

The Future of Workplace Inclusion

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Foreword

We need to be courageous and challenge the status quo to be at the cutting edge of diversity, equity and inclusion for the benefit of the Australian innovative medicines industry.

Australia is a vaccinated nation and in a fortunate position to be considering our 'return to the workplace' and how we blend new work practices with established ways of working. The entire innovative medicines industry is incredibly proud to have played a key role in facilitating this outcome which demonstrates the valuable contribution of our sector and the many healthcare solutions our companies deliver to the Australian economy.

Just as our industry had to adapt and respond to the threat of the pandemic, people and organisations also had to adapt more quickly and completely. COVID-19 has, for the first time, elevated the importance of the physical dimension of work. The adoption of hybrid working accelerated many organisations from striving for work-life balance to becoming accustomed to 'work-life integration'. The stresses of COVID-19 and the broader societal impacts of the virus increased the role of employers who were presented with a unique situation supporting their colleagues' physical, mental and social well-being.

With employee well-being front of mind, creating work practices, and workplaces that allow every colleague to feel safe, respected and connected to the business purpose has never been more important. Inclusivity is the foundation of every topic related to equity and impacts all aspects of an organisation. Inclusive workplaces are key to strengthening talent attraction and retention; and creating conditions that bring out the best in all people. As this whitepaper demonstrates, colleagues who experience an inclusive workplace are 4 times less likely to leave their job in the next 12 months.

What makes the medicines industry a great place to work is that we embrace learning and new thinking. We are not afraid to make courageous decisions and we are committed to continuously improving.

PAIG has been a fantastic vehicle for this, and it has been our privilege as a steering committee to witness the journey that our member organisations have been on since PAIG was founded in 2017. We are privileged to have a diverse PAIG member base – from large multinational pharmaceutical companies to smaller, agile, innovative medicines businesses, each bringing their own unique perspective on how we can collaborate and grow to create an Australian pharmaceutical sector in which everyone may thrive. PAIG has provided a forum for us as a sector, united by a common purpose, to come together, share insights and challenges and embrace new ideas about how we can individually and collectively provide a more equitable and harmonious work environment.

This whitepaper highlights the insights and outcomes of the work undertaken by our sector as part of members' PAIG participation. It also looks beyond our industry to understand best diversity, equity and inclusion practises and, where applicable, embrace or adapt these practises for the benefit of our sector. PAIG membership is an indicator of the commitment member companies have to the principles of diversity, equity and inclusion, not only for their organisation but for the ecosystems in which we operate. Without a doubt there is always more that we can do, and this will require diverse and inclusive leadership at every level of our organisations.

We look forward to progressing on this journey with PAIG member companies and embracing diversity, equity and inclusion as a strength of the medicines industry. Together we can build a robust, modern and attractive industry in which everyone can thrive, which attracts and retains the best talent and is an industry for which we can be justly proud.



Anne Harris

Managing Director
Pfizer Australia and
New Zealand



Chris Stemple

Vice President and
General Manager
AbbVie



Elizabeth de Somer

Chief Executive Officer
Medicines Australia



Kathy Connell

Senior Director
External Innovation Partnering, ANZ
Johnson & Johnson Innovation

Executive Summary

The Pharma Australia Inclusion Group (PAIG) is special interest group of Medicines Australia. It was established in 2017 to build a more inclusive industry where all people are equally valued, rewarded and thrive. Originally named PAGE (Pharma Australia Gender Equity), the group evolved in 2020 to reflect a broader focus on diversity and inclusion.

Like many other projects, PAIG had to contend with considerable change and uncertainty in 2020. The COVID-19 pandemic forced the pharmaceutical industry to evolve how we work and interact with colleagues. 2020 also saw the rise of social justice movements including Black Lives Matter and Aboriginal Lives Matter that gained global prominence and shone a light on racial diversity and questioned what Australian companies are doing to bridge the gap for First Nations peoples.

A key focus for PAIG in 2020 was ensuring sessions could be adapted to this 'new normal' and that members companies would be able to participate in a fulsome program that was topical and insightful while balancing the risk of 'virtual fatigue'.

Member companies embraced this new program, shared their challenges, learning and innovative practice and sought to learn as much as they could about how to support their employees through this extraordinary time. Now the group has a shared interest in understanding how to embed new practices and ideas and blend with established ways of working to create dynamic inclusive and supportive workplaces going forward – hence this whitepaper.

A range of sources from within PAIG member organisations has informed the development of this paper including, one-on-one discussions with leaders, an anonymous virtual focus group with members' employees and desktop review of a selection of primary and secondary research. These sources elicited five main thematic that encompass considerations describing the future of workplace inclusion:

- Connecting purpose to practice
- Amplifying the impact of inclusive leadership
- Attracting, developing and retaining diverse capabilities
- Applying an intersectional lens to segmented efforts
- Embracing new ways of working

Based on these thematic, eight core recommendations are made to support PAIG's focus on the future of workplace inclusion in the areas of strategy, execution and impact, and governance as follows:

STRATEGY

1. Link to the business (commercial and culture) strategy
2. Measurable objectives and leaders' accountability for change
3. Intersectional inclusion via a focus on outcomes, not siloed segments

EXECUTION AND IMPACT

4. Focus, leadership and communication
5. Creating Belonging, Valuing Uniqueness, Addressing Bias
6. Proactively Recruiting for Diversity – Collective and Local Efforts

