

Stepping Up

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LEAD CULTURE CHANGE FOR DIVERSITY AND GROWTH IN THE ASIAN CENTURY

'My dream is that everyone living in Australia joins the workforce believing that the opportunities are equal, their path to the top meritocratic and the door to positions of power and leadership open.

My belief is that our future prosperity rests on our ability to embrace being part of Asia and our willingness to be more gracious about celebrating the successes of others.'

Pamela Young

The book's website contains biographies of the 100 leaders interviewed for Stepping Up, reader endorsements, details of events, blogs and conversations and more. Please visit:

www.steppingupaustralia.com.au

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Preface

Stepping Up is for leaders in business and society who are looking to increase productivity and achieve growth in the Asian Century. By building greater diversity in society and the workplace we can unlock productivity potential that is lying dormant.

Allowing both genders and people of all cultures who live in Australia to fully participate in the workplace will enable us to increase social cohesion, stimulate innovation, boost productivity, raise income levels and thereby improve individual net worth and GDP.

Realising full participation requires that everyone has the same opportunity to be appointed to positions that reflect their skills and experience, reach the level that reflects their performance and capability and be free to climb up the ladder unencumbered without bumping their heads on the glass or bamboo ceilings.

Stepping Up presents economic and social arguments for greater diversity and how the culture changes needed to achieve it are the same changes that would help to boost the growth of our industries and communities. Australia's future and the future prosperity of its people is reliant upon us keeping our nation at the forefront of Western nations and taking advantage of our proximity to, and engagement with, the fastest-growing region of the world.

Stepping Up challenges and empowers leaders to drive culture change to achieve gender and cultural diversity and enable growth. It questions our success at assimilating immigrants and supporting them to build productive careers, at welcoming home expatriates who have been away to gain valuable international experience, and at creating equitable working environments where females can develop and ascend the organisation on merit in the same way as men.

The facts are that relative to many of our global trading partners Australia is challenged by much of this. Australia needs its political leaders and leaders of business and society to collaborate, create a shared vision that will inspire the people of Australia to follow and lead us in culture change to join the more progressive societies of the world.

In this book we look at how greater diversity in society and the workplace requires culture change in the groups we belong to that shape our attitudes and behaviours. We take an in-depth look at three main cultures – country culture,

organisation culture and your own culture. We also take a brief look at other cultures that impact us at home and at work such as sports clubs, communities, associations, chambers, universities, schools and places of worship.

This book raises awareness of opportunities and possibilities; provides insight into current issues through the voices of 100 leaders interviewed from across Australia and Asia; and presents readers with culture-change solutions to shift attitudes and adjust behaviours that limit our performance. The voices of the 100 leaders interviewed reflect strong consensus on many key issues and confirm the call for action. At the same time there is some disagreement amongst the leaders, which highlights the disparate nature of our society.

The scope of *Stepping Up* is broad, from leading cultural change to increasing national diversity and advancing Australia's productivity and growth in Asia. It includes discussion about things that impact these ambitions, such as the Australian culture and its values, skills shortages, gender roles and education, women on boards and quotas, multiculturalism and immigrant integration. It also discusses where we should look for leadership on diversity and the pluses and minuses of being an island nation.

Stepping Up provides readers with inspiration, knowledge and motivation to lead change in their community, company, club or clan to help make Australia a more diverse, highly productive and regionally connected country. The potential is enormous.

If you would like to be part of the nationwide community of people who are leading the way to our future, please share your thoughts, initiatives and change projects on www.steppingupaustralia.com. I would also welcome your feedback on the ideas and opinions presented in this book.

*The thing the sixties did was to show us the possibilities
and the responsibility that we all had. It wasn't the answer.*

It just gave us a glimpse of the possibility.

John Lennon, (1940-1980) English musician and singer-songwriter with The Beatles

Part One

The Power of Diversity

Part One looks at the need for action on diversity and what diversity in Australia should look like. It explores the benefits provided by greater gender equality and cultural diversity in society and the workplace, and how improved diversity could enhance relations and trade with the fast-growing Asia region.

Chapter 1 looks at the opportunities and possibilities that exist for Australian businesses and society to obtain greater workforce participation and productivity through increased diversity.

Chapter 2 introduces the main themes arising from 100 research interviews with leaders from across Australia and Asia to uncover the truth about diversity and growth in Australia. Chapter 3 is a brief sojourn into my global journey discovering diversity and how I had to shift some of my childhood assumptions and biases along the way.

Taking the Mantle

'It is a curious thing, Harry, but perhaps those who are best suited to power are those who have never sought it. Those who, like you, have leadership thrust upon them, and take up the mantle because they must, and find to their own surprise that they wear it well.'

J.K. Rowling, *Harry Potter and the Deathly Hallows*

Leaders, step forward please

Stepping up is about inspiring people with meaning, motivation and the mettle to lead social change in Australia so that diversity becomes a reality in the workplace at all levels. Advancing our culture and improving diversity provides an opportunity to grow our economy and compete more effectively at home in Australia and across Asia in the Asian Century.

