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Multicultural Management in the Information Age

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I have been asked to speak today about the challenges of managing enterprises in a multicultural age, about the advantages of utilising the diverse skills of a diverse society and about the methods of ensuring that – in an increasingly competitive global environment – organisations can implement diversity strategies from the boardroom down to strengthen their competitive 'edge'.

I would like to explain briefly the background I bring to this subject. As Head of SBS Radio, I am in a privileged position in that I lead what is certainly one of the most culturally diverse workforces in Australia, if not in the world.

SBS Radio broadcasts in 68 languages, more than any other broadcaster in the world. We are an Australian national broadcaster serving a domestic Australian audience across this vast continent. We do not broadcast in foreign languages, we broadcast in English and 67 of the languages spoken by Australians today.

I will not go into the ways these languages have been chosen or the philosophy of SBS, beyond saying that SBS Radio and Television – and now our Online services – have a Charter responsibility *'to provide multilingual and multicultural radio and television services that inform, educate and entertain all Australians and, in doing so, reflect Australia's multicultural society'*.

The Special Broadcasting Service Corporation - SBS - is often described as the cornerstone of multicultural Australia and it is a responsibility we take very seriously. There would be few other organisations anywhere in the world employing the diversity of staff that we do. Our business is multicultural broadcasting and we therefore employ hundreds of staff to make our product – radio programs in 68 languages and television programs from Australia and around the world subtitled in the common language of English.

One would think, therefore, that we know all about how to implement multiculturalism in the workplace. However, that proximity, that intimacy with cultural and linguistic diversity, also poses a special challenge for us in that we live with multiculturalism so closely that it can be a hurdle for us to examine and analyse exactly how we make it work. It is a bit like asking a cyclist how one balances on a bicycle - something natural is often the most difficult to explain. However, I will try, on the understanding that the insights I share today may not be perfect or may simply be too obvious. In a way, enterprises starting off on the path of multicultural reform may have a simpler task in analysing what they do and what they need to do.

If I use the term 'diversity management' today, it is a kind of journalistic shorthand covering such issues as managing diverse workforces, making sure one's organisation 'fits' well in a multicultural society and leveraging off the strengths of cultural diversity to turn apparent weakness into substantive strength.

Although as a rule I do not like to speak in negative terms, a sensible starting point to defining diversity management is to say what it is not.

It is not a separate issue for organisations to address on the margins of their core activities. In Australia in 2002 it is a core issue, one that should really be inseparable from all other core issues of an organisation's ethos, structure and management. The most recent published national census figures show that 25 percent of Australians were born overseas and a further 27 percent of the Australian-born had at least one parent born overseas. More than 200 languages are spoken in Australia, more than two-and-a-half million Australians (i.e. about 13% of the population) speak a language other than English in the home, and more than 400,000 people identify as Aboriginal or Torres Strait Islander.¹ Multiculturalism is not an adjunct to Australian society; today it is Australian society. We are all living in it but not everyone is aware of it or can put it to good use.

Secondly, diversity management is not a task executives should leave to specialist managers. By all means employ managers and staff specially designated to implement diversity policies and track their success for you. But in today's business environment, everyone in the organisation – from the CEO downwards – needs to be aware and skilled in diversity management. Overall, in this area, we as a working nation still have a long way to go. Surveys of Australian CEOs – supposedly the most aware person in any enterprise – still show a relatively low engagement. Only 32 percent of CEOs ranked diversity management as important to workplace productivity. Only 14 percent ranked diversity management as important in recruitment and the majority said their enterprise held no records of the ethnic background or language skills of their staff. An increasing number of bright, talented young people of diverse cultural backgrounds are now thrusting their way upwards in organisations across Australia – trying to break through what American researchers at the Harvard Business School or commentators on the Wall Street Journal call 'the bamboo ceiling'.² Of course, women of Asian background face yet another ceiling to break through – the glass ceiling – as do women in general on the executive ladder. Within a few years, CEOs who don't take diversity issues on board will find themselves increasingly isolated from the both their own enterprise and the wider Australian society.

