

A MOST MAGNIFICENT MOSAIC

Diversity naturally exists at the **Commonwealth Bank**, with 52,000 employees in over 1,000 locations across the world. Since launching its cultural diversity network **MOSAIC** in February 2014, the Commonwealth Bank Group (The Group) is working towards strengthening cultural inclusion through the setting of a measurable cultural diversity target for senior leadership roles.

The Group's ambition is that our leaders reflect the diversity in our community with diverse thinking and perspectives. The target is for the cultural diversity of senior leaders to match the cultural diversity of the Australian population by 2020.

To help reach their goal, a 'cultural diversity index' has been developed to measure the cultural diversity of leaders. Using anonymous self-disclosed information within the annual engagement survey, the index provides a non-biased method of estimating the diversity within our employee population.

**I AM A DIVERSITY AND
INCLUSION CHAMPION.**



INITIATIVE

The Group's ambition is that its leaders reflect the diversity in the Australian community with diverse thinking and perspectives. As the nature of work becomes more global, the ability of leaders to operate in a global context and lead teams who are culturally diverse has become the norm.

When looking at trends in the Group's customer base, and the diversity amongst employees, cultural diversity amongst leaders is seen as key for success domestically and internationally.

Cultural diversity and inclusion in the workplace brings people from different races, ethnicities, nationalities, religions and identities who come together for a common purpose. They aspire to have the diversity of people at all levels of the organisation reflecting the diversity of customers and clients.

They believe that culturally diverse employees contribute to increased innovation, more effective decision making and sound risk mitigation. They believe that culturally diverse leaders can create an inclusive workplace environment that attracts and retains a range of diverse talent and helps meet their potential.

In early 2014, the views of employees, including culturally diverse employees, were collected to better understand the current state and inform the cultural inclusion approach.

There were five recommendations from the views of employees:

- The identification of **better ways to define and measure** cultural diversity in the workforce.
- **More education** about possible cross-cultural differences for leaders and employees – minimising unconscious bias and building global thinking as a core capability.
- **Tailoring development** for aspiring culturally diverse leaders.
- **Awareness raising** throughout the Group about cultural diversity, leveraging the current pool of highly talented culturally diverse employees.
- Strengthening **recruitment and talent management practices** to minimise bias and further improve opportunities for culturally diverse employees.



38% OF MAIN FINANCIAL INSTITUTION CUSTOMERS BORN OUTSIDE AUSTRALIA ARE HELD BY CBA
AS AT DECEMBER 2015



40% OF EMPLOYEES HAVE AN ETHNIC BACKGROUND OTHER THAN AUSTRALIAN
AS AT MARCH 2016

WE CONDUCTED **35 INTERVIEWS** INCLUDING WITH THE CHAIRMAN AND CEO



WE HELD A **THINK TANK** WITH OVER 75 EMPLOYEES

“ I STARTED WEARING A HIJAB TO WORK AT THE COMMONWEALTH BANK SEVEN YEARS AGO AND I HAVE SEEN A LOT OF POSITIVE CHANGE IN THAT TIME. WEARING A CORPORATE HIJAB AT WORK ALLOWS ME TO BE OPEN ABOUT MY FAITH AND CULTURE, AND THE WORK OF MOSAIC SUPPORTS ALL OUR PEOPLE TO DO THIS. I'M PROUD TO WORK FOR AN ORGANISATION THAT RAISES AWARENESS ABOUT THE IMPORTANCE OF CULTURAL DIVERSITY IN THE WORKPLACE THROUGH EDUCATION AND STORYTELLING. TO ME, CULTURE IS ABOUT THE WAY YOU GROW UP, YOUR BACKGROUND, AND ALSO THE WAY WE WORK TOGETHER AS TEAMS. ”