You might be a leader with a title and position or you might be a 'natural leader', a person without position or status but who attracts willing followers. Either way, if you have the mantle of 'leader' this book is for you and your followers. It's about achieving social change, diversity, productivity and growth.

Australia is at the crossroads on its growth curve. It has a decision to make. Resist change and face the consequences, or evolve its thinking and take the next step towards prosperity and a better future.

One way to evolve our culture – which would at the same time respond to the massive skills shortage in our economy – is to accept and include both genders and people of all cultural backgrounds equally, in both society and the workplace. This would give us access to *all* the talent and skills available already in the country and help resolve the productivity issues we face. It would also be the right thing to do.

How good would that be? By tapping into the full potential of Australia's working-age population, we could improve the productivity and performance of our businesses, industries and communities and we would also be turning our society into a fairer and more equitable place to live.

It is possible to achieve growth by accepting greater diversity in our workforce. By fully integrating immigrant workers into the workforce and allowing them to rise to the top of our organisations, our leadership teams would be more cross-culturally skilled and better at doing business in fast-growing and emerging Asian countries. If we remove the barriers that cause females to exit the workforce early we will prolong their careers and keep them actively producing in the fields they were trained for. Australia's long-term competitiveness is a reason for changing; resting on our laurels is not a clever option.

I am not alone in my thinking. *Stepping Up* brings you opinions from across Australia and Asia (largely Australian nationals living there) on these matters, which are vital to our growth and future. Here is a small sample of what is to come from the 100 leaders interviewed.

On the Australia–Asia opportunity

Leaders of Australian companies should come to China and have a look. There are a number of senior people who have never been to China in their lives. Where is the intellectual curiosity? There seems to be an indifference and intellectual arrogance.

Dr Geoff Raby, Chief Executive Officer, Geoff Raby & Associates (and former Australian Ambassador to China), Beijing, China

Australia has poor cultural diplomacy and we are being outspent by Europeans who are building soft-power relationships in the Asia region. The current generation of middle managers in Australia have a gap in their education: being able to understand the issues of Asia and knowing how to be part of the Asia region is important. It's not just about languages; it is about understanding the cultures.

Sid Myer AM, Chairman, Myer Family Company, Melbourne, Australia

Australia should have a head start over other Western countries, but it doesn't. There are a lot of German and French investors in China and they have had more time to resolve issues. There are many cultures in the European Union and people from Europe are more culturally aware when they come to China due to their experience in working across many cultures.

Joanne Wood, Chairman, Capital Eight, Shanghai, China



Sometimes we are under the illusion that because everyone in Asia speaks English that we don't need to learn Asian languages. Knowing other languages provides an entree to understanding other cultures. We are at a huge disadvantage with our Asian neighbours who speak English: we have not learned their language or made a collective effort as a nation to engage with them.

Diane Grady AM, Non-Executive Director, Macquarie Group, Sydney, Australia

Expat managers need to be careful that they don't spend all their time trying to make Asian people like us. Australians that come here tend to make the assumption that our ways are better and try and teach them how to do things 'properly'. This can be insulting to Asian people and is not the right way to approach working here.

Andrew Macintosh, Chief Executive Officer, Hanhong Private Equity, Hong Kong, China

Local people in Singapore and Hong Kong say that of all the Western foreigners in the region, the Australians are most difficult to deal with. They say Australians push the view that 'This is how it is done back home so this is how it should be done here'. This view is not appreciated by Asian locals. They say they prefer British and European expats because they find them more empathetic.

Dharma Chandran, Chief Human Resources Officer, Leighton Holdings, Sydney, Australia

On Australia's culture

There is racism in Australia like every other society on earth. It is generally directed to the most recent arrivals. The latest wave of immigrants is the group that attracts the hostility. A bias towards the Greeks and Italians that was present in the 1970s and 1980s has now gone. Now it's directed at the Iraqis and Africans who are coming here. We have never been nervous about the English or the New Zealanders who come in larger numbers because they have similar cultural origins to us.

Hugh Mackay, Social Researcher and Writer, Sydney, Australia

In the city there are some people who are passionate about diversity and are doing it, some who want to make the change but have no idea how to go about it, some who have unconscious bias; and the last group are just not interested.

Catriona Noble, Chief Executive Officer, McDonald's Australia, Sydney, Australia

It is supposed to be egalitarian here, yet there are few less egalitarian places in the world. The first thing people ask is "What school did you go to?" and "Where do you live?" so that they can categorise you.

Mike Smith OBE, Chief Executive Officer, Australian and New Zealand Banking Group, Melbourne, Australia

People go overseas to broaden themselves and broaden their skills. Australians and New Zealanders excel because they are more competitive. They are ambitious. Aussies who move overseas grow. They grow in a bigger marketplace and then they worry about coming back as it is smaller. If we want to minimise the brain drain we are facing in Australia, we have to make it easier for expats to come home – we need to support them to get back into their profession and communities.