The third 'not' is more positive, if that makes sense. In the same way that multiculturalism is not just Greek dancing or Vietnamese cuisine, diversity management is not just about serving halal food in the staff cafe, allowing time off for religious festivals or teaching one's sales force Japanese – important though these might be individually. It is about whole-of-organisation approaches and attitudes. Your Muslim employee will not feel valued when you provide halal food in the cafeteria if you do not also recognise the special insights and skills he or she brings to their job. Employees of diverse

backgrounds may not only look, dress or speak differently, they may also have unique and interesting approaches to their job and your business that will add value and make them feel valued.

Which brings me to the positives – what diversity management is.

It is a number of things separately and together. It is things that may be important to your organisation in different proportions, so I will list them in the following order, though your priorities may differ.

Diversity management is about making your enterprise relevant in an evolving Australian and global environment. The manager who believes one can solve communications problems with overseas visitors simply by gesticulating and speaking louder is doomed. You will not get an order with an overseas client by doing that and you will not convince an employee you are in control if you do it to them either. Expectations in Australia and across the global economy have grown and Australian companies will no longer be forgiven for being 'quaint'. In a competitive world, quaint is for street buskers and heritage parks.

For example, according to the latest figures compiled by the City of Sydney Council, Sydney is now the regional headquarters to more than 275 global corporations operating in the Asia-Pacific region. 960 international flights connect with Sydney each week, serviced by 44 international airlines. As a regional hub and global player, Australia can no longer shelter behind a picket fence of monocultural life or commerce.

Diversity management is about maintaining a happy and productive workforce. While there are very few employers around today who only want their staff to be happy, it is being increasingly recognised that job satisfaction has its own economic rewards in such areas as increased productivity, lower absenteeism, greater customer focus, lower costs of staff turnover, the list is almost endless. Once one recognises that different things make different people satisfied personally and in their work, a good leader will also acknowledge that issues of culture, language and ethnicity are important to many people, especially those people who use these issues to define themselves. While few enterprises are as fortunate as SBS in being able to satisfy the cultural and linguistic needs of their staff – ours, after all, do it for a living – acknowledgement of difference and some accommodation for it can go a long way in any workplace to increasing productivity. In the deserts that are many workplaces, even a cup of water is worth its weight in gold.

I must hasten here to say that I am not speaking of tokenism – though tokens or symbols of good faith are important to employees. I am saying that one can start with small improvements and work upwards as management confidence and staff acceptance or participation increases.

Can I say here, as a footnote, that I am also not so naïve as to suggest that diversity management is seen as a wholly positive experience by all employees within an enterprise. Many will feel threatened by it, fearful for their old ways of life and of doing things. Some, especially those who have not accepted cultural diversity, may feel betrayed and so must be coached into

new ways of thinking and behaving for the good of the enterprise as a whole. All staff, not only those from minority cultures, must be considered in implementing programs of diversity management.

A third good reason for diversity management is to leverage off the specialist skills which employees of different cultural, linguistic and educational backgrounds will bring to your enterprise. I do not simply mean the ability to provide a Mandarin-speaking employee to negotiate with a client from Beijing. I mean that every employee could bring something special to your enterprise. At SBS Radio, as well as utilising the language and cultural skills of our broadcaster-journalists in serving their individual audiences, we leverage off their different life experiences to strengthen the organisation as a whole. For example, meetings from workplace management team level to national strategic planning conferences are conducted in such a way that all contributions are valued, however well or poorly articulated. This can utilise different thought processes and produces outcomes which are innovative and maybe even unexpected. In a world where everyone is seeking to carve out a unique advantage, difference is the raw material of innovation.

My fourth reason for diversity management is by no means the least important, though I do recognise that in the cut-and-thrust world of business it may sound like a luxury. It is that an enterprise that implements a successful diversity management strategy is fulfilling a *social responsibility to the wider community*. I acknowledge that is easy for me to say because I lead an enterprise that has, as a cornerstone of its existence, the concept of public service and nation building. But it is becoming increasingly apparent from studies around the world that good corporate citizenship is something to be desired. Not only can it have economic benefits in the race to capture increasingly discerning customers, but an increasing number of staff, managers and board members simply wish to work in an enterprise they can be proud of. Organisations that do not add value to the community in general will always contain a flaw, a flaw that may one day, under pressure, cause the company to crack.

