

My Difference

IN December 2005, more than 11,000 ANZ employees worldwide responded to the first My Difference survey, providing a snapshot of what our people see as the issues relating to diversity in their workplace.

The survey was conducted so that ANZ could identify which policies work well to support diversity, and where the gaps are, so that new flexible and fair policies, processes and practices can be developed that meet the needs of our people.

Participation was voluntary and people could skip questions if they did not wish to respond.

The results were published on Max in February and managers received results for their business unit, with action plans to help them meet the priorities.

Overall, 85 per cent of ANZ employees understand the importance of diversity for the organisation, and 89 per cent agree that it helps us to better relate to our customers.

Sixty three per cent of respondents said that they are able to use our diversity policies.

The results will allow ANZ to set priorities

for activities that support diversity and to measure progress.

Six months on, action has begun in a number of areas to address the concerns raised. Some of those actions and initiatives are outlined below.

Fiona Krautil, Head of the Advancement of Women and Diversity, explains:

“The survey was really a stake in the ground. We *really* wanted to hear what our people had to say, and we’ve taken away the very clear message that our policies are fantastic but the reality on the ground is not as good as we want it to be.

“The survey results and comments across *all* the diverse groups show that we’ve got work to do across *all* the different areas. And the Engagement and Culture Survey showed it again when you cut the results on diversity.

“It’s vital that we embed diversity into the way we do things rather than simply bolting it on, otherwise it falls off every time you have a restructure or a new CEO.

“We need to focus on bringing diversity alive for everyone across ANZ.”

From the survey: “Understanding how diversity supports different areas of our business is important because ...”	Strongly agree and agree
It helps us to better relate to our customers	89%
It allows for an accepting work environment	87.50%
It helps this organisation earn the trust of the community	85%
It helps us to live the values	83.50%
It helps enhance employee satisfaction/ engagement and productivity at work	80.50%
It generates growth through tapping new customer segments	76%
It creates an inspiring leadership environment	75%
It enhances compliance	62%

CULTURAL DIVERSITY

What you told us

ANZ is a culturally diverse organisation, with employees who were born in at least 133 different countries.

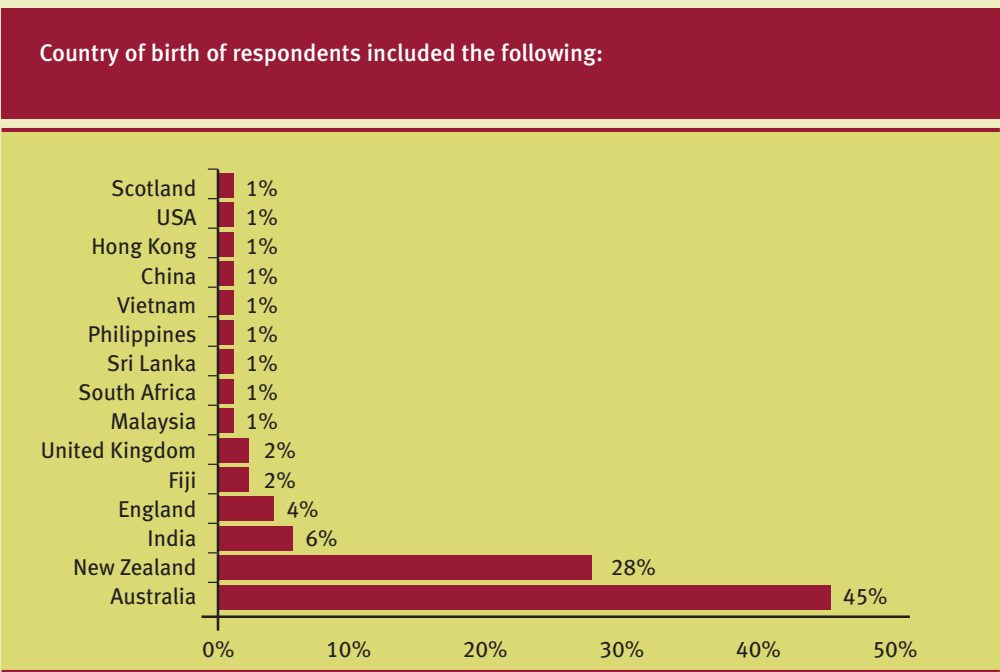
- 45 per cent of respondents were born in Australia and 28 per cent were born in New Zealand
- 85 per cent of employees feel positive about cultural diversity within the organisation

Some comments suggested concern that cultural diversity is not highly evident at senior management level, and it is more evident in some business units and locations than others.

Progress so far

- Senior executives participated in a diversity awareness workshop in May, part of the half-day segment on ‘building a more engaging and diverse workplace’ during the bi-annual meeting of the ‘Chief Executive’s Group’ (CEG) of around 100 senior executives including Management Board, business heads and a number of their direct reports. CEG members tested their own diversity capability and identified one small step and one bold step they could take – as a leader, and collectively as a Division – to deliver better diversity outcomes for staff.