Stephen Roberts, Chief Country Officer, Citi, Australia and New Zealand, Sydney, Australia

When people come to Australia we like them to appreciate our culture as a mark of respect and dignity. This works both ways. Here we are down at the end of the world and we need to cultivate relationships. The young Asians who come here are highly ambitious and I would like to see more people from our firm in Asia come and work in Australia; we could learn a lot from them. The growing importance of the region was illustrated at a recent financial services conference I went to where one speaker delivered in Mandarin; that was a wake-up call for all of us.

Jenny Parker, Office Managing Partner, Ernst & Young Global, Queensland, Australia

On gender diversity

If I were a chairman on an ASX board and I saw 12 men looking at me, I would be very worried as it wouldn't reflect the population. Having the right people on the board with the right skills is what is important and you have to work hard at it. The reality is that it is an old boys club and they haven't worked hard at it. The chair and the CEO should have to explain why it looks nothing like the world that they are operating in. If you had to do that for a few years it would fix itself.

Paul Waterman, President, BP Australia, Melbourne, Australia

The unfairness rattles me. The discrimination goes from the 'incredibly obvious' to the 'more subtle'. Women often get told 'We like what you do, but temperamentally you are not right for the job'. Then there was the active resistance to change. Women going on maternity leave used to be retrenched. Then male managers tried to adopt the language of change and started talking about 'including women' but they also made demeaning remarks behind their backs to protect the status quo. How long do we put up with this?

Ann Sherry AO, Chief Executive Officer, Carnival Australia, Sydney, Australia

Unless you have quotas, it is not going to happen. Quotas make you think differently. You will be motivated to allocate resources to find, train and retain the right people. You will talk more about the issues and seek to make others aware. You need to be clear that it is not just about women or gender, it is about diversity and its benefits.

Craig Drummond, Chief Executive Officer, Bank of America Merrill Lynch, Sydney, Australia

I really dislike that males are mentoring females. This so-called mentoring is really about the men getting to know the women and being prepared to say that they can do the job and 'backing them'. It's about making baby-boomer males more comfortable as they have not worked with women before. Luckily, Gen X men have more experience with women and are better with them.

Shirley In't Veld, Non-Executive Director, Asciano, Perth, Australia

Stepping Up begins with why we don't have broad diversity in our businesses and societies already and what has stopped it from occurring. Then we discuss how greater diversity can boost productivity and growth, what changes are required and how to put those changes in place.

I explore the reasons why diversity is not yet a reality in Australia, and the source of our growth challenges and opportunities, with 100 leaders from across Australia and Asia. Their insights are presented throughout this book. Australia's culture and the hidden forces that hold the status quo in place were cited as the primary reasons for many of the challenges and in the following pages I explore why this is so and how to free up our thinking to move forward. The findings from the 100 leaders are compelling. They will get you thinking about what Australia needs to do to step up and move forward.

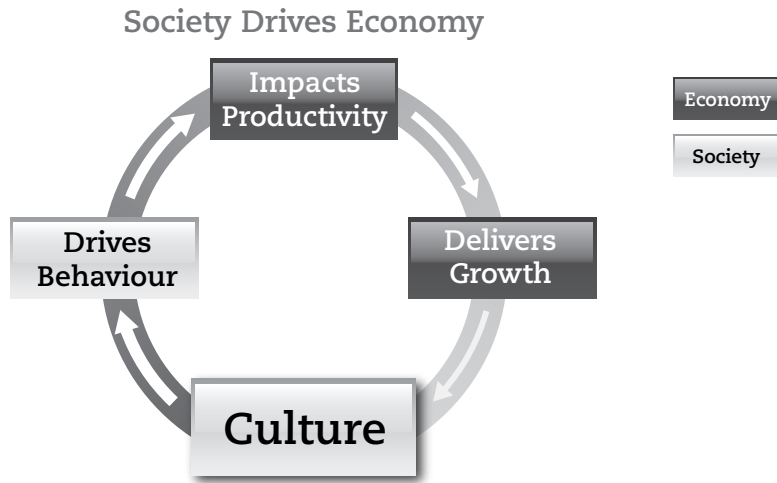
To get forward movement and real development, Australia's culture must evolve. If we respond to external economic and market changes by making internal adjustments to our cultural assumptions, values and behaviours we can adapt to the changes as they occur. That way we keep ahead of the curve. Continuous evolution of our culture in response to the needs of society and business is the ticket to full employment and a full pay cheque.

Stepping Up seeks to draw out the inspired and enthusiastic among you to be part of the change needed to move Australia ahead. Whether you are a leader with a position title or a 'natural leader' you don't need an invitation to step up; sometimes it is okay to give yourself permission to get involved. If you believe in something enough, you can just do it.

As you read on, you might think about people you know who could be waiting for your permission to step up in your business or community. Once you identify them, find a way to get them involved.