GOVERNANCE

7. Data and Analytics
8. Architecture and Oversight



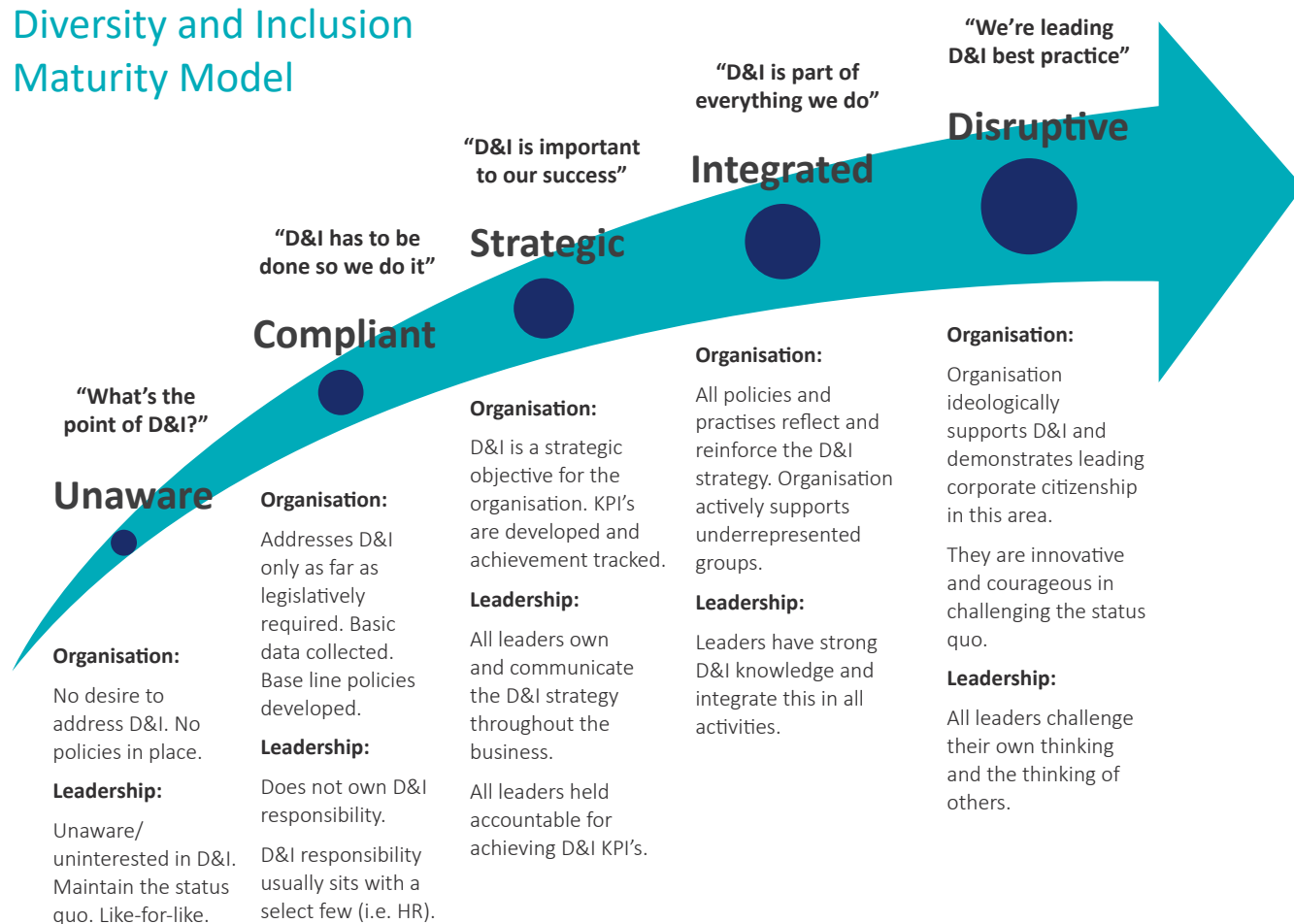
“ The COVID-19 pandemic forced the pharmaceutical industry to evolve how we work and interact with colleagues. ”

PAIG Diversity and Inclusion Journey

At the end of 2019, PAIG set their ambition to create a Medicines industry where everyone thrives. The focus was broadened from the focus on gender to exploring the broader inclusion and diversity issues. PAIG sought a partner to design, deliver and manage the 2020-2021 program to help the PAIG membership live the benefits that come from a culture of inclusion. PAIG then partnered with WTW to deliver the program. The objective of this PAIG Whitepaper is to recognise the current state of Inclusion and Diversity practice and performance amongst member organisations and to provide a roadmap for the future.

Current practice across the PAIG membership covers the full range of maturity including compliance elements, more strategic and integrated approaches to many elements that demonstrate a sustainable and disruptive approach in both organisational and industry contexts. The following Diversity and Inclusion Maturity Model extends the general model from compliance to integration by including an extra element of disruption. This is intended to inspire leaders to bring an element of challenge to their own thinking and, importantly, to inspire other leaders to think and act differently. It requires an element of personal responsibility for change, and behaviours that reflect this, beyond frameworks and structural elements that merely set the scene for action.

Diversity and Inclusion Maturity Model



Source: The BCW Diversity & Inclusion Maturity Model



Case Study

Biogen – an integrated, strategic approach

Biogen's CEO says, "Biogen is built on and committed to the power of diversity – in our organisation and among our patients and customers. Diversity is an essential asset of complementary strengths and perspectives from which all benefit, and which must unite us, not divide us."

This framing describes a strategic approach to diversity and inclusion that is focussed on four key outcomes –

- **Build awareness, capability and urgency to act** – provide people leaders with the tools and resources to proactively foster and sustain a diverse and inclusive environment that drives employee engagement and innovation.
- **Build intentional talent pipeline** – foster and enable a high-performing, engaged, diverse and inclusive workforce capable of exceeding organisation and shareholder expectations; to drive a sustainable global competitive advantage.
- **Improve health outcomes** – health outcomes are often dependent on factors beyond the control of patients and their doctors, such as disparities across age, gender, race, ethnicity and socio-economic level. These disparities stem, in part, from inadequate representation in clinical trials to barriers to accessing care, among other factors. By increasing representation of minority populations into clinical trials and driving patient advocacy so we can better serve our Black, Latinx, Asian and other underrepresented communities.

- **Increase sourcing** – by growing the supplier diversity program – sourcing from minority-owned, women-owned, veteran-owned and small-business owned organizations – it reflects our corporate values and could lead to innovation. Funding minority-owned businesses and banks supports the communities where we operate.

Each of these outcomes has measurable objectives attached that describe intended impact over time (including targets related to women, people of colour and veterans). This approach to accountability and measuring change is supported by public disclosure of scores on employees' experience of belonging and psychological safety (core measures of inclusion) and the rigorous collection and monitoring of data on recruitment, promotions and exits.

Associated aspects of the employee life cycle such as recruitment, talent and succession, development, flexibility, culture, and performance and development are connected to and integrated with the organisation's approach to D&I-specific efforts under each of the four outcome pillars.



Future of Inclusion in the Workplace

Preparation of this whitepaper drew on a range of components that were selected to gain broad and diverse input from across the PAIG membership. The purpose was to ensure currency of analysis in a rapidly evolving landscape of flexible work and ways of leading diverse and inclusive workplaces in a pandemic.

Insights have been drawn from:

- Data from the survey of member practices conducted in May 2021 by WTW
- Interviews with PAIG Chairs/Executives and member organisation leaders
- A virtual focus group attended by employees of PAIG member organisations
- Insights from other member data, including employee surveys conducted by members, policy and strategy documents, compliance reports, etc. from member organisations
- Desktop review of pertinent academic and grey research related to diversity, inclusion, flexible work, and intersectionality, including a lens on COVID-19 responses.

Based on these inputs, it is concluded that the future of workplace inclusion is situated at the confluence of ongoing, and in some case long-standing, issues and emerging challenges that are the consequence of societal, industrial and economic changes brought about by the COVID-19 pandemic and the fourth industrial revolution of the digital economy. These touch all industries, while in some ways the challenge and opportunity they present for the medicines industry (or the STEMM sector more generally) are unique.

The challenge for all employers is to create a more humanistic organisation that includes individuals and supports, or even enhances, their wellbeing by providing the opportunity for meaningful work and financial reward. To do so organisations need to continue to challenge their assumptions about how work and careers are designed, and the kind of support provided to their employees. Creating places of belonging, where uniqueness is valued and psychological safety is present will remain a tenet of inclusion in the future, but the changes in employee expectations mean that these elements of employee experience are vital to attraction and retention.