Some of you may read the annual *Age and Sydney Morning Herald* 'Good Reputation Index'. This ranks Australia's top 100 public companies across six major categories, one of which – Management of Employees – contains the equivalent of Diversity Management. Numerous companies have climbed the ranking due to a high score in this factor. The Australian Centre for International Business observes that a good reputation (such as that reflected by the index) is valuable in making the enterprise 'an employer of choice'.³ As most of us will recognise, being an 'employer of choice' can give a company a huge competitive advantage in all sorts of ways.

Moving on from an assumption that diversity management is generally beneficial and is here to stay, how can the leaders of enterprises best implement it to reap the advantages and avoid the pitfalls?

Diversity management is a growing field of study and practice, as major corporations move beyond the relatively passive equity issues of Equal Employment Opportunity to a more pro-active application of policies to

maximise the benefits of diversity. Where the major corporations lead, so other enterprises usually follow. And this goes hand in hand with growing bodies of literature from management practitioners and academics throughout the world. Perhaps the biggest single body of literature comes from the United States, where the issue of involving what they term 'minorities' in corporate life has generated much research. But Australia too is giving more and more thought to how best to harness our rich multicultural society to the national good.

SBS is an active partner in the Federal Government-sponsored 'Productive Diversity Network', along with other major employers such as Coca Cola Amatil, Bovis Lend Lease, Westpac, AMP and Drake Personnel. Run by the Australian Centre for International Business, the Program for the Practice of Diversity Management (as it is properly known), has worked with industry partners such as ourselves over the past year to produce a growing range of management tools to assist enterprises to implement more effective diversity programs. Their business models make the case for diversity strategies in areas such as human resource management, engaging senior managers, ensuring expatriate success and compliance. Their toolkits provide useful and tested tools for implementation.

While the materials cover all areas of diversity – including gender, disability and age – cultural and linguistic diversity is probably the project's most significant contribution to date. In this area, as in many others, Australia is at the leading edge of development. The documentation is massive and growing, so in the few minutes remaining it might be most useful if I share some of the more salient findings and recommendations from Australia and overseas in the following two areas: What factors affect the career success of men and women who don't fit the standard Anglo-Saxon mould? And what needs to be done to speed their orientation onto the culture of the organisation?

On the first question – which could be paraphrased as 'Why don't some people fit?' – I would like to approach the answer from a different, more positive angle. I would like all enterprises to see not the weaknesses in a person from a non-English speaking background but their strengths. After all, no employer in their right mind employs someone because of their weaknesses.

As I mentioned earlier, organisations must not only value and leverage off the skills of staff from different cultures, they must inculcate a positive attitude throughout the organisation, promoting diversity as a corporate strength. Employers should be confident that this will be well received by most members of staff. With the qualification mentioned earlier that some staff might be fearful of multiculturalism, employees from diverse backgrounds will normally respond in a very positive way. Simply changing the corporate atmosphere can have immediate beneficial effects.

But of course there need to be practical steps taken to make people 'fit'. This has two aspects. The first is to make your enterprise receptive to them. The second is to assist the employee himself or herself to fit into the evolving

workplace. It is a dynamic process with – hopefully – spiralling benefits for everyone.

While time does not allow me to detail all the strategies, a useful starting points would be a Diversity Climate Survey. The Productive Diversity Project has developed one such tool which enterprises are welcome to use. The survey is a way of auditing a company's performance and can be a key diagnostic tool in the kind of measurement and benchmarking most senior management will welcome anyway.⁴

Everyone in an enterprise needs a clear articulation of what is the starting point and where everyone is heading. A traditional way of setting the starting point is to establish and maintain such tools as EEO and harassment prevention training. On economic grounds alone, reducing employee dissatisfaction and avoiding harassment actions makes sense. The New South Wales Anti-discrimination Board calculates, for example, that an employee earning \$30,000 a year who takes 10 days stress leave costs their employer \$1,625. The average cost of a workers compensation claim is \$2,000 while the cost of running a case in a tribunal, court or commission can range from \$3,000 to \$10,000. They compare this to an approximate cost of \$1,500 for a day's training for 25 middle managers.