Economic and social gains

Stepping Up is designed to support Australia's leaders to access skills and talent, improve productivity and take advantage of the growth in Asia by increasing cultural and gender diversity in Australian communities and workplaces. To achieve this we need culture change. Why? Because the economic and social consequences will have long-term effects on Australia's standing in the world. Our continued viability, growth and wealth are all compromised under the current scenario.



The economic argument

Skills shortages and productivity wastage cause our businesses and communities to suffer socially and financially. Likewise, our lackadaisical attitude to the rapid and radical change in the Asia region, which is due to high growth rates of most of its nations, is threatening the competitiveness of our workforce and national economy in the globalising world.

Our close alliance with the United Kingdom and America, which have been economically challenged since 2008, will have less benefit to us in the future as the centre of growth and world trade will shift to the Asia region.

During this same period Asian nations have continued to climb – albeit at a slower rate than the early 2000s. But their growth rates remain 2–3 times higher than most Western nations and that makes us uncomfortable because these new world leaders are not Western and we don't understand them so well.

By more actively engaging in the growth in Asia and by improving our own productivity through greater diversity we can begin to address the current and future economic challenges. Metaphorically speaking, we need to move closer to Asia and start to look and feel more Asian friendly.

To prepare our nation to grow both internally and across Asia, we need to unblock the cultural constraints that limit our performance. By removing the barriers to full participation and productivity of both genders and all cultures we evolve our culture, remove the waste in our society and secure our place, and reputation, in the region.

The social argument

Australia is a very traditional and conservative society and is at risk of losing sight of a strength that once made it strong – courage in adversity. Early settlers faced hardship, danger and challenge every day and what made them strong was their independence and ability to go it alone. But, as inheritors of that attitude, our self-sufficiency has also made us introspective, protective and in many ways exclusive. This is evident in the way we let people from other nations and cultures into Australia to live, but then limit their role in society until they have adjusted fully to our way of life and have earned their right to a fair go. Australia may be multicultural in terms of the nationalities that live here, but there is little cultural diversity among leaders of industry or society.

Our independence and ‘go it alone’ behaviour also affects our reaction to the growth in Asia – a reaction that has, to date, been slow. Other nations, both in the East and West, have been making adjustments to global shifts of power, wealth, consumer demand, market reach, knowledge, technology and language for some time, yet the Australian Government didn’t release a statement about its response to the Asian opportunity until October 2012. Our lack of urgency or willingness to roll up our sleeves and get involved in Asia’s development is concerning.

There is another thing that we could do better – gender equality. It took until 2010 for a female to become Prime Minister (which is 31 years after the United Kingdom, 24 years after the Philippines and Norway and 13 years after New Zealand). And the facts about the inequality of women at work, on boards, in leadership roles and in society generally are readily available. Political leadership strongly influences behaviour in our society so it is surprising there has not been more focus from that sector on the problem of gender equality.

It’s time for change

The pace of change is in many cases faster elsewhere than in Australia and we could slip off the radar of our northern hemisphere allies and neighbours and become irrelevant. What are our chances of maintaining our position when we live far, far away, in a monolingual society, isolated and independent and when the advancing world is multilingual, collaborative and physically connected?

Opportunity is all around us. Perhaps it's time to employ some of the other strengths early settlers in Australia used for survival in the 1800s – adaptability, flexibility and creativity. If we did, we could make significant social change, which would lead to economic benefits as the diagram above suggests. By freeing up our thinking and visualising a more socially progressive and economically connected Australia in 2025 we would be taking the first step to joining leading nations in a new world.

Getting people of all cultures and both genders into top levels of Australian government, business and society can deliver great benefit and prosperity to everyone living in Australia, not just a protected few. It would also prepare us for demanding a leading position in Asia's growth journey.

Throughout this book I explore the relationships between cultures, performance, productivity and growth. I explore how our nation's culture influences our organisations' cultures and how that impacts business outcomes. I draw conclusions that have us looking critically at the role of government in leading social change and encouraging cultural evolution, without which people in our communities will fail to integrate fully and our local industries and businesses will struggle to reach their full potential.

I asked 100 leaders from across Australia and Asia whether they agreed with the idea that greater diversity is a major lever to our growth and whether social change through cultural evolution is the best way to enable this. Their opinions and advice are presented throughout this book.

