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# CQ STOCKTAKE: DEVELOPING CULTURAL CAPABILITY TO SUCCEED IN NEW ZEALAND

## REPORT ON THE RESPONSE TO THE SUPERDIVERSITY STOCKTAKE FORUM

8 MARCH 2016

*Sponsored by*





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## **FOREWORD FROM THE CHIEF EXECUTIVE OF AUCKLAND COUNCIL – STEPHEN TOWN**

Auckland Council was a proud supporter of the working conference, *Response to the Superdiversity Stocktake: What Next?* which followed the Superdiversity Stocktake.

New Zealand now has the highest rate per capita of Immigration in the OECD. 70 per cent of those migrants settle in Auckland. Auckland is home to people of more than 200 different ethnicities, with Māori, Asian and Pacific peoples making up almost 50 per cent of the population. This makes our city one of the most ethnically diverse in the world.

Auckland Council's goal is for Auckland to be a strong, inclusive and equitable society, ensuring opportunity for all. We want to be 'the world's most liveable city'. We know that diverse and tolerant cities enjoy improved social cohesion, innovation, higher productivity, economic growth and robust governance.

What will make Auckland great is our ability to engage with, leverage off, and benefit from the super diverse talents of all Aucklanders.

Change requires real openness of thinking, courage, and a willingness to step out of our comfort zones. Change requires that we understand our limitations and develop new skills to help us do things differently. The biggest risk we face is we're not changing fast enough.

The conference heard from leaders in business, government and academia on the organisational, policy and leadership challenges inherent in this journey. Two of Auckland Council's executive directors spoke about the steps we are taking to drive internal organisational change and to better respond to the changing needs of Auckland's communities.

This conference and the Superdiversity Stocktake are part of the change for Auckland. Auckland Council is proud to be an active partner on this journey for our city.

**Stephen Town**

**Chief Executive**

**Auckland Council**



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## **FOREWORD FROM THE CO-CHIEF EXECUTIVES OF THE SUPERDIVERSITY CENTRE – MARINA MATTHEWS AND JAMES DUNNE**

This report on the Response to the Superdiversity Stocktake Forum confirms the key findings of the Superdiversity Stocktake, released in November last year and downloaded over 90,000 times: ethnic and cultural superdiversity is now the reality in New Zealand, and businesses and organisations which can measure, understand and increase their cultural capability will have a significant and growing market advantage.

At the outset we would like to thank Auckland Council, AUT University, the BNZ, the Office of Ethnic Communities and New Zealand Asian Leaders for having the foresight to sponsor the Forum and Julia Middleton's trip to New Zealand. It is only through their generous sponsorship that the Forum was able to take place, and hear from global CQ expert Julia Middleton, and the important insights and learnings of the Forum's participants can be published online and free of charge.

Auckland City is approaching the milestone of being a city with no ethnic majority – it is superdiverse. Government and business will not be able to rely on monolithic marketing campaigns and majority-targeted policies in this new context. Strategies will need to become dynamic, diverse, and innovative. "Cultural intelligence" (CQ) and "cultural capability" are vital parts of this equation. These are the hard skills of language, manners, and behaviours, as well as the desire to cross cultural barriers, communicate with people from different backgrounds, and bring them into the fold – whether this is for the sake of engagement in the political process or for the sake of growing our bottom lines.

Both public and private sector organisations will require self-knowledge about their cultural capability and internal diversity if they are to successfully achieve their goals in New Zealand's superdiverse reality. But organisations need to do more than just record the ethnic background of their clients if they are to measure their cultural capability – they need to assess and measure the attitudes, experiences and capability of their staff, as well as the effectiveness of their own policies and procedures.