Advancing inclusion in the future will require:

- organisations to more closely connect purpose to practice,
- more deliberate individual and collective focus in leaders' approaches to inclusive leadership,
- intentional efforts to attract, develop and retain diverse capabilities, applying an intersectional lens in a nuanced way to segmented efforts, and
- sustained openness to new ways of working that truly integrate work and life in a balanced and personalised way.



3.1 Connecting purpose to practice

The most successful businesses are driven by purpose, and those that set themselves apart can clearly articulate their commercial, social, environmental and people-related objectives. All of these elements are connected.

With respect to an impactful approach to inclusion in the future, connecting the clarity that organisations have around their purpose with the practice they apply to diversity and inclusion must go beyond the people-related elements and connect D&I practice to commercial and purpose-related outcomes, such as social, environmental and climate change factors. This will move the importance of inclusion from a compliance-based activity, through being strategically important from a talent perspective to being fully integrated and sustainable because its commercial value can be defined and demonstrated.

In many organisations, there is still an unrealised opportunity to capitalise on existing diversity to help develop impactful diversity-related or segmented product/marketing or patient-centred approaches. An even more disruptive approach would be to leverage diversity and inclusion efforts to develop truly innovative approaches to current research and development, product and patient care efforts.

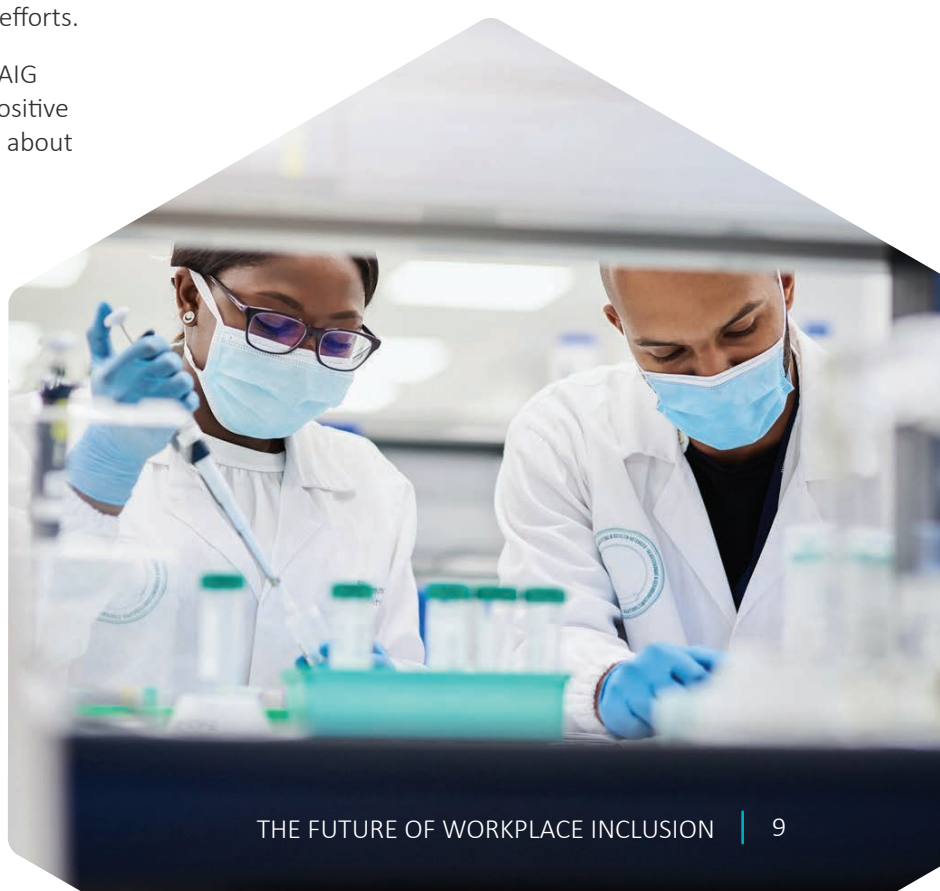
Survey data from within the community of PAIG member employees suggests a universally positive outlook, but employees are most concerned about

efforts being sustained and impactful. A promising practice to manage this perception and connect purpose with practice is to ensure measurable objectives are set to measure the impact of inclusion efforts and that this monitoring drives improvement and adjustment. These practices ensure efforts are sustainable and have appropriate and ongoing resources and funding.

PAIG members' employees have a strong belief that progress is being made, but the vast majority either don't agree that, or don't know if, their organisation has any measurable targets to determine impact or progress. Just over a third of member organisations leaders are required to set specific diversity and inclusion objectives within their goals.

Respondents were relatively strong on strategy (69%), but less so on measurement of effectiveness in terms of employees' experience of inclusion (44%).

Having said that, 75% report they are good at taking action on insights gained from measurement to improve their inclusive culture.





Case Study

Connecting purpose to practice in diverse settings

Approaches taken to connect organisational purpose to diversity and inclusion practice are as diverse as industries and organisations themselves. Product, market, customer, supplier, partner and other dynamics make every case unique. The following three organisations have taken specific efforts to ensure that their approach to being more diverse and inclusive is aligned directly with their organisational purpose, objectives and future visions.

Johnson & Johnson Family of Companies

“We are living in a period of profound change. Our employees, customers, patients and the communities we serve are demanding more from organisations to accelerate diversity, equity & inclusion (DEI) outcomes.

At Johnson & Johnson, Our Credo outlines our responsibility to create an inclusive workplace and respect the dignity and diversity of all people. Our DEI strategy has enabled us to build diverse teams and an inclusive environment that values different perspectives, backgrounds and life experiences. Approaching DEI with intentionality and rigor—as we do every business opportunity — allows our strategy to evolve and remain relevant in our rapidly changing world.

At Johnson & Johnson, all of us have a responsibility to accelerate our progress, and we all are accountable and empowered to drive measurable change. Because at Johnson & Johnson, WE ALL BELONG.”

The organisation’s global Diversity, Equity & Inclusion strategy has four pillars that reflect the strategic priorities they have made to enable the company to address the challenges and opportunities presented by a new, diverse world.

- Accelerate our global culture of inclusion where every individual belongs.
- Drive innovation and growth with our business to serve diverse markets around the world.
- Build a workforce that reflects the diversity of our communities.
- Transform talent and business processes to achieve equitable access and outcomes for all.

Unilever

Unilever uses the following language to explain its connection of D&I initiatives to create a better world, and as they explain, strengthen their business.

“Time for equity, time for justice, time for change. Too many people are denied opportunities. Too many people are excluded and under-represented simply because of who they are.

The system isn't working – so we need to change it. That means going further than ever to break down barriers and create opportunities in our workplaces, our supply and distribution chains, and in society at large.

This will not only help build a fairer world, it will strengthen our business.”

Unilever takes a holistic approach that focuses on how they can use the scale and reach of their business to have the greatest impact: driving equity through workplaces, equity through brands, equity in the supply chain, and equity in communities. The company has identified four strategic priority segments in their drive for equity: gender; race and ethnicity; people with disabilities; and LGBTQI+.