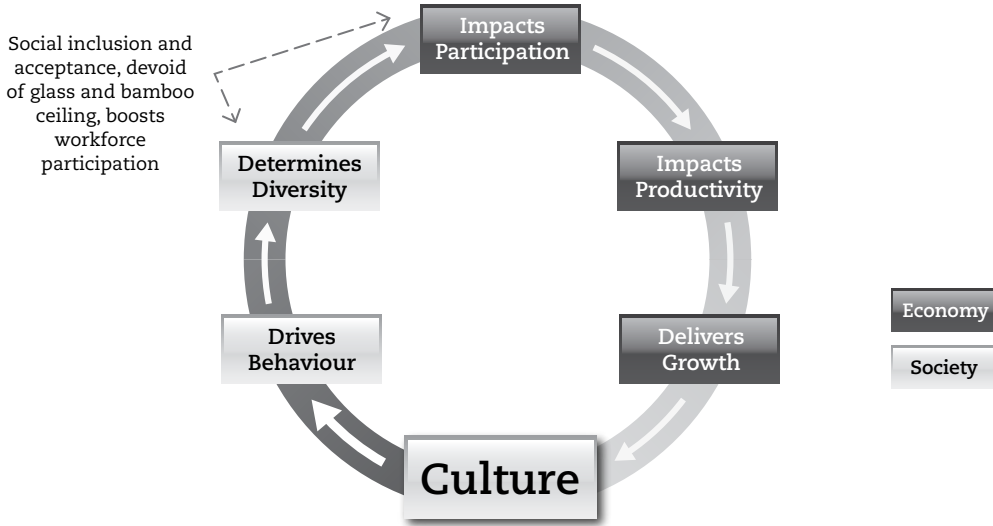
Acceptance and inclusion boosts participation

The reason why we need greater acceptance and inclusion of both genders and all cultures in society is to improve diversity at work. Greater diversity can lead to improved workforce participation and that can boost productivity. By improving the output of local businesses, we increase Australian GDP and that can strengthen our position in the world and make us more competitive in the Asia region. When that happens everyone gains.

When businesses do well, workers earn better incomes. When incomes are up, spending increases and that keeps the economic cycle going. Also, by increasing diversity and social equality we reinvest in our dream of being an egalitarian society, a dream that sometimes seems to have been lost.

Australia has outstanding benefits – great climate, boundless natural resources, relative wealth, and accomplished people – that ought to secure our growth. We should guard against them being undermined by cultural challenges that limit the diversity of our workforce and the level of our productivity.

Society Drives Economy ...and Diversity Boosts Workforce Participation



High productivity is hard to maintain in developed nations like Australia that have maturing markets, rigid systems, increased competition from emerging economies, rapidly changing technology, a mobile labour force (which can and does move to other countries) and an ageing workforce and population. The key to our growth and survival must therefore be a strategy for obtaining the greatest productivity possible.

By improving gender and cultural workforce participation our productivity improves, which positively impacts our competitiveness and trading performance with other nations. This is extremely important for Australia's future because our continued growth will be determined by our ability to operate effectively in Asia, our closest neighbour and the fastest-growing region of the world.

The 21st century is increasingly being referred to as 'the Asian Century' due to the region's expected high growth rates and possible dominance of economic and geopolitical matters. In the chapters that follow I explore how Australia can take advantage of its proximity and history with the nations of Asia and how greater cultural diversity can be used to build Asia-capability and improve business performance in the region.

Full participation boosts productivity

How can greater diversity help Australia and its businesses to be fully productive and thereby reach their growth potential? The answer is twofold:

Remove the skills wastage

Firstly, greater diversity can help to eliminate the skills wastage in the Australian economy. Did you know there are people everywhere who are under-utilised due to cultural barriers and systemic constraints that often make inclusion difficult? Imagine if we could find and remove those obstructions.

Who are these people who are not fully participating? They are:

- women who would like to return to work after having children but can't find a flexible option;
- women who experience discrimination and the glass ceiling which limit how far up the career ladder they can go;
- women who become frustrated with a macho organisation culture and opt out of mainstream employment in favour of self-employment (which may or may not fully utilise their time, training or experience);
- immigrants who have come here with degree qualifications from their home country that our government won't recognise;
- non-Anglo-Saxon second and third generation Australians who experience discrimination and the bamboo ceiling, which limits how far up the career ladder they can go;
- asylum seekers who are impounded, draining GDP due to costs of housing, security, food and healthcare when they could be adding to the economy with temporary work visas that enable them to support struggling industries and communities while being processed;
- returning expatriates who, after many years overseas obtaining global experience, find it difficult to get back into the 'in' group.

Our challenge is to stimulate a shift in the assumptions that formed the values and beliefs of the Australian culture, influencing the daily behaviour of people in business and society that lead to this skills wastage. It can be changed. Nothing is impossible. The question is do we have the will to change it?

If we accept that women today are well educated and that they hold half the intellect, then as a society we need to find a way to tap into it. If productivity is an issue for Australia, then why would we leave the talent sitting at home when it could be utilised?

Stephen Roberts, Chief Country Officer, Citi, Australia and New Zealand, Sydney, Australia

The young Asians who come here are highly ambitious and I would like to see more people from our firm in Asia come and work in Australia; we could learn a lot from them.

Jenny Parker, Office Managing Partner, Ernst & Young Global, Queensland, Australia



We need a whole-of-system change. This is no longer a women's issue. It's a societal issue. Two-thirds of women are now breadwinners in their households and there are no systems supporting those who have children too. We still have systems and structures that assume one partner will stay at home.