To help businesses measure their cultural capability, the Superdiversity Centre and the Committee for Auckland developed the Cultural Capability Assessment Tool for Business, an online survey of an organisation's employees that generates indicative scores for cultural knowledge, cultural capability, cultural experience, indigenous languages and culture, and people management. This can be independently verified through a CQ Audit conducted by the Superdiversity Centre of the organisation's profit, performance, customer satisfaction and staff satisfaction data, policies and procedures, and by way of interviews with key staff at all levels on their cultural capability and diversity experiences. This gives business leaders a starting point against which to measure their organisation's improved cultural capability over time.

We think this provides a much-needed health check that will help set businesses and other organisations for their future in New Zealand.

The Superdiversity Centre is passionate about understanding New Zealand's superdiversity and enabling it to flourish. This is why the Superdiversity Centre helped to convene the Superdiversity Stocktake Forum – a first key step in this journey towards New Zealand being a dynamic and successful example of the benefits Superdiversity can bring.

*Marina Matthews and James Dunne*

*Co-Chief Executives, Superdiversity Centre for Law, Policy and Business*



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## TAKING THE FIRST STEP

*Start close in,*

*don't take the second step*

*or the third,*

*start with the first*

*thing*

*close in,*

*the step*

*you don't want to take.*

- 1 This excerpt from David Whyte's poem *Start Close In* is an apposite introduction to the subject of cultural intelligence (CQ). CQ has been the subject of some academic writing in New Zealand, but is yet to enter the mainstream of business, government, and the daily life of New Zealanders. To bring CQ into view requires us to have challenging conversations about who we are and who we need to become. The Superdiversity Stocktake Forum, convened by the Superdiversity Centre with support from AUT University, Auckland Council, BNZ, Office of Ethnic Communities and NZ Asian Leaders represents a first step towards understanding what CQ is and what it means for all New Zealanders.
- 2 The Forum was structured to resemble a TED-style conference on CQ. The following report sets out the context of the Forum – New Zealand's superdiversity – and the key learnings we took away about what CQ is and its importance for New Zealand's future, and how much CQ New Zealand already has.



## SUMMARY OF FORUM

- 3 New Zealand's population is superdiverse. As a country it is home to some **160 languages and 230 ethnicities, under the 2013 Census**. Maori, Asians and Pacific people comprise 34 per cent of New Zealand's population and have higher rates of childbirth than New Zealand Europeans, meaning New Zealand's working-age and consumer spending demographics are changing significantly. By 2038, over half of New Zealand's population is projected to comprise of Maori, Asians and Pacific people.
- 4 As globalisation continues, cities will increasingly become the meeting places of the world's population and the drivers of the global economy. Almost half of Auckland's population is Maori, Asian or Pacific. Some 44 per cent of Auckland's inhabitants were not born in New Zealand. To take just one example of Auckland's superdiversity, Auckland University of Technology's Vice Chancellor explains that his university has a domestic student base of 118 ethnicities **excluding its international students**.
- 5 **One of the ideas from the morning session of the conference is that Auckland, being a relatively compact city but also the fourth most superdiverse in the world in terms of incoming migrants, is something of a "consumer laboratory" in which the consumption habits of the changing world can be tested, and the approaches pioneered.**
- 6 **Carol Brown, CEO of Diversitas said that Auckland became superdiverse by accident. It was not by design. We now need to be deliberate in developing our response.** The Superdiversity Centre, in our Superdiversity Stocktake, has reported in detail on the pressing need for businesses, government, and other organisations to rise to the challenges and capitalise on the opportunities presented by the rapidly changing face of Auckland and New Zealand. Superdiversity means there can be no "business as usual" approach for New Zealand's corporate and governmental organisations if they want to thrive in this new and changing context. Target markets are changing as a broad redistribution of the middle class from West to East occurs, as international and national levels of migration continue to increase, as consumers live across borders, and as working age New Zealanders are increasingly less likely to be Anglo-Saxon.
- 7 In order to reach their changing markets of customers, citizens and staff, businesses, government and other organisations need to understand the people that comprise those markets. Many of these people will have a first, second, or even third language other than English; they will have a different understanding of how business and law works; and they may not respond to existing channels of communication and marketing. **Cultural capability is simply good for business, as the CEO of the BNZ, Anthony Healey, said.**
- 8 Some key question that businesses, Government and New Zealanders must therefore be asking themselves are "*How am I currently responding to the changing needs of my customers, constituents, or stakeholders?*" and "*What are my future plans for accessing the changing social capital of New Zealand's future?*"
- 9 The answer to these questions will in large part revolve around the concept of "cultural intelligence", or "CQ".