CSIRO

CSIRO exists to innovate. Some of their world-changing innovations include wi-fi, plastic banknotes, extended wear contact lenses and self-twisting yarn, among others.

The organisation’s connection between diversity and inclusion (which research shows is a significant enabler of innovation) and purpose is stated very simply as follows, “CSIRO thrives on innovation; innovation that is harnessed by the diversity of the minds and lived experiences brought to our greatest challenges. Fostering an inclusive culture is critical to shaping the future for our customers, all Australians and the world.”

3.2 Inclusive leadership

Brassel, Van Bommel, & Robotham's research (2022) in 14 countries shows that as the workplace continues to change during the pandemic, it's crucial for team leaders and members to act inclusively to advance diversity, equity and increase employee engagement and innovation. Unfortunately, the same research reveals that on average, only 31% of employees report "often" or "always" experiencing inclusive team norms at work. That means that leaders, team managers, and team members have more work to do when it comes to harnessing the full power of teams.

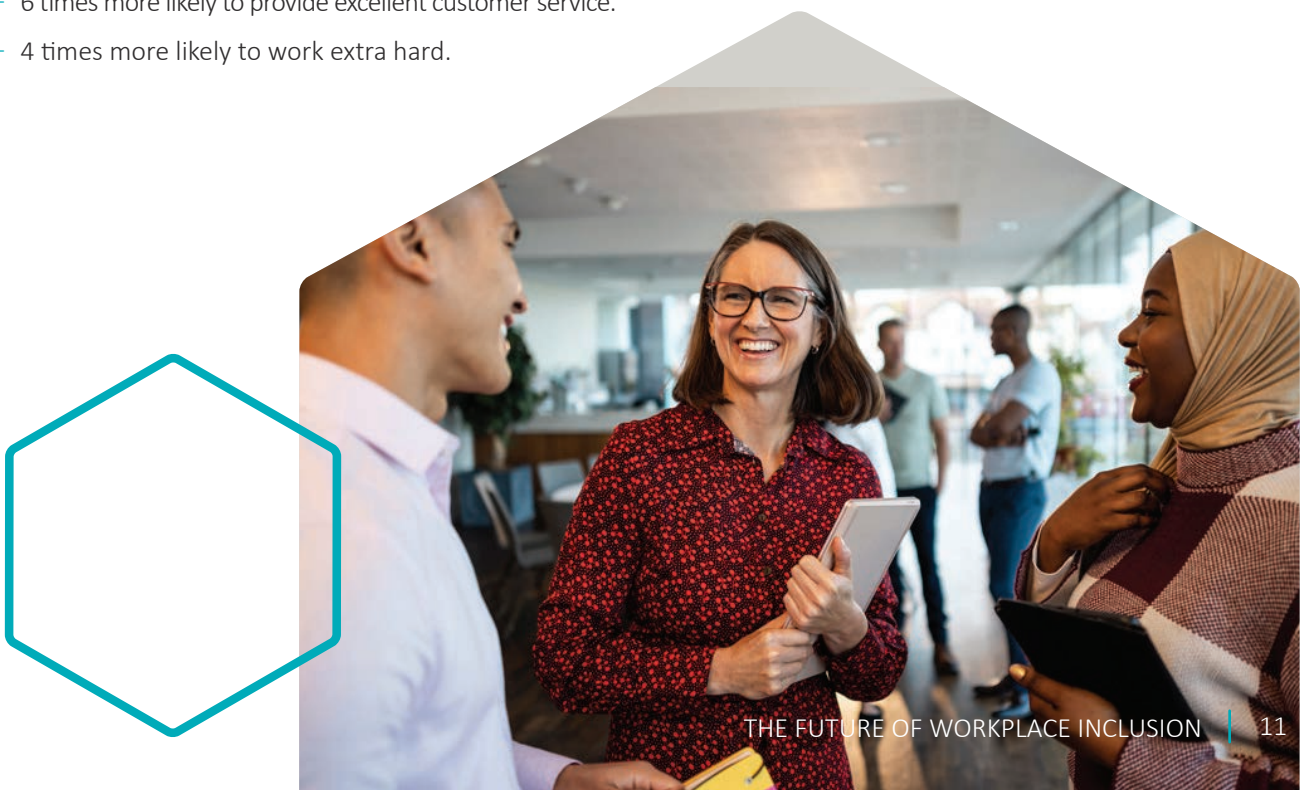
Diversity Council Australia research (2021) on experiences of inclusion shows that those who do experience an inclusive workplace are:

- 4 times less likely to leave their job in the next 12 months.
- 10 times more likely to be very satisfied.
- 4 times less likely to feel work has a negative or very negative impact on their mental health.
- 5 times less likely to experience discrimination and/or harassment.
- 11 times more likely to be highly effective than those in non-inclusive teams.
- 10 times more likely to be innovative.
- 6 times more likely to provide excellent customer service.
- 4 times more likely to work extra hard.

In a marketplace where there is a war for talent, and in the STEMM sector, competition for particularly specialist skills and knowledge, and the early but ongoing experience of the "Great Resignation", leaders' purposeful focus on being inclusive has perhaps never been more pressing.

Among PAIG members' leaders, there is a promising level of understanding of the value of diversity (visible and invisible). Complementing this is a good understanding of what inclusion looks like in a practical day-to-day sense, particularly in relation to flexible work.

PAIG leaders are enthusiastic and ready to lead, alongside their team and HR. The leaders desire to exhibit a leader-led approach, where they themselves are visible and active. They also value involving the people at the grassroots of their organisations in a practical way, as well as those who are emerging leaders. They value the role of HR in leading some but not all elements and would like to see a stronger level of accountability for results and outcomes in this area. Alongside this positive aspiration for the future, PAIG member employees expect role modelling and transparency from their leaders, and allyship. Psychological safety (an essential element of inclusion) rates extremely highly among both employees and leaders as a vital element of future work, hence the pressing opportunity for more inclusive leadership.





Case Study

Aurecon – inclusive leaders, inclusive employee experience

Aurecon consistently maintains its reputation as an employer with inclusive leaders, tested via an annual survey of Australian organisations by the Diversity Council Australia that looks at employees' experience in three areas of inclusion: team inclusion, inclusive leadership, and organisational inclusion. These dimensions are explained as follows:

An inclusive team is one where a diversity of people feel that they:

- are respected and valued team members
- are able to be themselves
- can contribute and progress at work.

An inclusive manager is someone who creates an inclusive team environment by:

- valuing differences
- seeking out and using a diversity of ideas
- treating everyone fairly
- dealing with inappropriate behaviour.

An inclusive organisation is defined as one in which employees:

- trust they will be treated fairly
- feel diversity is valued and respected
- report that top leaders demonstrate a genuine, visible commitment to diversity and inclusion.

The 2021 survey found that 73% of Aurecon employees reported being in an inclusive organisation, compared to a 40% benchmark for the Australian workforce, and a 56% benchmark for the Diversity Council members.