- Harmony Day was celebrated around Australia in March – most notably in Personal Division, Payments and Tradecentrix – with competitions and events to celebrate our cultural diversity.
- The structure of ANZ’s Diversity Council has been changed to include six staff representatives as well as six senior management representatives. More than 70 people applied for the six places. Diversity Councils in Australia and New Zealand are forums for identifying and prioritising diversity issues, implementing innovative interventions and sharing best practice ideas on diversity across business units. Executive representatives will establish smaller groups in their divisions to support and implement the Council’s ideas and decisions.
- A new secondee role has been created to fact-find and develop an Australia-wide three-year ANZ Indigenous Employment Strategy with assistance from indigenous organisation AES (Aboriginal Employment Strategy). This follows the signing in February of the CLIEP Indigenous Employment Agreement between ANZ and the Australian Federal Government by Brian Hartzer, Group Managing Director Personal, and Federal Minister for Workplace Relations, The Hon Kevin Andrews.



- The Breakout team is working with ANZ’s Diversity team and external diversity consultants to develop a leading-edge Diversity Awareness program that can be tailored for use across ANZ. The aim of this series of interventions is to raise awareness of diversity beyond intellectual understanding, to support an appreciation for diversity in the workplace at ANZ. It will focus on encouraging behaviour and expanding mindsets to create a work culture that supports diversity so that difference is valued and leveraged at ANZ.

MATURE AGE EMPLOYMENT

82 per cent of respondents agreed in the survey that their working environment is accepting of people of all ages and 70 per cent believe that people are treated as equals regardless of age.

As at April 2006, ANZ’s age profile was as follows:
• 42.7 per cent of employees are 40 years or over
• 28.9 per cent of employees are 45 years or over
• 16.7 per cent of employees are 50 years or over and
• 6.5 per cent of employees are 55 years or over.

Before My Difference, ANZ had a range of mature age employment policies in place, including the Career Extension Policy (guaranteeing employees aged 55+ the right to go part-time), revised qualifications policies (the ability to waive the tertiary qualification requirement where experience more than compensates), plus flexible working schedules and flexible leave. As part of our internal mobility program we provide management workshops for managers to help them to understand the needs of their employees in finding new career opportunities within the bank. The My Difference survey results have provided a clearer picture of the age diversity of our organisation and work will continue to ensure that access to these policies is the same across all areas of the business.

Progress so far
• The use of flexible leave in the 55+ age group has increased from 7 per cent in 2003 to 13 per cent in 2005.
• Turnover of employees in the 55+ age group has decreased (from 18 per cent in 2003 to 14 per cent in 2005)
• 42 per cent of employees in the 55+ age group work part time
• Increase in the average age of retirement (from 54.8 years in 2001 to 57.8 years in 2005)

The National Bank's Otahuhu Branch celebrates the Diwali, the Hindu Festival of Light, in 2005



GENDER

What you told us

When it comes to the work environment 85 per cent of respondents think ANZ is accepting of both men and women but some believe it is still harder for women to succeed in the workplace.

On average though, 82 per cent of males think we are managing gender diversity issues, compared to 76 per cent of females.

ANZ needs to focus on equal opportunity for career development and progression: 75 per cent of men believe we have achieved this, but only 67 per cent of women. Many people referred to this in their comments.

What we know about women in the workplace

- Women generally ...
- Experience unconscious assumptions from managers about what they can and cannot do when they are in the minority
 - Don't put up their hands for promotion until they are 90 per cent sure they can do the next job
 - Believe if they work hard they will be promoted – often they are uncomfortable demonstrating ambition
 - Are less willing than their male peers to tolerate organisational politics and supervisors they don't respect
 - Don't understand the business management roles they need to experience in order to advance
 - Are not part of the informal networks at senior levels that are key to success
 - Have to prove themselves in each new role
 - Are driven by 'making a difference' compared to men who are driven by the 'status' of roles
 - Are less likely to be informally mentored than their male peers.

- Organisations generally ...
- Don't take the same risks with women as they do with men
 - Have a narrow view of what constitutes senior executive 'success', which the majority of highly capable executive women do not fit
 - Don't provide senior women with the breadth of experience that they provide to their male peers
 - Have not supported a redesign of traditional business leadership roles to enable flexible work/life balance
 - Train women for their *current* roles whilst they train men for their *future* roles.