## What is “CQ”?

10 CQ is the set of skills that enables a person to operate and thrive across cultural borders. Julia Middleton, founder and chief executive officer of Common Purpose UK, believes that CQ can be understood in contrast to and as a development of intelligence quotient (“IQ”) and emotional quotient (“EQ”). Broadly, IQ measures a person’s ability to process information rationally, and EQ measures a person’s ability to comprehend and empathise with others’ emotions. Both IQ and EQ figure prominently in the staffing policies of businesses and other organisations, but Middleton says these two tools alone do not provide a sufficiently sophisticated indicator of success in a globalised world.

11 IQ is a good indicator of how a person can process data but does not take account of the complexities associated with other actors. EQ, she says, provides some scope for assessing a person’s ability to deal with other people but, critically, is limited to dealings with other people *like themselves* — people from the same or similar cultures who have the same emotional and linguistic vocabulary.

12 CQ describes the awareness and ability to reach outside that shared vocabulary and deal with people of a different culture. “Culture”, in this sense, is a broad term. Linguistic, geographic, and ethnic differences are some obvious indicators of distinct cultures, but Middleton suggested that “culture” may also be assembled more subtly. Mai Chen said that **culture, and the notion of diversity itself, may be defined by reference to ethnicity and colour, but also in relation to gender, religion, generation, profession, and whether you have lived and worked in cities where there was no majority**

### *CQ as concrete skills*

13 Concrete skills such as language are obviously important for a person seeking to reach across a cultural border. Communication is critical to reaching people of different cultures, who in many cases will require messages of any complexity to be phrased in their mother tongue if a basic understanding of the subject at hand is to be achieved.

### *CQ as experience*

14 Sophisticated communication requires a person to combine language with cultural context. In many cases, the method of delivering a message is critical. For example, certain cultures demand a context-rich approach to business, where long-term relationships must be forged before trust can be gained. Other cultures may effectively outsource this function of building trust to an external system of law and be willing to discuss terms more readily. Trust is crucial if a person or organisation wants to invite a prospective customer or staff member to participate in their world of products and services, and understanding, if not necessarily practising, the mores of that person’s culture is central to building trust.

15 **Carol Brown said that a well-worn idiom suggests that “familiarity breeds contempt”. In some contexts this may well be the case. In cross-cultural dealings, however, familiarity breeds understanding, acceptance, collaboration and trust.**

16 The difference between generations also serves to illustrate this point. Some generations receive their messages from the 6 o’clock news, the radio, and print news, and will be disinclined to trust content coming through online channels. Other (generally younger) generations tend to have a more diffuse network of information sources, and will be disinclined to trust



the more institutional methods of reaching a population. Media must therefore strive to reflect the population it seeks to reach.

- 17 **Julia Middleton said that the smaller world created by the Internet and social media has not delivered coherence. The world is now more complicated than ever before, as the speed at which information and people travel drives cultural differences into one another much more rapidly and obviously.**

*CQ as an attitude*

- 18 Beyond the “hard” skills of culture (such as language) and the softer skills (such as behaviour) is the attitude which makes those skills valuable. CQ also includes an attitude of actively seeking to identify cultural borders and barriers, and of proactively modifying and expanding existing modes of communication and business frameworks to reach out to people living beyond those barriers with a view to “bringing them into the fold”. **Julia Middleton said that CQ requires fierce listening.**

- 19 The other side of this coin is self-reflection. A cultural barrier involves the interplay of one’s own cultural norms with those of another person. **Julia Middleton said that identifying and understanding our own culture is essential if we are to work out how and why another person’s needs and behaviours – their culture - differ from our own.** Successfully crossing cultural borders requires overcoming prejudices and biases, the identification of which requires an inquisitive and open mind.