Diversity, equity and inclusion are central to Aurecon's culture of innovation. The organisation builds diverse teams, so they can frame and solve their clients' and society's most complex problems in unconventional and distinctive ways.

Founded in 2009 through the merger of three engineering consultancies, Australia-headquartered Aurecon today has over 7,500 staff working from offices in Australia, New Zealand, South East Asia, South Africa and the Middle East. The international design, engineering and advisory company supports clients with the design and delivery construction and infrastructure projects, among others.

Compared with its results in the previous edition of the biannual survey, Aurecon also made noticeable progress across the dimensions assessed. For example, 67% of Aurecon employees reported having an inclusive manager this time, representing a 7% increase from the last survey conducted two years ago.

This recognition also speaks to the daily experience for many at Aurecon. They have been investing consistently and significantly in creating an inclusive culture for everybody, be it employees, partners or clients. With a clear focus on leadership, policies, behaviour, language and inclusion commitments, Aurecon has taken a series of initiatives in the last two years, such as the employee-led Neurodiversity Network and Active Bystander campaign, which has showcased inclusive leadership at all levels.

The survey results further underline Aurecon's diverse corporate culture and community – 40% of Aurecon workers reported being multilingual, compared to 24% in the Diversity Council members and 30% in the Australian workforce.

3.3 Attracting, developing and retaining diverse capabilities

Rapid technological change is a major trend impacting the world of work. Since COVID-19, the digital economy has grown at a speed and scale beyond anticipation. Further acceleration is likely as investments are made in the digital economy powering nations' continued economic recovery following the pandemic.

Based on leader discussions and review of research and other commentary, this fourth industrial revolution presents both an opportunity and risk in terms of diversity and inclusion. As digital assets and experiences seemingly open access to more people, the risk of digital exclusion potentially emerges. These dynamics will play out in terms of:

- access to the use of technology
- built-in bias in automated processes and systems such as AI
- skills gaps in current and emerging industries and occupations and who obtains access to skills development
- ways of working and integration of work, life and caring, and
- investment in diverse entrepreneurs in new and emerging industries.

Organisations can seek to address these opportunities and risks by considering digital inclusion and access to technologies through their approaches to inclusive customer experience, the necessity and ubiquity of digital skills and ways of working, ensuring they access and develop diverse capabilities in growth industries, and the ongoing development and maintenance of workplace cultures and employee experiences that are inclusive for all.

All these factors point to the critical need to attract, develop and retain diverse capabilities for future success. They also mean that new ways of defining merit, describing and designing roles, assessing capability alongside potential, sourcing talent from diverse pathways, appreciating divergent styles of leadership and enabling career pathways that offer both stretch and support are essential for ensuring the true value of diversity can be realized by competitors in an increasingly tight labour market.





Case Study

Boehringer Ingelheim – recruiting for diversity

Boehringer Ingelheim's (BI) recruitment strategy is simple: "We strive for a diverse workforce that reflects the patients, customers & partners and contributes diverse perspectives, ideas and solutions." The organisation's objective in this regard is to improve their ability to attract, recruit and retain people of diverse backgrounds and target under-represented groups.

To support this approach, all hiring managers are trained in recruitment process and unconscious bias awareness prior to commencing candidate selection.

Inclusive recruitment is an important aspect of the newly released Global D&I strategy – along with the talent parameters – and is being applied locally in 2022.

BI is deliberate in putting diversity and inclusion front and centre of their public profile and openly shares the detail of their work in this regard to attract the best people. This compelling narrative prioritises the active recruitment of diversity into the business, with the clear objective of linking an inclusive employee value proposition to the task of attracting diverse talent. Some examples, direct from their global D&I website, include:

- We ask that all our employees recognise, respect, and value differences and take care that employees feel safe at Boehringer Ingelheim to be themselves – we want all to achieve a sense of belonging.
- To honour our commitment to the UN Sustainable Development Goals, we will work to reduce inequalities and strengthen diversity and belonging in our company. Our commitment will drive our

work with business partners along the value chain. Furthermore, we are devoted to the areas of human rights and ethics, including application of the United Nations Guiding Principles on Business and Human Rights. Our commitment goes beyond the usual HR practices, processes, and systems into the core business.

- We work continuously at ensuring an excellent level of awareness and understanding for Diversity and Inclusion to create a culture where we can challenge bias, inequality and inequity, and any form of discrimination. We achieve this awareness and understanding through various methods, such as, unconscious bias and inclusion eLearnings, Masterclasses and learning sessions and integration into relevant people and business practice, systems, and processes.
- We work hard to ensure that our benefits are inclusive and in terms of development, that everyone has access to learning and development opportunities.
- We have Corporate and Global resources working on D&I, plus local/regional leads who focus on local or regional needs and collaborate in a global community.



3.4 Applying an intersectional lens to segmented efforts

Given that no individual has just one dimension to their identity and individual differences, a neatly segmented approach to diversity is inherently “othering”, and fails to address the grey areas where privilege, power and exclusion stand in the way of realising the value of diversity.

There is, therefore, an increasing need and understanding among leaders to move beyond viewing diversity segments in single silos, in order to better understand how overlapping identities (e.g., gender and race or gender and sexual orientation) impact workplace experiences of inclusion and exclusion. The concept of intersectionality helps us understand that discrimination, marginalisation and exclusion can be compounded or unique when identities overlap and interact with systems of power and privilege in the workplace and broader society.

At the same time, without specific attention to intersectionality, systems of privilege and power in organisations can work to advantage dominant identities (for example Anglo-Saxon, heterosexual, able-bodied men). This can be reflected in who has voice and influence, whose work is visible and invisible, what kinds of experience and contribution are most valued, and who benefits from opportunities.

There is a significant opportunity to go broader and deeper in terms of diversity segments while at the same time appreciating the intersecting nature of identities among all employees. We know that within the PAIG membership, for example, where measurement is undertaken most member organisations do not segment their data by religious belief, carer status and disability. First Nations diversity is an emerging area of attention for many members, and when gender and Indigenous identities intersect, recent research by Evans (2021) demonstrates that;

- Aboriginal and Torres Strait Islander women had significantly less support in culturally unsafe situations and had the highest cultural load.
- Aboriginal and Torres Strait Islander women with carer responsibilities are a particularly vulnerable group in the workplace, being more likely to be in culturally unsafe and unsupported employment and have higher cultural loads.
- Hierarchical position in the workplace also plays a role in experiences, with women in management having the highest cultural load, and women in lower levels having the lowest levels of support. In contrast, men in management positions are most likely to work in organisations with high levels of support, where they may be effective agents of change.

First Nations inclusion has been highlighted by PAIG members as an area of interest for most, with the vast majority at the very early stages of this work.

Evans (2021) demonstrates that 63% of First Nations people at work experience high identity strain – the strain Indigenous employees feel when they themselves, or others, view their identity as not meeting the norms or expectations of the dominant culture in the workplace, and 39% carry the burden of high cultural load, which comes in the form of extra work demands and the expectation to educate others. There is a great opportunity to apply the intersectional aspect of Indigenous cultural identity on other more established approaches that relate to gender or age, for example, to adopt a holistic approach to inclusion in the future.





