whose workforces and leadership teams more actively reflect their consumers will be more successful, in my view, in aligning their competitor strategy with their marketplace's needs."

HR managers are not the problem, "the blockage" is higher up

"I've never met an HR manager who is resistant to workforce diversity or leadership diversity," says Vickers-Willis. "I think the HR managers are really putting their best foot forward in this area... I think

the blockage is at more senior levels."

With the retirement of baby boomers fast-approaching, and the labour market becoming increasingly mobile, executives without diversity policies need to consider how they will remain competitive.

Senior executives have a responsibility "to manage the company successfully today and also position it well for the demands and competitive pressures of tomorrow", Vickers-Willis says. "And in failing to access the full breadth of talent available to them, they need to ask themselves whether they are meeting that obligation fully."

Employers should consider active mechanisms for better utilising diversity groups, such as introducing quotas, and fast-track programs for talented key executives or young workforce members who have been "earmarked" for future opportunities, she says.