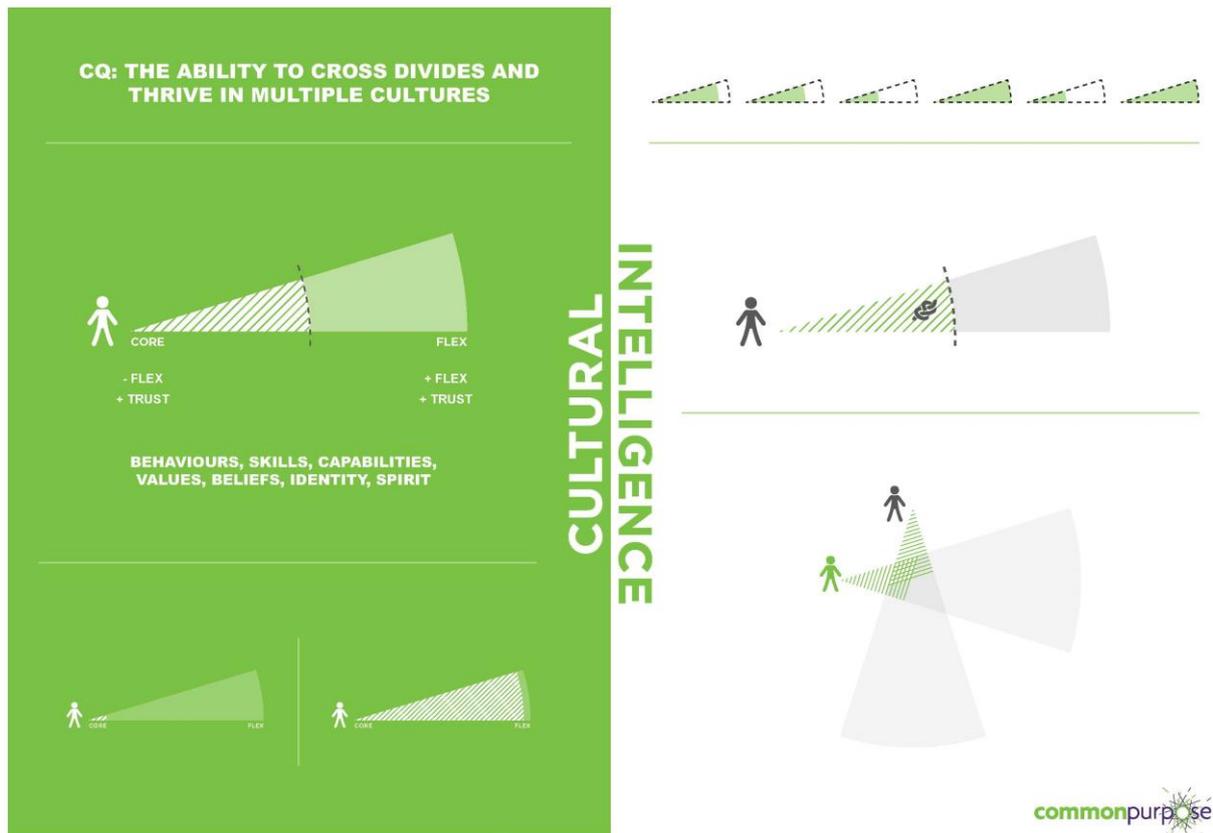
- 20 **Julia Middleton said that cultural capability is important for leaders dealing with “messy” situations: scenarios where values and behaviours are not inherently compatible. There is not necessarily a “correct answer” to a problem of cultural capability, but CQ allows a person to pursue a discussion.**

*“Core” and “flex”*

- 21 Julia Middleton explains the culturally intelligent attitude by reference to the concepts of a person’s “core” and “flex”. **A person’s “core” defines as the aspects of a person’s being and shapes their culture — their values, principles, habits, behaviours, etc. — that are essential to that person’s identity, the aspects that, if lost, would cause a person to cease to be themselves.** A person’s “flex” consists of the aspects of a person’s being that can be modified or discarded without compromising that person’s essential identity.