Case Study

Lendlease Elevate RAP 2020-23

With voices rising globally against institutional injustice and inequality based on race, Lendlease's ability as an organisation to demonstrate principles of diversity and inclusion beyond words was seen by the organisation as more important than ever before.

The Lendlease Elevate Reconciliation Action Plan (RAP) is one way they aligned operational performance with a commitment to human rights, specifically the rights of Australia's First Nations peoples. It outlines their commitment to First Nations peoples, acknowledging their unbroken connection to country, creating respectful relationships that provide opportunities for equal social and economic outcomes. Lendlease reports that 1% of their employees identify as Aboriginal or Torres Strait Islander.

In this, Lendlease's third RAP and second Elevate RAP, the organisation aimed to take a leading role in lifting the industry standard of placemaking by incorporating the self-determination principles and voices of First Nations peoples.

Lendlease is working towards achieving large-scale, sustainable change to national industry standards, practices, mindsets and behaviours through close collaboration with First Nations peoples in all facets of placemaking; from business development and planning, to design, delivery and post development.

The actions in their RAP are focussed on:

- Developing an overarching approach to placemaking led by First Nations voices
- Investing in partnerships and programs that preserve language and culture
- Investing in community solutions to reduce incarceration
- Advocating on national issues
- Ensuring First Nations businesses are foundational in Lendlease's supply chain
- Championing First Nations leaders to middle and senior management positions at Lendlease.



3.5 New ways of working

Implementing flexibility at work demands purposeful leadership and action to design practices that are responsive to the needs of employees and work successfully for all stakeholders. Most importantly, it is critical to avoid and mitigate unintended consequences of flexibility. In order to ensure that flexibility delivers equally, careful consideration must be given to the ways in which flexibility may disadvantage those who access it.

The ongoing pandemic has highlighted key elements of diversity and inclusion practice (in addition to those identified in relation to the digital economy) that have accelerated change in some areas, while at the same time presenting new challenges. This theme is ubiquitous in research, leader discussions, and analysis by observers and practitioners.

Most prominently, the opportunity for flexible ways of working, mainly for those in knowledge/office-based roles, has emerged as a significant shift in the past two years. New norms of working have been established to enable more flexibility in the when and where of work. At the same time, these new practices have presented challenges for work-life balance, particularly those with carer responsibilities (mostly women), and stark reminders of the prevalence of issues such as domestic violence, which itself is an emerging area of practice for gender equality in workplaces. Further to this, as workplaces establish new more hybrid ways of working, there are risks associated with emerging tribes of workers who will be considered “present” versus those who choose to work “offsite”, thus presenting new barriers to inclusion in a previously largely co-located cohort of employees.

From an inclusion perspective, the advent of flexible working and the realisation of a shared experience of uncertainty and disruption has largely focussed attention on the positive aspects and opportunities for more inclusive leadership – humility, openness, empathy and courage. These have been and will continue to be hallmarks of leaders that foster diverse and effective teams through belonging, valuing uniqueness and the creation of psychologically safe workplaces.

Recognising the emotional labour of work while also turning attention to the physical body at work, requires recognising all workers across the sex and gender spectrums have reproductive health and caring obligations, not just cisgender women of childbearing age. The Body@Work Project responds to growing research evidence that shows overlooking workers’ physical, psychological and reproductive health needs has adverse socioeconomic and demographic implications for the state, firms, employees and gender equality.





Case Study

Telstra – leadership, choice, technology enabling hybrid work

Telstra's decision to use the disruption from COVID-19 to accelerate its widespread adoption of hybrid working has seen a substantial increase in its employees working regularly at home.

With flexibility to work when, where and how it suits them, Telstra employees now work from home an average of 3.7 days a week, up from 1.7 days pre-COVID-19 in what is one of the largest examples of the adoption of permanent hybrid working by a large Australian corporate. It's not just office-based people working from home, but through its Agents@Home initiative, up to 80% of Telstra's contact centre consultants in Australia choose to work at home on any given day.

This was made possible in part by its decade long flexible work approach and large-scale adoption of its outcomes driven Agile work practices. Through quarterly employee surveys of its 25,000 plus workforce, 90% of Telstra's people say consistently they're as or more productive from home as they are in the office, enjoy a better work-life balance, and feel more positively engaged.

They now say they want to go to the office to collaborate, connect with their team and see customers.

Digital burnout and ongoing stress from uncertainty raised by the pandemic also factored heavily in Telstra's plans, with training for leaders on how to best engage and support their teams, the introduction of work practices to alleviate digital burnout, and changes in the way people used their technology.

Talking about mental health at work helps destigmatise it, and wellbeing focused livestreams addressed specifics like resilience and mindfulness.

To enable greater workforce participation from a more diverse pool, Telstra's recruitment has also changed to remove location requirements from Australian roles. This initiative is designed to attract people who cannot work from a traditional office environment or from major cities, and is a big opportunity to improve diversity, opening opportunities for people, particularly women, who are sometime less able to commute for work due to family commitments.

On top of its flexible working policy, the telco also invested in tools and technologies to enable people to stay connected with each other. For those working at home, Telstra has also supplied essential office equipment, from monitors to sit-stand desks, with a self-service toolkit solution.

The role of leaders, however, has been key to the successful shift to hybrid work with leadership behaviours such as trust, empathy and role-modelling key factors in the shift. This has been supported by a new leadership program to equip leaders and their teams with the skills and mindsets to overcome obstacles, embrace change, celebrate strengths and to grow. At every step of its hybrid working journey, Telstra has put its energy into the bold change necessary to make hybrid work successful for all its people.

90%

“ of Telstra's people say they're as or more **productive** from home as they are in the office... and feel **more positively engaged**. ”

Recommendations on the future of workplace inclusion

Review of a number of leading organisations, academic and other research, and extensive experience in the field indicates that leading D&I practice that is integrated and effective over the longer term should reflect and include the following elements.

REVIEW FACTOR	RATIONALE
Link to Business/Organisation Strategy	D&I work is in service of and must contribute to achieving the business or organisation strategy. It's not about activism alone (if at all).
Vision and a Focus on Outcomes	Activity not focussed on outcomes (making a difference) expends limited resources and consumes energy and attention at the expense of achieving results.
Measurable Objectives	A clear explanation, in measurable terms, of the problem to be solved and desired future state. They help monitor, evaluate, and celebrate progress, and inform adjustments where needed.
Active and Visible Leadership	This sets the cultural tone and models the behavioural expectations for all levels of the organisation and impacts the engagement and behaviours of partners and external stakeholders, including suppliers.
Communication Channels and Messaging	These carry the strategic messages and links, engage the head and heart, and enable an open, ongoing, consultative dialogue among stakeholders.
Accountability	Being specific about who is accountable for both implementation and effectiveness of initiatives means stakeholders have a clear view of performance and results.
Governance	This aspect covers strategic oversight, close monitoring of risk and execution, and transparent reporting of progress and impact for internal and external stakeholders.
Integration Across the System	Working across all relevant touchpoints such as human resources functions, community/external, customer/commercial will impact systems and culture.
Intersectionality and Inclusion	Moving beyond traditional diversity groups to consider intersectional identities affects an overall experience of inclusion, with a wider systemic impact.