Ilana Atlas, Non-Executive Director, Coca-Cola Amatil, Sydney, Australia

Having people from different cultures working in one company is very beneficial; it delivers skills from other countries and it gets the best out of everybody.

Gabriel Yam, Managing Partner, Arup Group, Hong Kong, China

I am comfortable explaining diversity from a productivity point of view. We have an ageing and shrinking workforce so we need everyone who is able to participate to do so. Women do well at school and university so why would we leave them out of the workforce? We need more people, we need migrants, and we need our regional neighbours.

Katie Lahey, Chief Executive Officer, Korn Ferry, Sydney, Australia

Close the gap with Asia

Secondly, greater diversity can help Australia take advantage of the growth opportunity that is available to us in the north. Our closest neighbours in Asia are opening up their thriving and fast-growing markets to other countries and foreign businesses. We can be among those who respond to their need for infrastructure development, professional, health and education services, and food and energy resources.

Australia has advantages in Asia over many other developed countries. It's geographically closer than other developed Western nations, there are existing economic and political relations and most countries have similar time zones. To be effective in the Asian region you need to be able to connect culturally and socially. Findings of the research I undertook for this book indicate that we are not there yet. However, Australia is fortunate to have very large Asian populations living in many of its cities and it could seek closer assimilation with Asian immigrants as they are well-placed to help build relationships across the region.

When people come to Australia we like them to appreciate our culture as it is a mark of respect and dignity. This works both ways.

Jenny Parker, Office Managing Partner, Ernst & Young Global, Queensland, Australia

We need our government to reinforce the importance of Australia's relationship with Asia, parents to push for Asian languages for their children in schools and business leaders to place importance on Asian languages and literacy skills in workers.

Sid Myer AM, Chairman, Myer Family Company, Melbourne, Australia

Tourists arriving in Australia are expected to increase from 6 million per annum to 25 million per annum within 10 years. Over half of the 25 million will be Chinese yet we are not planning or developing our language or cultural understanding. We adapted more to the Japanese inbound traffic in the 1980s. The Chinese will exceed New Zealanders as the top visitors and tourism revenues will become greater than the entire minerals exports.

Phil Ruthven, Chairman, IBIS World, Melbourne, Australia

Achieving greater cultural and gender diversity in business and society will prepare us to take advantage of the growth opportunities of the Asia region. Full workforce participation by people of all cultural backgrounds and both genders will increase diversity, address the skills shortage, boost productivity and close the cultural gap that limits our growth and economic performance with Asian nations.

(There are also other groups of people who are not fully employed due to bias, discrimination or system constraints and they include the disabled, aged and LGBT communities. However, this book is limited to cultural and gender diversity related opportunities only.)

Clarifying ‘full participation’

‘Full participation’ means a person’s potential relative to their level of education, skill, experience and capacity to work. Across Australia we have groups of people who are under-utilised because they are operating at levels below their education, skill, experience or capacity due to reasons that include:

- bias – conscious or unconscious;
- racial or sexual discrimination;
- a structure, system or policy;
- lack of flexibility, support or opportunity.

Others are working less than a full week or not working at all for a variety of reasons that include:

- our historical belief that you need to physically ‘be’ at the place of work to be working effectively;
- rigid beliefs and systems that prohibit flexible time;
- the belief that some jobs cannot be performed part-time because customers and clients want and expect access to their key contact every day.

To be free of bias or discrimination so that you can work to your ‘fullest’ level means:

- to be able to put yourself forward for any promotion or position regardless of gender, race, ethnicity, religion, first language or other difference;
- to be considered for promotion on the basis of merit, with transparency and without bias in the selection process or panel;
- to experience no compromise to information, opportunity or reward when working less than full-time hours and to be treated as fairly as full-time employees;
- to be afforded the same opportunity as others whether or not you are female, have children, have a non-Australian accent, are an immigrant, have coloured skin, are single, studied abroad, have been working abroad for a long period;
- to be able to apply for and expect equal rights to a position on the top team based on merit and *not* to have to fit the narrow criteria of the most prevalent homogenous groups;
- to be able to utilise training and qualifications obtained in other countries or places;
- to be recognised for your experience acquired in other countries or places.

If we have vast numbers of people who are not working to their personal capacity, then a portion of our society is disengaged and not fully utilised, which means the country and local businesses are operating below capacity and not reaching their optimum levels of productivity.

Culture: A blocker or enabler?

Culture can be both a blocker and an enabler. If your culture is not aligned with where you want to go or what you want to achieve, it can create significant resistance and frustrate progress. But when your culture is aligned with your future ambition and objectives, it can create unimaginable momentum by inspiring your people and propelling them forward.

Productivity in Australia can be increased by getting more women to remain in the career they were trained for; returning after taking maternity or other extended leave and progressing into higher positions in business. To achieve this we need to remove systemic barriers and behavioural biases. All of this requires a change in the elements of the culture that holds these constraints in place – starting with assumptions.