- 22 CQ exists at the border of a person’s core and flex. It is the ability to identify a core and understand when some aspect of it might be shifted to the flex zone, and vice versa. A well-defined core and flex which is kept under constant review is the key to cultural intelligence because this enables adaptation to new situations without loss of self. Keeping the core and flex under review helps to keep biases under control. Middleton refers to biases as “knots in the core” which need to be teased out. **Julia Middleton said that the knots cause a person to act and make decisions based on pre-judgement rather than judgement.** For leaders, knots in the core produce blind spots and result in missed opportunities. Scrutinising one’s core allows a person to identify when they are making decisions for the wrong reasons.

- 23 **Julia Middleton said that a strong leader must be able to create trust. In order to create trust, a person must reveal their core. But, in order to reach out, they must also demonstrate their flex. She then displayed the diagrams below, which come from her book, *Cultural Intelligence: CQ: the Competitive Edge for Leaders Crossing Borders*.<sup>1</sup>**



- 24 **Professor Derek McCormack, the Vice Chancellor of AUT University, said that the concepts of core and flex apply to businesses and communities as well as individuals. The key to CQ at an organisational level is to have the means in place to move core and flex lines.**

*Religion in the core*

- 25 The issue of religion was raised several times during the Forum. Religion and faith can play a large role in shaping a person's core, and present significant barriers when crossing cultural barriers owing to the substantial demands it can place on a person's identity. It can also present opportunities, for example in the area of Islamic finance. Julia Middleton suggested that a person's faith should be brought out to a greater extent and not be approached as a fundamentally "private matter" If we are to understand people's cores

<sup>1</sup> Julia Middleton, *Cultural Intelligence: C: the Competitive Edge for Leaders Crossing Borders*, 2014, Bloomsbury Publishing 618996\_1



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*CQ is a journey*

- 26 CQ is not a static concept. It is more than an ability to speak different languages and the possession of curriculum vitae of international experience. These are likely to be good indicators of CQ and a necessary base for crossing cultural borders, but they must be accompanied by the desire to place oneself outside one's comfort zone, to straddle different contexts, and to do so with the sensitivity to thrive in a cross-border situation.
- 27 Given cultures, and the individuals within them, continue to change, CQ is a journey. A particular individual's CQ or an organisation's CQ cannot be captured at one time and applied for all the future. For an individual or an organisation to have high quality CQ means for them to have frameworks in place which facilitate and promote the adaptability to understand and reflect the changing markets in which they operate.
- 28 CQ is the ability of an individual or an organisation to operate and thrive across cultural borders, the ability to deal with people who are not like themselves, to manage diverse staff members, and to understand diverse customers. Policies and processes for boosting the CQ of an organisation and its staff members will be crucial in retaining and growing market share (in the case of businesses), delivering effectively on their mandates and retaining the trust of the electorate (for government) and maximising individuals' opportunities (in the case of the population in general).



### From the “Why?” to the “How?” of CQ

29 Many businesses and other organisations are broadly aware of the “why” of CQ, but attempts to understand the “how” of CQ — the implementation and deployment of CQ — have to date been ad hoc and limited in scope. Policies about diversity often focus on gender alone, with major issues such as cultural, ethnic and linguistic diversity less visible. The Superdiversity Centre, through its work on cultural capability with the Committee for Auckland and by gathering together leaders from the private and public sectors at the Superdiversity Stocktake Forum, has sought to take the first step in New Zealand to introduce the importance of CQ as a central feature in the life of our business and governmental organisations, from the recruitment and management of personnel through to communication with and product or service delivery to customers, to consultation with and taking account of the views of diverse citizens in law, policy and civic participation.