Accordingly, the following recommendations are suggested for PAIG members to adopt and adapt as they develop individual and collective approaches to their future efforts in impactful, integrated diversity and inclusion policy and practice.

STRATEGY

1. Link to the business (commercial and culture) strategy

- A. Significantly enhance the knowledge and capability of leaders within member organisations to understand, articulate and intentionally act upon the linkages between their commercial objectives and the capacity of diversity and inclusion to directly and specifically contribute to the achievement of those objectives.
- B. Include within local Diversity and Inclusion strategies at least one key action per organisation or business unit that has a direct and measurable commercial impact or objective, each year.
- C. Use PAIG to amplify these efforts and execute, at scale, on collective opportunities that arise.

2. Measurable objectives and leaders' accountability for change

- D. Within any plan or strategy for D&I efforts, ensure:
 - i. the strategy is aligned directly with the timing horizon of current/future Strategic Plans for the business itself, to ensure resourcing and integration with other enabling functions and business activities/opportunities;
 - ii. it contains publicly disclosed measurable objectives, endorsed by the Board or most senior teams, and extends beyond objectives reflecting a segment's representation to include objectives for graduate (or similar pathway) representation; a segment's promotions exceeding representation at individual company level overall each year; employee engagement (or similar) for diversity groups such as women, Indigenous, other cultural diversity, disability, LGBT+ (groups to be determined) to equal or exceed overall engagement scores in each organisation; and
 - iii. it focuses on outcomes in support of these objectives and clearly outlines senior leader accountabilities for results. This could also include a component of senior leaders'

discretionary remuneration being tied to their level of contribution to achieving overall diversity and inclusion outcomes each year.

- E. Measurable objectives require sufficient stretch to inspire real change in support of overall strategy, plus integration across all relevant touchpoints such as human resources functions, community/external, customer/commercial, to impact systems and culture.

3. Intersectional inclusion via a focus on outcomes, not siloed segments

- F. Design strategy that is based around the outcomes that are intended to be achieved, rather than based around diversity segments. Given the intersecting nature of identity, efforts on one segment (e.g., gender) are often the same as might be required for another segment (e.g., age), but with slight nuance.
- G. Articulate strategy around these outcomes and bundle segmented efforts together within the outcome pillars, for example:
 - i. Customer/Community efforts – all the externally facing or community-related work, regardless of segment
 - ii. Talent/Diverse Capabilities – all efforts related to recruitment of diverse talent, succession planning, segmented employment pathways, mentoring and sponsorship. This work is often very similar regardless of segment, so scaling across the segments both recognises intersectionality and is efficient in terms of resource allocation.
 - iii. Culture/Inclusion/Flexibility – work that impacts the employee experience. Again, tends to be similar across segments, with some nuance applied, for example, efforts on disability can benefit all employees and disability itself exists as an intersection with other attributes such as gender and age.

EXECUTION AND IMPACT

4. Focus, leadership and communication

- H. A small number of the right initiatives – focus enables effective execution of strategy with impact on outcomes and measurable objectives. This means doing a few things very well.
- I. Active and visible leadership sets the cultural tone and models the behavioural expectations for all levels of the organisation. It can also impact the engagement and behaviours of partners and external stakeholders, including suppliers, eliciting a more far-reaching positive impact.
- J. Strong and consistent communication channels and messaging to carry the strategic messages, engage the head and heart, and enable an open, ongoing, consultative dialogue among all stakeholders.

5. Creating Belonging, Valuing Uniqueness, Addressing Bias

- K. Support cultural priorities, values and commercial objectives through inclusive leadership, such that PAIG members:
 - i. act to change leaders' and others' mind-sets in relation to diversity and inclusion through deliberate and targeted learning activities (e.g., bias, inclusive leadership, managing flexible work, engaging men in gender equality, cultural awareness/appreciation) with specific focus areas to be determined within the overall strategy, but localised for maximum impact.
 - ii. establish/maintain Employee Reference Groups (or Affinity Groups or Networks) to align with outcome pillars in the D&I Strategy to enhance connections for employees across sector and member organisations, engage leaders in these diversity outcomes and use these groups as internal consultation opportunities around product development and other segment-based or intersectional commercial opportunities.
 - iii. take a deliberately disruptive and visible position in favour of enabling flexible work (e.g., evolving smart working to an "All Roles Flex" style approach) reflected in both

employment branding (attraction) and in the lived experience of current leaders and other employees (retention).

- iv. audit the full cycle of HR process and practice (e.g., recruitment, talent, performance, succession planning) to ensure that inclusive behaviours and diversity and inclusion objectives are expected, enabled and rewarded throughout.
- v. ensure that inclusive leadership behaviours, including the enablement of flexible work, are hard-wired into the leadership behaviours/competencies that are expected of all leaders, and evaluated and rewarded as such.

6. Proactively Recruiting for Diversity – Collective and Local Efforts

- L. Develop an evidence-based employee value proposition and employment brand for member organisations or the sector. Once developed, consider the creation of segmented employment brands around diversity segments and/or location and markets to more proactively target and attract diverse talent to meet business needs. Audit and reset channels used to promote the employment brand and individual opportunities so they reach the necessary diverse markets.
- M. Be open to understanding whether and to what extent "cultural fit" helps or hinders the desire for diversity.
- N. Explore pathway programs for diverse groups, where beneficial in local markets or within particular demographics or corporate social responsibility (CSR) contexts, e.g., disability tertiary internships like "Stepping Into", Indigenous school-based and full-time traineeships, Career Seekers Internships for refugees.
- O. Incorporate these efforts within an outcome-based framework that applies an intersectional lens. (Recommendation 3).

GOVERNANCE

7. Data and Analytics

P. Collect, monitor and analyse:

- i. diversity and inclusion-related data for all segments (gender, gender identity, sexual orientation, Indigenous, other cultural identity, language/s spoken, religion/s or faith/s observed, disabilities, carer status, flexible working) for all employees to update in real time via internal HR data platforms.
- ii. these data points to inform regular reporting and insights in relation to commencements, promotions, exits and representation.
- iii. each organisation, with guidance from their HR function, consider levels of access to this data and frequency of internal reporting and analysis.

8. Architecture and Oversight

- Q. Codify the active involvement of senior teams and/or Boards in the oversight of strategy, monitoring, measurement and disclosure of diversity and inclusion efforts.
- R. Ensure this level of essential engagement is informed by the lived experiences of a diverse range of employees, customers and other stakeholders via ongoing consultation, listening and learning.
- S. Use quantitative and qualitative measurement of action and impact to regularly review strategy and effectiveness, and drive adjustments where needed.



