

Since moving to Sydney from Hong Kong in the mid 1990s I, like many migrants, now call Australia “home”.

I am excited about the possibilities of living in our young country as we progress further through the “Asian Century” and, whilst I’ve witnessed some resistance to the inevitable changes taking place within our society, I believe that most Australians are fair, open-minded, ambitious and keen to make an impact on the world. Being known for our competitiveness on various sporting fields, Australians are always welcome wherever they travel and enjoy a reputation for success, respect and confidence. I love it when someone calls me “mate” when I’m travelling through China as it highlights everything I love about Australia - open, relaxed, informal, confident, but also competitive!

★ The impact of Immigration policy

As a keen observer of culture and change in Australian society, I am fascinated by the transformation taking place on the ground as our population has expanded by over 7.5 million people since I arrived in July 1995. Many economists believe that immigration has been the single major contribution to our economic prosperity in the past 25 years and there is no doubt that the evidence of this is everywhere, from the growth of our universities to the price of real estate in our major cities. Sydney alone has expanded by 1.7 million people (almost 50%) since I arrived and, as well as being one of the most liveable cities in the world, it is also now one of the most expensive.



A quick glance at the immigration numbers suggests that a large majority of the growth in our population over the last 25 years has come from Asia, particularly from the large populations of China and India and, with only a limited number of places available, we’ve had the luxury of selecting only the best ones in terms of talent, skills, experience and wealth. As a result, unlike previous migrants who arrived from war-torn Europe in the 1950s and started their life in Australia at the bottom of the social pyramid, Asian migrants and their families have come straight in at the top. Whilst the impact of this population shift will take a generation or two to be fully understood, we’re already seeing rapid change, both positive and, in some cases, negative. It’s going to take courage from those who grew up in Australia as the second or third generation of British or European migrant families to embrace the changes to society, culture and business from the arrival of all of these wealthy, educated and confident Asians, not to forget the fast growing number of Australian-born Asians.

★ A Lack of Diversity

I’ve often told the story of how I once presented to a room full of members of the Property Council of Australia (the peak body representing the largest players in the local property sector) on the topic of “Chinese investment into Australian property” (during the peak, a few years ago) and was surprised by the obvious lack of Chinese faces in the room. Of course, many of these companies have large numbers of Chinese people represented within their workforce, but it seems that very few of them rise to the level of seniority associated with an invitation to this type of event. This kind of problem isn’t unique to the real estate sector:

- Only six of the largest 100 companies are run by executives with a non-European background. Of the 98 CEOs in the role permanently, 55 were born in Australia, while 43 were born offshore. Of those who were born overseas, the vast majority were from Anglo-Saxon countries, such as the UK, USA, Ireland and New Zealand. Only two were born in India, one in Vietnam and one in Malaysia. (AFR June 2019)

- According to the “Leading for Change” report which examined Corporate Australia's cultural diversity inclusion against a snapshot taken in a similar 2016 report, “only 3% of chief executives and 5.1% of overall senior corporate leaders or executives have a non-European or Indigenous background. Put another way, 97% of chief executives have an Anglo-Celtic or European background. This is a dismal statistic for a society that prides itself on its multiculturalism. Clearly, there remains an Anglo-Celtic and European default when it concerns the cultural background of senior leaders in Australia.” (AFR April 2018)



Considering the high levels of academic achievement amongst Asian-born students in Australian universities, plus the large numbers of Australians with an Asian background (currently well over 12%) these numbers are quite disappointing. It seems to me that, rather than pushing against the so called “Bamboo Ceiling” and looking to advance their careers in the senior ranks of politics, media or Corporate Australia, the smart, wealthy and well-connected Chinese migrants prefer to put their energy into running their own businesses, including sourcing Australian products (e.g. infant formula, health supplements, wine and even real estate) and selling them for a profit to their friends and

families back in China. It would be so much better if these energies, skills and relationships could be channelled more directly into Australia's corporate sector, and the economy as a whole, where it could be better leveraged in terms of job creation, revenue generation and the transfer of much needed skills and knowledge to the wider population. It's got me thinking about what's going wrong, and how I can address this.

★ Benefits of Diversification

With the flow of people, capital and resources from China, India and South East Asia into every corner of our society, not to mention the massive export opportunities arising from the growth of Asian middle class consumption, business and investment, it seems to me that now is the time for dynamic, courageous and ambitious leaders and organisations to embrace the many benefits of diversification, which include:

- Boosting creativity, diversity and innovation – fresh perspectives lead to fresh ideas which leads to new revenue streams
- Doing business with Asia – presenting a multicultural ‘face’ to marketing, sales and client relationships
- Increasing productivity and profitability – organisations with cultures that promote diversity, inclusion and collaboration get better results

McKinsey have been studying the positive impact of diversity on business results since 2014. Their findings, after examining the data provided by 366 public companies across a range of industries, are unequivocal:

- “Companies in the top quartile for racial and ethnic diversity are 35% more likely to have financial returns above their respective national industry medians.
- Companies in the top quartile for gender diversity are 15% more likely to have financial returns above their respective national industry medians.
- Companies in the bottom quartile both for gender and for ethnicity and race are statistically less likely to achieve above-average financial returns
- In the US, there is a linear relationship between racial and ethnic diversity and better financial performance: for every 10% increase in racial and ethnic diversity on the senior-executive team, earnings before interest and taxes (EBIT) rise 0.8%”.

Their conclusion is compelling: "It should come as no surprise that more diverse companies and institutions are achieving better performance. Most organisations, including McKinsey, must do more to take full advantage of the opportunity that diverse leadership teams represent. That's particularly true for their talent pipelines: attracting, developing, mentoring, sponsoring, and retaining the next generations of global leaders at all levels of organisations. Given the higher returns that diversity is expected to bring, we believe it is better to invest now, since winners will pull further ahead and laggards will fall further behind".

★ Australia in the Asian Century

Australia's future prosperity depends on our ability to embrace and engage with the diversity and dynamism that exists within Asia Pacific, both at home and in the region, in order to fully uncover and access the investment, trade and business opportunities that will be a feature of the coming decades. Being known as "the lucky country" we're already well placed for this as a result of the many opportunities that come from our abundant supply of natural resources (mining, agriculture, food, tourism) but also because of our well educated, multi-cultural and diverse workforce which, for all the reasons outlined above, has rapidly emerged and been transformed over the past 25 years. All that we need now is to embrace Asian diversity at the senior levels of Australian organisations and institutions (political, media and business) to give us the best chance of success in the region. This will require a two-pronged approach:



1. **PUSH** - we need to educate Australian organisations and institutions about the benefits of embracing diversity, and provide individual leaders with the tools, confidence and cultural intelligence to promote Asians within their ranks and empower them to step into senior leadership roles
2. **PULL** - we need to support Asian Australians as they seek to break through the "Bamboo Ceiling" by tackling the many fears, challenges and barriers that they face in promoting their personal brand, reputation and capabilities within competitive, challenging and (sometimes) hostile environments.



Having lived and worked in the Asia Pacific region for the past 30 years, and supported Australian companies seeking to develop long term relationships with Asian investors, partners, distributors and suppliers, I have learnt a lot about how business gets done in our region. I've also worked with business leaders to develop their cultural intelligence plus communication and negotiation skills, and I've shown them the importance of building long term sustainable relationships. I am now including everything I've learnt through this process into my keynote presentations, which can be delivered online via webinars and workshops, to groups or individuals, so as to prepare Australian leaders to embrace diversity in the Asian Century.

For more information, or to find out how we can support you with your organisational challenges in embracing diversity, please contact jane@ovations.com.au.