By valuing more highly the current and future roles of women and men in society and changing the way we socialise and educate our children – who form early notions about who they ought to be by modelling themselves on who they see – we can create workplaces and environments that encourage women to reach higher positions. To achieve this, Australians must rethink and confirm what's important for the country, its businesses and its people.

Similarly, productivity can also be increased by a greater integration of non-Anglo-Saxon populations living within Australia and their rise into business leadership and decision-making roles across industry and society. To achieve this, it will require the people in power to accept the values, beliefs and behaviours of people from different cultural backgrounds and for both parties to work together in cross-cultural teams and be more effective with our regional and global partners. Again this will require the people living in Australia to rethink and confirm what is important for our future success.

There are other commercial benefits associated with achieving higher productivity through greater diversity. They include greater contribution to the economy through more people working more hours; (who then earn) higher salaries generating more wealth; improved creativity and innovation; ability to attract more skilled labour and investment dollars; recognition from global markets of our leadership in diversity and our ability to manage social change effectively.

As agreed by a majority of the leaders interviewed, encouraging a shift in Australia's culture is key to achieving the changes we need as a nation. To achieve this, the people of Australia would have to agree on the future vision for the country; articulate its short, medium and long-term ambitions; restate what they value and adjust their assumptions that drive their behaviour. If this is to occur, people at all levels need to step up and lead.

Culture can generate attitudes and behaviour that support or reject an idea. The secret is always to be on the lookout for the direction in which it is heading. If you can identify assumptions you can generally determine which way your people are travelling, and redirecting them is a whole lot easier when you know where they have come from.

The Culture Iceberg

My work with culture started back in the mid-1980s and in the chapters below I outline the learning and observations arising from an international career specialising in strategy and culture change. I share stories from New Zealand, Singapore, the United Kingdom, across continental Europe and Australia.

Along the way I introduce a simple metaphor – the iceberg – because it expresses much about how cultures form and operate. Over the years I have used this concept in many different countries and companies and it travels across cultures.



The iceberg's formation, structure and behaviour and its similarity to how cultures operate are detailed throughout Chapters 8–11 and I use it to explain the three main cultures which influence our lives:

- National Culture - how a country's culture influences the way people lead in business and behave in society and how we can influence the direction in which it is drifting;
- Individual Culture - how we behave at work and in society; why and how we modify it over time;
- Organisational Culture - why organisations' cultures differ, how they impact performance and how we align them to strategies and goals.

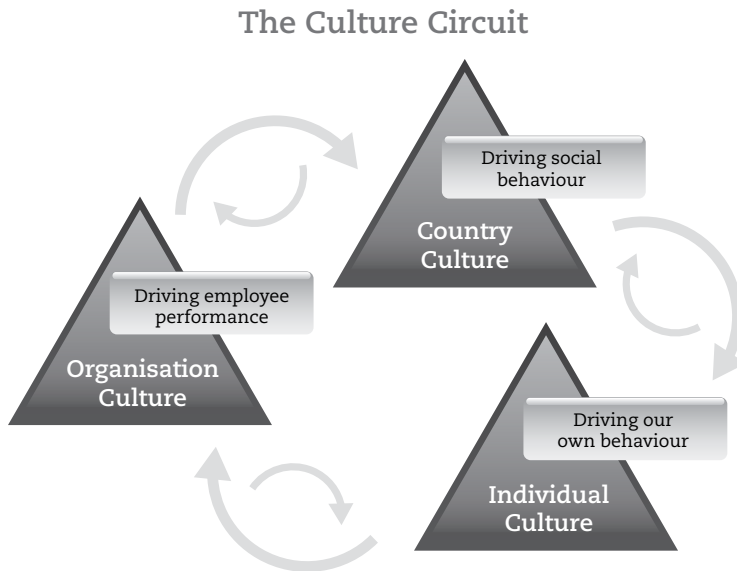
Each country, company and person has a unique culture that cannot be replicated. As we explore the opportunities that exist between Asian countries and Australia, we will discuss the differences between Eastern and Western cultures and how they impact our trade, foreign direct investment, tourism, immigration and relations.

The similarity between an iceberg and all three kinds of culture are fully explained below and we look at how to influence a shift in cultures so that they move in the direction we want them to go.

The Culture Circuit

A nation's culture affects the way communities, families and individuals live within it, and vice versa. People carry their assumptions, values, attitudes and behaviour preferences to work, their sports clubs, social occasions and even overseas when they travel abroad. These elements of an individual culture in turn influence the organisation culture of the clubs, communities, schools, businesses and societies to which they belong – so there is a circular motion to the effects of culture.

The bigger a cultural group, the greater its influence. Country culture and industry cultures therefore dominate organisation cultures in the same way that community and family cultures have an influence over our individual cultures. We will explore each type of culture and learn how to influence them in Part Three.



Leadership and followship

You know that you are a natural leader when you have people following you. Friends and colleagues gather around you, they seek you out and ask your opinion and respect your advice.

