

MEDIA COVERAGE

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Lack of cultural diversity a 'risk'

LISA MACNAMARA The Australian January 03, 2013 12:00AM

CULTURAL diversity will be the next wave of change for Australian boards in 2013, as corporates look to their senior ranks to forge a deeper engagement with Asia.

Tamerlaine Beasley, who has advised some of Australia's S&P/ASX 200-listed companies and multinationals on doing business in Asia, says like the recent focus on gender diversity, cultural understanding will be a major theme for business as it drives a more sophisticated approach to regional integration in the Asian Century.

"It's interesting how white and how male and how much the people at the board and senior leadership level of our organisations come from the same school and the same cultural background," said Ms Beasley, the managing director of Beasley Intercultural.

The recent white paper on Australia in the Asian Century has helped to drive a greater awareness by companies on the strategic benefits of cultural diversity. But a greater understanding of the changing nature of a global workforce was becoming a critical issue for business, Ms Beasley said.

"People are increasingly required to work in global, virtual and distributed teams where colleagues may be located in multiple Asian locations," she said.

Despite Australia's large communities of people from Thailand, Indonesia, India and China, few were represented within the nation's senior leadership ranks. Those in senior leadership and board positions should also have international experience, Ms Beasley said.

"If you've never worked overseas before and you don't speak another language, and all your experience is within Australia -- that's a strategic risk," she said.

Ms Beasley argued that the debate around gender was similar to cultural diversity, with both involving the need to leverage breadth of perspective as a risk management strategy and to enable greater understanding of markets.

"If half of your market is women, you need to have some women on your board to understand that market, just as, if half of your market is in the markets of Asia and you have no one who speaks an Asian language or has lived or worked in Asia, that's a risk," Ms Beasley said.

The comments come as the Diversity Council of Australia collects data for a landmark survey, due to be released this year, on the cultural diversity of senior executives from the top ASX 100 companies.

DCA chief executive Nareen Young said the information would go beyond the traditional Australian Bureau of Statistics data of sex and country of birth.

"(It will also focus on) inter-cultural capability such as those people who might have been born in Australia, but whose parents might have been born elsewhere, and have worked in other places where they've collected other skills in that process," Ms Young said.