Progress so far

- In late 2005, research conducted for ANZ by external diversity consultants identified the career barriers for senior executive women at ANZ, and John McFarlane met with around 45 women in executive roles to explore some of these issues. The three action items from these roundtable discussions are:
 - Create more opportunity for senior female executives and increase the pipeline of talented women, particularly in business management roles
 - Create a more supportive leadership environment for women generally, in what is a very male-orientated culture
 - Provide more support to female executives in key roles to ensure that they succeed.
- Management Board and their direct reports will mentor senior women, and will roll this down through the organisation.
- In February 2006 John announced targets for increasing the number of women in all levels of management. The targets for 2008 include women in 25 per cent of executive roles and in 20 per cent of senior executive roles – up from 22 per cent and 14 per cent respectively at the end of 2005.
- Group People Capital is in discussion with executive recruiters to outline ANZ's expectation of high-calibre female candidates.
- Fiona Krautil produced a discussion pack on 'What gets in the way of Women's Advancement?' for discussion at the Talent Council and the Succession Council, both of which exist to identify and develop high potential people.
- ANZ is a platinum sponsor of the fifth Equal Opportunity for Women in the Workplace Agency's 'Women in Leadership Census' taking place in August 2006. The census measures the status of women on boards and female executive managers in the top 200 organisations listed on the Australian Stock Exchange.

Employees with child care responsibilities:	
Total ANZ	52%
Pacific	78%
Asia	55%
NZ	54%
US/UK/Europe	52%
Australia	52%
India	35%

Women in management targets		Timeframe			
	1996	End 2005	As at April 2006	TARGET end 2006	TARGET end 2008
Senior Executive	unknown	14%	15.9%	20%	25%
Executives	4.2%	22%	21.8%	25%	30%
Senior Managers	10.1%	25%	26.2%	30%	40%
Managers	19.4%	38%	37.8%	40%	50%

DISABILITY

What you told us

Around 10 per cent of ANZ employees have a disability – either sensory, physical, mental/psychiatric or 'other' – but 45 per cent of these said they were sure their manager did not know they have a disability.

ANZ's people also reported that some of our buildings and technology, including those open to the public, are not easily accessed by people with disabilities and need improvement.

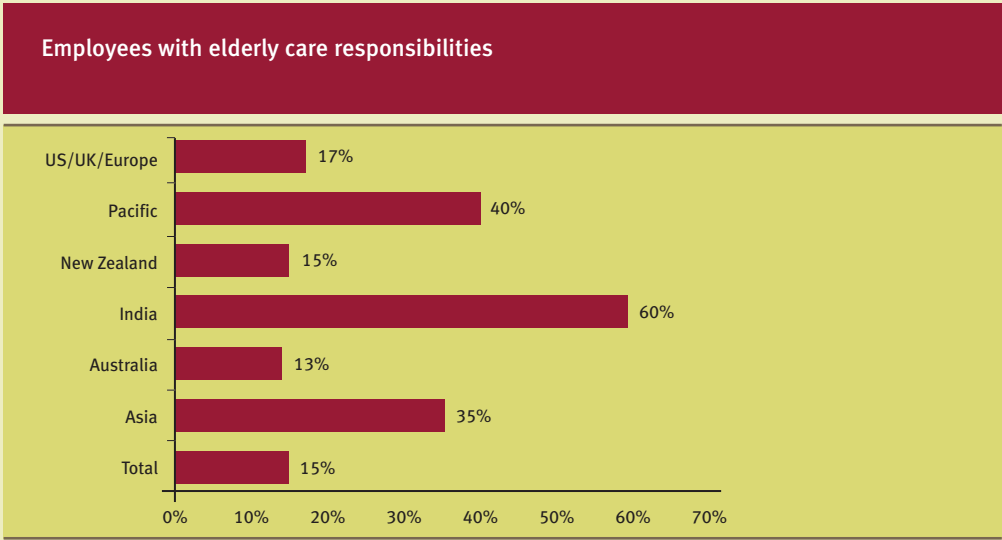
Progress so far

- The Disability Action Plan and 'Reasonable Adjustment Policy' are under development with the assistance of an expert external consultancy Diversity@Work. The 'Reasonable

Adjustment Policy' and associated toolkit looks at practical ways in which an employer can accommodate employees, both current and potential, with a disability.

- ANZ's existing Disability Action Plan 2002 has been reviewed through a consultation workshop held with the ANZ Disability Network. ANZ teams including Property, Technology and People Capital provided their commitment to the first Plan in 2002. Both the Disability Action Plan and the business stakeholders' responsibilities are to be finalised in August.
- The new Disability Action Plan and the 'Reasonable Adjustment Policy' and toolkit will be launched later in 2006.

Employees with a disability	
Sensory	3%
Physical	2%
Mental/Psychiatric	3%
Learning/Intellectual	0%
Other	2%



Brian Hartzler, Group Managing Director Personal and Chair of ANZ's Diversity Council, presents to a women's networking meeting in Melbourne about some of the issues ANZ needs to address to attract and retain talented women and nurture their skills