

Why are diversity, inclusion and transgender issues in the news so much?

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Every week, it seems, newspapers and business newsletters report on the latest research findings on Diversity and Inclusion (D&I). This is a hot topic in Australian business and academia because the benefits of D&I in recent years have been extensively investigated, with results consistently showing that organisations are more successful if they implement D&I effectively.

Unfortunately, it has taken many years for these results to be understood and accepted. Many reputable organisations (e.g. BHP, McKinsey, PWC, Deloitte, Credit Suisse, Diversity Council of Australia and Boston Consulting Group), have produced undeniable evidence of the benefits. A new 2022 study by Realindex found that more diverse executive teams create better performance outcomes, drawing on a global data set spanning more than 30 countries and over 2,500 large cap companies covering a time period of more than 10 years.

So the evidence is clear. The benefits of D&I include improvements in all of the following:

- attraction and retention of talent
- decision making and enhanced internal and external communication
- work productivity through a happier workplace and more engaged staff
- creativity, innovation and more creative solutions to business problems
- organisational performance and improved financial results
- customer satisfaction through better product/service design and delivery
- market share and business success.

In its 2020 Diversity and Inclusion Report, BHP found their most inclusive and diverse teams have:

- 67% fewer recordable injuries
- a 21% higher sense of pride, and
- 28% lower unplanned absence rates

What does diversity mean? Diversity is the mix of people in an organisation.

What does inclusion mean? Inclusion occurs when people feel, and are, valued, respected and integrated into an organisation.

The Diversity Council of Australia's model of Inclusion covers 4 elements: staff are Connected, Respected, Contributing and Progressing.

Why are diversity and inclusion usually lumped together? Because diversity is more about facts, i.e. the numbers and types of different individuals in an organisation, whereas inclusion refers to the acceptance of differences between people and the resulting engagement and motivation of all staff, regardless of their differences. Inclusion enables organisations to reap the benefits of diversity and these two characteristics are complementary to each other. Inclusive teams and organisations will be more successful in the medium and long term, but they will be more uncomfortable for members than if they were in a homogenous group because reaching consensus on decisions will take longer.

One of the more obvious issues in D&I is gender. Gender is a complicated subject and is also more prominently featured in today's media and business magazines than years ago. In particular, there has recently been lots of media coverage about transgender people and associated issues like relevant legislation. To understand why this has happened, it's important to realise that it is no longer acceptable or accurate to assume that everyone can be classified into the binary categories of male and female (despite government departments and others still doing this). Gender can no longer be regarded as a binary characteristic of all people.

Here are some definitions:

- Cisgender describes a person whose sense of personal identity and gender corresponds with their birth sex
- Transgender describes a person whose sense of personal identity and gender does not correspond with their birth sex.

The common acronym LGBTIQ+ describes other categories of gender identity:

- Lesbian
- Gay
- Bisexual
- Transgender
- Intersex
- Queer/Questioning
- + covers all other gender identities.

LGBTIQ+ is generally used as shorthand for a longer acronym which could include other categories like A for Asexual.

The T transgender identity typically covers three general categories of people:

- those who genuinely believe they are in the wrong body and want to do something about it
- those who are unsure about whether they are in the wrong body and are exploring the issue
- those who are not transgender but say they are in order to distinguish themselves from their peers and others for various reasons of their own.

There has been a lot of recent publicity about trans women in elite sport, and this is a complex and controversial subject.

It is important to ensure that anyone who says they are transgender is treated with respect and dignity and assumed to be genuine in their claim. Many organisations have experienced a staff member saying that they are transgender and wish to transition from male to female or vice versa. The more the organisation is prepared for this with detailed plans and sympathetic management, the better it will handle the matter, the better it will be for the individual involved and the better it will be for other members of the organisation.

Managements need to actively implement diversity by removing typical barriers in recruitment and promotion decisions like conscious and unconscious bias, e.g. men hiring men through in-group bias. A successful organisation's future requires it to hire the most talented people from the whole pool of people available. In the current "war for talent", a positive reputation as an "employer of choice" is critical.