————— RIMA YASSINE, RISK COACH

OVERVIEW

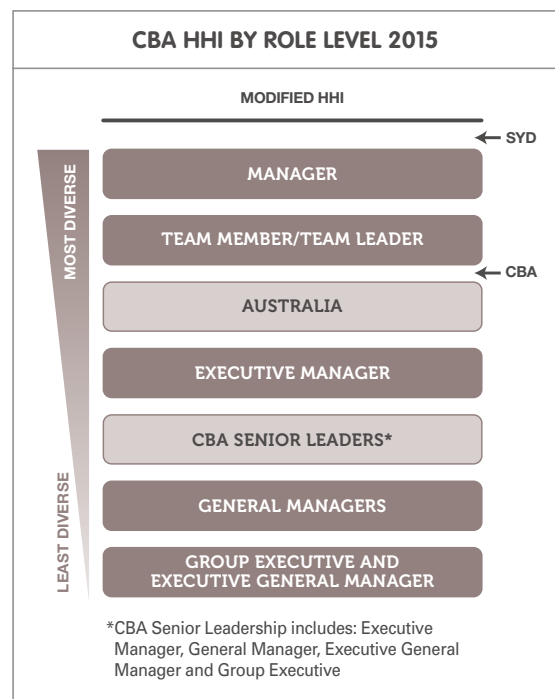
“ AT COMMONWEALTH BANK WE HAVE HAD A LONG HISTORY OF SERVING THE DIVERSE CULTURAL COMMUNITIES OF AUSTRALIA – FROM THE NEWLY SETTLED TO THE GENERATIONS OF AUSTRALIANS WITH ANCESTRIES FROM ACROSS THE WORLD. WORKING TO INCREASE THE CULTURAL DIVERSITY OF THE GROUP WILL ENSURE THAT WE ARE ABLE TO MAINTAIN THIS CONNECTION WITH OUR CUSTOMERS, SHAREHOLDERS AND COMMUNITIES INTO THE FUTURE. ”

————— ADAM BENNETT, GROUP EXECUTIVE & MOSAIC EXECUTIVE SPONSOR

The first step in addressing the recommendations from employees was to form an employee network called **MOSAIC** to drive implementation across the Group. Mosaic is made up of employees volunteering their time, over and above their day jobs, and is led by two Group Executive Sponsors.

The Group began by harnessing the analytical and modelling expertise of Mosaic’s members to identify the baseline of culturally diverse employees, and put in place a measurement framework to track progress. An index was adopted to measure the cultural diversity of leaders called the Herfindahl-Hirschman Index (HHI). It is a commonly accepted measure of market concentration in economics. The HHI is applied by measuring the concentration mix of all the cultures in their Australian employee population, resulting in an index position of between 0 and 1 - the higher the score, the more diverse the population. The index provides a non-biased method of estimating the diversity within the employee population.

The HHI uses anonymous self-disclosed demographic information from the Group’s annual internal engagement survey, which has a high response rate of over 84% of employees disclosing their ethnic background. This information is then benchmarked against the 2011 Australian Bureau of Statistics Census. The Group found that its senior leadership is less diverse than the Australian population, and as a result of this finding, in late 2015 the Group’s Executive Committee and Board endorsed a cultural diversity target: **‘The cultural diversity of our senior leadership to match the cultural diversity of the Australian population by 2020.’**



“ HEARING FROM OUR CULTURALLY DIVERSE EMPLOYEES HAS BEEN INVALUABLE TO INFORM HOW WE DEVELOP OUR APPROACH TO CULTURAL INCLUSION. BRINGING TOGETHER THE BROAD RANGE OF SKILLS AND EXPERIENCE OF OUR EMPLOYEES TO HELP DRIVE CULTURAL INCLUSION ACROSS THE GROUP IS A GREAT EXAMPLE OF DIVERSITY OF THOUGHT IN ACTION. IT HAS BEEN A GREAT PLEASURE TO LEAD THIS. ”

————— NICK FERNANDO, GENERAL MANAGER RETAIL BANKING SERVICES & CHAIR OF MOSAIC

MONITORING

To assist the Group in achieving its cultural diversity target, it is putting in place a range of initiatives led by the business and HR. The approach is broad with a focus on embedding into existing systems and processes and leveraging the talent and knowledge of employees. The implementation plan to achieve the target has provided an opportunity to address the remaining five employee recommendations through the following initiatives:

- **Minimising bias** in talent identification, acquisition and management.
- **Creating accountability** through performance measurement.
- **Sponsorship** of culturally diverse talent by the Group's Executive Committee.
- Providing inclusive leadership and cultural competence **programs**.
- **Rotating talent** and providing global opportunities.
- **Engaging with our employees** on culturally significant milestones and events.
- **Clear and deliberate cultural inclusion** educational communications and marketing activities.
- **Supporting leaders** to monitor their progress against the target through online dashboards.
- Collecting and confidentially storing **demographic information** through our HR systems.

OUTCOMES

Since the endorsement of the target, there has been a high level of engagement across the Group from leadership teams and employees. To support this engagement, materials were developed for leaders and employees to give them the simple actions they can take on a daily basis to achieve the target.