Followers gravitate to people who have vision, integrity and the courage to speak their mind. These leaders don't necessarily seek the role of leadership, sometimes it just arrives. We feel safe around people who are brave because they give us a sense of taking charge and being prepared to resolve problems as they occur.

Stepping Up explores who we should expect to lead Australia's culture change and prepare our nation to achieve diversity and to take advantage of the growth in Asia. Communities and businesses in Australia have 'appointed' leaders, but it seems that they are challenged in their obligation to lead the necessary changes to achieve productivity and growth, for both have stalled. Everyone seems to be pointing the finger at everyone else, hoping someone else will address the problem.

I asked the 100 leaders interviewed who should lead this social change, how do we get people to follow and whether we can ask Australians to engage in a debate about critical issues affecting gender and cultural diversity. Critical issues like: national culture and values; gender roles at work and home; quotas for women at work; a 'melting-pot' immigrant integration policy versus our 'embracing difference' policy; and whether or not the people of Australia should expect more from their leaders.

100 leaders contribute

One hundred leaders from across Australia, Asia and further afield were interviewed to provide a basis for discussion about the issues and opportunities for Australia, its communities and businesses in the Asian Century.

The research data was acquired through intensive, qualitative semi-structured interviews averaging 2.5 hours with people aged between 35 and 70 (which included Gen X, baby boomers and post-boomers). The interviews were mostly face-to-face but some were by telephone. I recorded 16,000 lines of interview notes over 12 months.

The gender mix of the 100 leaders is 48 male to 52 female and they are of mixed ethnicity, race, and religion. The countries whose cultures they associate with, other than Australia, include New Zealand, South Africa, Kenya, Malta, England, Ireland, Italy, Greece, Poland, Germany, Norway, Russia, America, India, Sri Lanka, Malaysia, China, Hong Kong, Indonesia and Vietnam.

The people were located in 16 cities:

Adelaide	Kuala Lumpur	Singapore
Beijing	London	Sydney
Brisbane	Melbourne	Tokyo
Canberra	Oslo	Toowoomba
Ho Chi Minh	Perth	
Hong Kong	Shanghai	

And they represent 26 industries:

Accounting	Government	Publishing
Armed services	Hospitality	Public policy
Banking & finance	Insurance	Research
Consulting	Legal	Retail
Education	Manufacturing	Supply chain
Engineering	Media	Technology
Energy	Medicine	Telecommunications
Executive search	Mining & resources	Tourism
Food and beverage	Not-for-profit	

Each quote recorded in these pages has the name of the contributor being quoted, their title and company, followed by the city and country in which they live (this is not their geographic responsibility). A full list of names and a brief biography is included in Appendix I.

Approach to reading *Stepping Up*

The insights of the 100 leaders and the culture change frameworks contained in *Stepping Up* provide you with ideas to move your cultures forward by leading change. It is written with many audiences in mind because the benefits of advancing Australia's culture – achieving diversity, full participation and productivity, being able to work across Asia and securing our place in the world – are for everyone.

You can approach reading this book in several ways:

- As a business leader or member of the workforce wanting to understand economic and social issues impacting your company, career, income and economic future and to identify opportunities to engage more with Australian and Asian businesses;
- As a leader or potential leader in society – including politics and communities – looking to identify, explain and resolve economic and social issues that limit the nation and its people from realising their dreams and enjoying full and happy lives;
- As an individual who believes (or wants to believe) that Australia is capable of much more and who is willing to help lead change but is looking for clarity and understanding of the many complex issues and opportunities ahead of us.

In my experience, culture changes constantly so it is a shifting target, it involves chaos and it is rarely containable. Like the Iceberg, it's drifting; stopping it or

controlling it is impossible. So you need to get comfortable with chaos, rely on your vision and trust your gut.

Down-under we have a worldwide reputation for being tenacious, outgoing and capable. So let's put that reputation into action and step up together to make this happen!

A rich collection of views

One hundred very generous leaders gave many hours of time to share their experiences, observations and advice. I would like to ask that you read their stories with an open mind and be careful not to assess their contribution as right or wrong. It helps to recognise that what we are dealing with in Australia is disparate thinking on some pretty sensitive issues and that these 100 people have participated in this project to help move conversations along by sharing their experiences.

I have selected quotes that illustrate a variety of views to demonstrate the different values held by people in our society. Opinions are polarised on many issues and you don't even need to read all the quotes to gain an understanding of how broad and varied the views are.

When you read these comments side-by-side you might be tempted to make a judgment about the person whose view is different from your own. But everyone is entitled to a view and each person's perspective will differ according to their background.

I trust you will enjoy the read and I would appreciate your feedback along the way. You can share your thoughts or ask questions at www.steppingupaustralia.com any time by either sending me a private email or joining in conversations with other interested people – leaders and followers alike.

Navigate your way

In the next chapter I set the scene by introducing the main themes arising from the interviews. Each of these is then expanded in Part 2, but before diving into them, I outline in Chapter 3 the personal journey I took to understand cultures and discover diversity. This chapter provides insight into the development of the thesis of this book.