SBS has a system of regular EEO and harassment prevention training and appoints Harassment Contact Officers at all levels of the organisation in both our Sydney and Melbourne facilities. My own Division – SBS Radio – runs regular training for new and mid-career staff in all aspects of workplace relations and – because broadcasters from non-English speaking backgrounds can be no less temperamental than any other media practitioners – we even run conflict resolution training from a multicultural perspective. Diversity management, like any other field of employment practice, requires commitment and resources.

On the second complex question of integrating employees of diverse backgrounds into an organisation, there is an ever-growing body of useful guidance. For an overview, one can look for some policy guidance at the Federal Government's *Charter of Public Service in a Culturally Diverse Society*. Promulgated in 1998, the Charter requires government entities to lead the way in promoting diversity by applying seven major principles, ranging from access and equity, through communication strategies, making services responsive, effective and efficient for everyone and – perhaps most important in public service – accountability.

Translated to the private sector, such principles can guide a business to success just as easily as they can lead public sector organisations to better service. The concept of accountability for diversity in both public and private sectors mean not only are the people responsible for implementation accountable to the board or the taxpayer – usually through Government – but that within organisations everyone in the chain is accountable, from the CEO down.

If you have a corporate charter that specifically mentions cultural diversity, a board which believes in it, a management accountable for implementing it and a workforce committed to reaping its benefits, you are already a long way on the road to running a successful multicultural enterprise.

You can then implement some quite basic strategies to gain solid achievements. The landmark Korn/Ferry-Columbia Business School study of 280 'minority' executives in American corporations recommended a number of strategies such as making diversity management a performance indicator of your managers and senior executives, constructing job opportunities and roles so staff from culturally different backgrounds can make a positive impact on the whole organisation thereby 'publicising' the beneficial effects of your policy, providing mentors and opening dialogue about issues of cultural diversity in the workplace.⁵

The actual strategies and techniques of helping staff of different backgrounds 'fit' and succeed in an organisation are numerous and increasingly well publicised, especially in Human Resources literature. So I might mention a cautionary piece of advice from the commentator Todd Raphael, writing in the HR magazine 'Workforce'. He bemoans the spread of practices which try to take the 'spikes' out of cultural difference – like re-naming both Christmas and Yom Kippur 'holiday parties' to be celebrated by everyone – instead of valuing and supporting diversity.

He says: 'If we really want to be diverse, let's all invest in a good calendar. We can circle all major holidays of our employees' religions, and be reasonably sensitive to what these events really mean to our employees' lives. We can allow for an extended lunch hour on Ash Wednesday to make room for a church visit. If people bring donuts for the break room every Friday, we can change the menu to fruit or something else during the one Friday each year that falls within Passover's eight days (when bread products are forbidden). We can encourage the investment of our corporation's community-service budgets in organisations supported by our employees, such as those that work to undo negative stereotypes of Muslims. Such moves would do a lot more to employees than does translating Jingle Bells into 19 different languages or running around wishing people a "merry winter" (talking in terms of Northern Hemisphere seasons. It could be a 'merry summer' in Down Under).'⁶

To conclude on a more serious note, in today's highly competitive information age, technologies can give enterprises an advantage. I know in SBS Subtitling, our modern computer captioning equipment creates subtitles faster and more clearly than ever. In SBS Radio we have just installed a state-of-the-art digital production and presentation system to make programs faster and of better sound quality. But without our skilled subtitlers and experienced multilingual broadcaster-journalists, our television and radio programs would not stand out. It is our people – drawn from diverse backgrounds and using a variety of cultural skills – who add the real value to our activities.

Thank you.

¹ Census of Population and Houseing, Australian Bureau of Statistics, February 2002.

² Helping Asians Climb Through the Bamboo Ceiling, Wall Street Journal.

Jay S. Siegel (J.D./LL.B, New York University, 1954), Research Fellow, PBRC, Kennedy School of Government, Harvard University. *Research Topic*: "Piercing the 'Bamboo' Ceiling"

³ The Australian Centre For International Business, Diversity Network Newsletter, October 2001.

⁴ Ibid. 'Toolkit for Diversity Management: Using Diversity Climate Surveys', October 2001.

⁵ How to Retain High-Achieving Minority Execs, Korn/Ferry International, New York, December 10, 1998

⁶ Todd Raphael, 'We Wish You a Merry Winter', Workforce: HR Trends and Tools for Business Use, February 2002.