Key achievements to date:

- Development of a **cultural competence training program** covering inclusion, unconscious bias, lazy racism and its impact on the workplace.
- Over **800 employees** have been trained, and **60 employees** have now become facilitators of the training who are located across the world.
- Launched the **cultural diversity target** at an event, attended by the CEO, Race Discrimination Commissioner and approximately 200 employees.
- Partnered with Scanlon Foundation to celebrate **A Taste of Harmony** with over 30,000 employees participating in events across the globe.
- Designed and launched a **corporate hijab** for our female Muslim employees.
- **Celebrating key cultural events** with employees and customers e.g. Lunar New Year and Iftar dinners.
- Became a signatory to the **'Racism. It Stops With Me.'** campaign of the Australian Human Rights Commission.
- Partnered with the Victorian Multicultural Commission on **'Cultural Diversity Week'**.
- Partnered with Diversity Council Australia on **Cracking the Cultural Ceiling** research into the inclusion of culturally diverse employees.

BECAME A SIGNATORY TO THE **'RACISM. IT STOPS WITH ME.'** CAMPAIGN



800
EMPLOYEES
TRAINED

60
EMPLOYEES
BECAME
FACILITATORS



DEVELOPMENT OF A **CULTURAL COMPETENCE TRAINING PROGRAM**

LESSONS

The development of the cultural diversity target was a product of diversity of thought in action. From inception, the process was built on collaboration between a number of internal functions and employees from different cultural backgrounds and expertise. This collaborative approach has been key to ensuring ownership and accountability in driving the target throughout the business.

Some key insights from our experience:



LISTEN TO EMPLOYEES to understand what's relevant to them and their communities. This will ensure that solutions are meaningful and will have the desired impact.



TRANSPARENCY is key when collecting data about employees, either anonymously or not. Be clear about what data is required, what the data will be used for, and who will have access to it.



SECURE BUY-IN FROM SENIOR LEADERSHIP to ensure inclusion initiatives are set up for success from the beginning. Sponsorship from leaders will help open doors and remove obstacles to implementation. They will also assist in communicating about inclusion initiatives to their leader peers.



BRING PEOPLE LEADERS ALONG. Clearly communicate the current state, their role in reaching the target and articulate where they can make the most impact by having a cultural diversity lens while making decisions about their talent.



HAVE A CLEAR ACTION PLAN with goals, milestones and measures to drive progress and ensure accountability. This will help the strategy maintain momentum, but also show that the network is serious about its work.



GO WHERE THE APPETITE IS. Find the areas of the business that show interest and leverage their interest to test ideas, pilot initiatives and learn from the results.



EMBED, EMBED, AND EMBED EVEN MORE. Identify where a cultural diversity lens can be embedded into processes and systems so it becomes the way things are done.

FUTURE

“ SETTING DIVERSITY TARGETS FOR OUR LEADERSHIP HAS PROVEN TO BE A POWERFUL STRATEGY IN GUIDING THE RIGHT BEHAVIOURS TO INFLUENCE CHANGE. THIS IS EVIDENCED BY THE INCREASE OF WOMEN IN LEADERSHIP AT THE GROUP OVER THE LAST 5 YEARS. EMBEDDING TARGETS HAS FOCUSED OUR EFFORTS TO REACH MILESTONES THROUGH VISIBLE AND POSITIVE ACTION, AND WE EXPECT THE SAME RESULT FOR CULTURAL DIVERSITY IN LEADERSHIP. ”

————— RYAN BURKE, EXECUTIVE MANAGER, GROUP DIVERSITY & INCLUSION

To reach its cultural diversity ambitions the Group will develop and implement initiatives that directly impact the progression of culturally diverse talent in the organisation.

This will support leaders to make fair and equitable decisions about their employees at key points in the talent lifecycle e.g. recruitment, development and promotion. Mosaic will be taking a continuous improvement approach to the target methodology and the role levels that the target is applied to. The Group will also investigate better ways of collecting and storing employee demographic data, and continue to educate about the cultural diversity target and how it can be achieved through inclusive work practices. Once the cultural diversity target has been embedded in Australia, the Group will work to define cultural diversity in global locations, and explore options to apply the methodology to international offices.



TOP ROW (FROM LEFT): COMMONWEALTH BANK EMPLOYEES; COMMONWEALTH BANK EMPLOYEE WEARING CORPORATE HIJAB.
BOTTOM ROW (FROM LEFT): MOSAIC SPEAKER SERIES – ACKNOWLEDGEMENT OF COUNTRY; MOSAIC CULTURAL INCLUSION FACT SHEETS AND CARDS; MOSAIC SPEAKER SERIES & A TASTE OF HARMONY CELEBRATION.

YOUR PARTNER IN
**DIVERSITY
& INCLUSION**



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