30 Establishing CQ within our institutions will require bold leadership. **Julia Middleton said that there is a need for well-led discord to result in real innovation. Well-led discord allows us to extract innovation from a group of people.**

#### *Personal and organisational level CQ*

31 At the individual level, attaining CQ may be quite a personal, even philosophical journey. To define one’s core and one’s flex, to develop mechanisms for teasing out the prejudices and biases in one’s core, and to make the conscious decision to shift aspects of one’s being from the core to the flex, is to introspect. **Mai Chen said that for an individual, one of the best ways to develop cultural capability is to live in a country or a city with no majorities, because businesses and governments cannot rely on targeting well-defined groups in such places. New Zealand is fast becoming such a country.**

32 Like individuals, businesses and other entities may analyse themselves in terms of their core and their flex, and seek to ensure they have the balance correct from a legal and business perspective. At the organisational level, businesses and other entities should be looking to establish formal policies and procedures to understand and implement their CQ requirements. Some of the key aspects of such policies, and some examples of how some organisations are attempting to focus on CQ which were presented at the Forum, are as follows.

#### *Market/stakeholder analysis*

33 Organisations are driven by their purposes and goals, which differ substantially. The world of a private business, for instance, is usually driven by the need to grow market share and/or deliver returns to shareholders. The world of a government department, on the other hand, is driven by the need to perform its statutory functions and deliver the services within its remit to citizens in an efficient and effective way. In all cases, however, an organisation will have a target market or customer base which the organisation must understand and anticipate if it is to perform well. Organisations should therefore have measures in place for understanding the ethnic, linguistic, and cultural make-up of their respective markets, and for understanding the ways in which those factors will be changing in the future.

34 Municipal services provided by local authorities, like Auckland Council, are a good example of the need for detailed market research. The Council understands that it will fail as an organisation if it ceases to engage the majority of its constituents. This ranges from encouraging the ethnically diverse to engage in the political process itself, through to the provision of



services such as libraries, swimming pools and museums. Auckland Council has recognised the importance of providing voters with information about elections in multiple languages, and has also understood that public spaces in some areas require tailoring for the local community, for example in terms of designating certain spaces for Muslim women to swim safely.

#### *Internal data collection*

- 35 Many organisations in New Zealand, by virtue of the new migrants in their ranks and New Zealanders who have worked overseas, already have a wealth of “raw” CQ in their ranks, but have not undertaken to capture information about their latent skills. Given the ease with which some problems can be short circuited with language abilities, or with which some embarrassments can be avoided with a degree of cultural awareness, it makes sense for a business to put systems in place enabling it to understand the cultural make-up of their staff and to deploy the right people for the right job from a cultural point of view. Some businesses do collect such information, and some have good systems for using that information in place. However, such data-collection is not as widespread as it should be, and in fact most organisations have little grasp on what their cultural capability is. The Committee for Auckland’s Cultural Capability Assessment Tool – a self-assessment survey piloted in six large New Zealand businesses, represents an initial step in an organisation taking stock of the resources and capabilities at its disposal from a CQ perspective.

#### *Recruitment and induction policies*

- 36 Having defined its target market along cultural grounds, an organisation must have the capability to respond to that market. As the driving force of any business or other organisation is its people, a comprehensive policy enabling the people of an organisation to culturally reflect its consumer base is crucial. This means more than simply numbers: diversity must be assessed at all levels of the business, from the board and management down.
- 37 Introducing diversity into an organisation is not a one-way street. The opportunities diversity presents require additional infrastructure and training in an organisation. On the recruitment side, for example, hirers need to understand how to assess a foreign CV and may want to test potential candidates’ ability to forge effective links with the business and its customers. Including cultural training in induction programmes is something organisations will need to look at when bolstering their diversity.