Appendices

Details of data reviewed

Survey of Member Practices by Willis Towers Watson (May 2021)

16 member organisations/employees participated in surveys in May 2021

29 questions on diversity and inclusion strategy, measurement, governance, leadership

Segments explored include gender, LGBTQI+, age/generational diversity

Leader Interviews and Virtual Focus Groups

1:1 Interviews with **12** senior leaders in **10** member organisations

VFG **~31** participants, with even split between small, medium and large employers; individual contributors and managers

VFG demographics – gender balanced (**5%** non-binary); **30%** LGBTQ+; no First Nations representation

VFG demographics – mostly Gen X, then Gen Y;

8% people with disability; **38%** carers

Member Data

WGEA compliance reports, workforce profiles 2020-21 and other segmented data sets

D&I strategy and policy documents, from annual plans to full 5-year strategies



The following member organisations contributed data or participated in face-to-face interviews to inform the preparation of this whitepaper.


Member Organisations
AbbVie
Amgen
Biogen
Gilead Sciences
Johnson & Johnson Family of Companies
Merck
Pfizer
Sanofi
Takeda Pharmaceuticals
Vifor Pharma

The following documents and data sources were provided by PAIG member organisations to inform the preparation of this whitepaper:

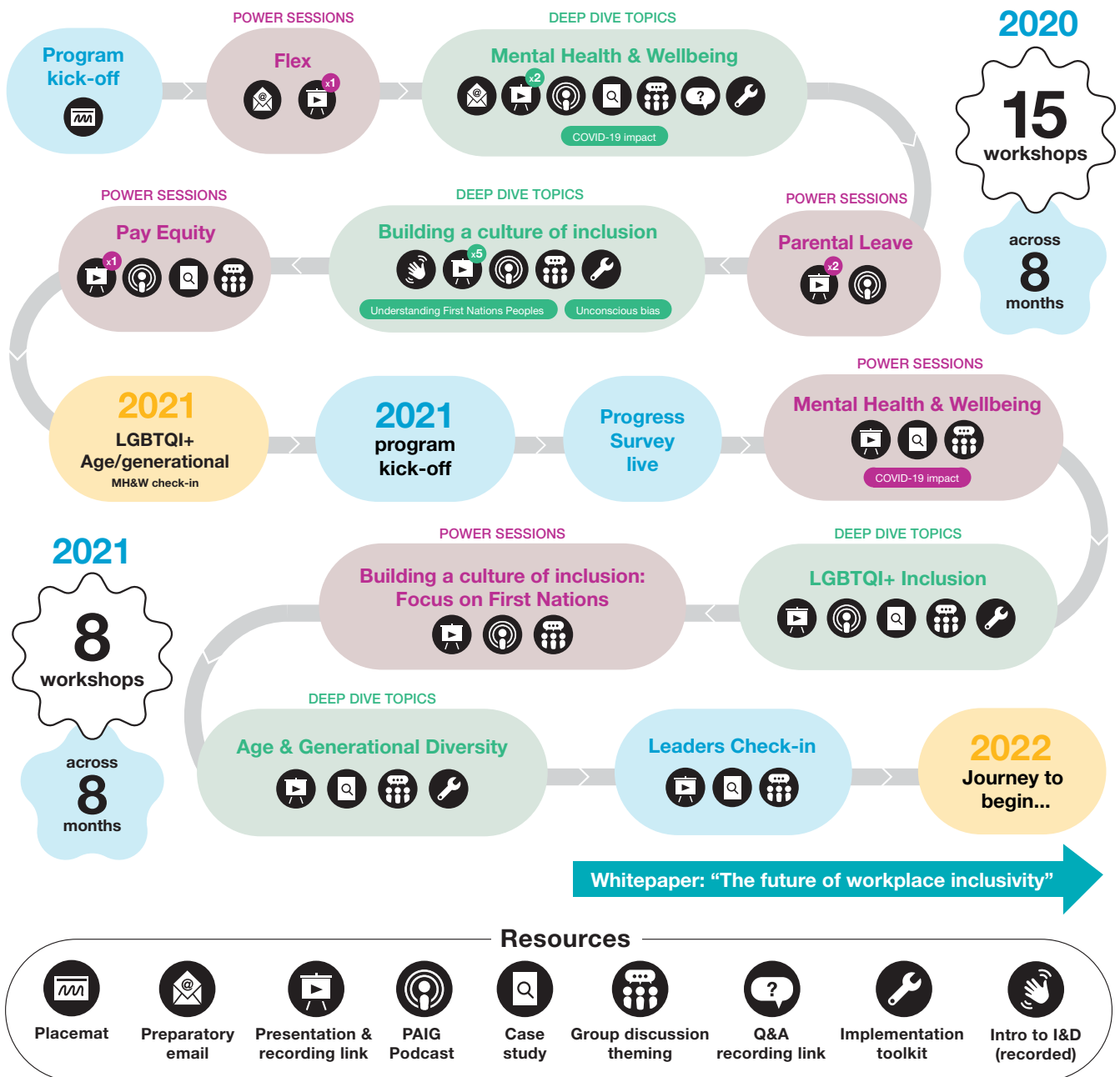
Member Organisations	Documents and Data Sources
AbbVie	Equity, Equality, Diversity and Inclusion Strategy 2021-21 WGEA Report
Biogen	People Survey Results 2021 Great Place to Work Survey Results Global Diversity, Equity and Inclusion Summary, ANZ DE&I Summary Career Growth Policy, Enhancing Performance and Development Policy, Global Career Framework Primer for New Leaders Flexible Working Summary, Flexible Working Arrangements Policy, Culture and Benefits Summary
Boehringer Ingelheim	2020-21 WGEA Report Global Diversity and Inclusion Aspiration, ANZ Policy Agile Working Policy, Leadership Behaviours Corporate Strategy, People Strategy, Sustainability Report extract, SDG infographic
Johnson & Johnson Family of Companies	2021 Diversity, Equity & Inclusion Impact Review WGEA Data Explorer Extract (October 2021)
Merck	2020-21 WGEA Report
Sanofi	Diversity & Inclusion KPIs Overview
Takeda Pharmaceuticals	Diversity & Inclusion Overview Pack 2020-21 WGEA Report



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PAIG 2020 and 2021 Program Journey





Acknowledgements

Troy Roderick

Troy Roderick has specialised in Diversity & Inclusion for almost 30 years. In his current ongoing engagements across business and government, Troy advises CEOs and other business leaders on key insights and trends in gender equality, intercultural diversity, inclusive leadership, flexible work, LGBTQIA+ inclusion and all-scale, system-wide change to create more inclusive organisations, and customer and employee experiences.

Troy's leadership of evidence-based, commercially-focused diversity and inclusion efforts impacts customer, community and employee-related objectives and includes his ground-breaking creation of "All Roles Flex", and globally-awarded initiatives on engaging men in gender equality, improving Indigenous employment, and pioneering workplace responses to domestic and family violence. Troy is an Honorary Associate of the University Of Sydney Business School and holds postgraduate qualifications in Business Administration from the University of Technology Sydney.

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