#### *CQ training for staff*

- 38 Identifying a market and hiring staff to assist in catering to that market must be complemented with relevant training to ensure that product and service delivery matched the market. For example, it is common knowledge to the tourism and foreign student sectors that Chinese customers are common, but the groundwork to tailor meal options and teaching methods is not always done.
- 39 Internal CQ training is also important. If an organisation is looking to enhance its CQ by hiring people from other cultures and/or people with a first language other than English, it must be prepared to manage challenges in the workplace that arise as a result. Many organisations will have “anti-bullying” policies in place, but taking the positive approach of educating staff in addition to the negative approach of prohibiting bad behaviour is required.



#### *Leadership in education*

40 The education sector is a key player in developing CQ. On the one hand, the education sector is responsible for preparing New Zealand's students for their superdiverse future. On the other hand, New Zealand's education institutes host tens of thousands of foreign students each year, and are one of the crucial sites for attracting and retaining skilled migrants to the New Zealand labour force.

#### *A national language strategy*

41 Unlike many developed nations, New Zealand has no broad, cohesive language policy. There is, of course, promotion of Te Reo Maori, and to a lesser extent New Zealand Sign Language, in New Zealand, but we do not have a policy on language *per se*. A unified national language policy may be useful as a unifying tool and to help ensure New Zealanders have the skills to participate in global trade.

#### *Tracking diversity through listed companies*

42 "Diversity" reporting about the directors and officers of listed New Zealand companies is limited to gender diversity under the NZX Listing Rules. The Listing Rules could have more sophisticated requirements for tracking diversity.

#### **Case study: The Cultural Capability Assessment Tool for Business**

43 The Superdiversity Centre partnered with the Committee for Auckland to develop the Cultural Capability Assessment Tool for Business because we knew that the need for business tools to measure cultural capability was growing more pressing every day. The Cultural Capability Assessment Tool for Business was designed to be an easy way for a business to self-assess and snapshot the key areas a business should focus on to build its cultural capability, and to serve as a benchmark for the Superdiversity Centre to perform a full CQ Audit of the organisation.

44 Over the first part of this year, we ran a pilot of the Cultural Capability Assessment Tool for Business and involved a number of Auckland businesses, including Auckland Museum, the Auckland International Airport, the BNZ, and SkyCity.

45 Heather Shotter, the Committee for Auckland's Executive Director, discussed the findings of the CCATB in her presentation to the Forum. But what was particularly pleasing from the Superdiversity Centre's perspective was that the results from the CCATB allowed each organisation to identify and measure particular areas in which they should apply effort to develop the businesses' cultural capability as a whole. Similarly, those organisations with already implemented diversity programmes received clear feedback from staff about what was working and what was not.

46 Over time, the results from the CCATB will build up into a substantial corpus which will allow businesses to not only begin to measure their own cultural capability but to compare themselves against a national average to work out whether they are ahead of or behind the pack.



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- 47 Finally, of course, the CCATB results form an excellent starting point for one of the Superdiversity Centre's CQ Audits, in which the Superdiversity Centre can independently verify and analyse the CCATB results as part of a comprehensive examination and measurement of an organisation's cultural capability.

*For more information about the Cultural Capability Assessment Tool for Business, please contact the Superdiversity Centre's Co-Chief Executives, James Dunne or Marina Matthews at [james.dunne@chenpalmer.com](mailto:james.dunne@chenpalmer.com) or [marina.matthews@chenpalmer.com](mailto:marina.matthews@chenpalmer.com).*



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## **PRESENTATIONS FROM MORNING SESSION**

**Mai Chen**

**Chairperson, Superdiversity Centre**



Mai Chen is the Managing Partner of Chen Palmer Partners, New Zealand's Public and Employment Law Specialists, Australasia's first specialist public law firm which she co-founded in 1994. Mai is an Adjunct Professor at the University of Auckland School of Law; a Director on the Board of BNZ; Founder and Chair of New Zealand Asian Leaders; Founder and Chair of Superdiversity Centre for Law, Policy and Business; Inaugural Chair, NZ Global Women; and Co-founder, Cultural Bridge, a joint venture between Chen Palmer and NZME. Mai was a top 10 finalist for the 2014 New Zealander of the Year Awards.

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### **Introduction**

After 90,000 downloads of the Superdiversity Stocktake: Implications for Business, Government and New Zealand, published on 3 November 2015, people are telling me they understand "why" they need cultural intelligence ("CQ") and competence, but they don't understand "how" to get it for themselves, and their staff and organisation, so they can successfully deal with the challenges and reap the benefits of demographic disruption.

I have been contacted by CEOs and leaders from a wide range of sectors – services, food, gambling, travel, tourism, sports, cars and driving, marketing, PR and communications, advisors and professions, as well as government agencies, keen to ensure they are servicing, recruiting, consulting with and taking account of all New Zealanders, including our newest migrants.

Working on superdiversity in New Zealand confirms what Julia Middleton has been talking about globally in her keynote address. There is a hunger to gain cultural competence. People can see that those around them increasingly don't look like them. Businesses are starting to experience loss of market share because their customers are expecting different services or very different products to the conventional offering, those same businesses are starting to see growing numbers of diverse



candidates in the talent pool. Businesses may find it difficult to recruit, retain and grow Asian staff; or to undertake focus groups of New Zealand's growing Asian migrant population so as to understand and cater to their needs, especially in Auckland.

### **Point 1 – Businesses need cultural capability**

The CEO of the NZQA, Dr Karen Poutasi, kindly pointed out to me that a recent report by the World Economic Forum, entitled *New Vision for Education*, has identified cultural awareness and capability as one of sixteen key skills needed for success in the 21st century, alongside skills such as numeracy and literacy.[1] So developing cultural capability is very much the focus of the Superdiversity Centre in 2016. I have also filmed a *Culturally Capable Leaders Video Series*, which can be accessed at the Superdiversity Centre and New Zealand Asian Leaders websites.[2] The series profiles culturally competent leaders as they share their wisdom on what CQ is and how to lead and grow culturally competent organisations. Leaders include: Adrian Orr (CEO of the Super Fund), Naomi Ballantyne (Director of Partners Life), Veronique Cremades-Mathis, Country Manager & CEO, Nestle, Dr Karen Poutasi (CEO of the NZQA), Lisa Li, CEO, China Travel Limited, Graeme Ramsay, CEO, Problem Gambling Foundation, Mitchell Pham, Director of Augen Software, Grania Moss, Managing Director of Bupa Care Services, Mike Pero, CE, Mike Pero Real Estate, and Sir Tipene O'Regan.

This Conference is also focussed on assisting companies learn how to get started on building and developing CQ. So I hope the presentations, and the write-up into a mini CQ Stocktake, which can be downloaded free, with the support of Auckland Council, will also assist.

### **Point 2 – Cultural capability assessment tool**

In conjunction with the Committee for Auckland, the Superdiversity Centre has developed a Cultural Capability Assessment Tool for businesses and organisations, which is an online survey of an organisation's employees. The survey generates indicative scores for cultural knowledge, cultural capability, cultural experience, indigenous languages and culture, and people management. These survey results, which are based on self-assessment and reporting, can then be used as a benchmark for the Superdiversity Centre to perform a CQ Audit of the organisation. A CQ Audit involves independently verifying the results of the Cultural Capability Assessment Tool by putting a team of specialists on-site to assess the organisation's cultural capability.

The survey tool has been successfully piloted by six major companies and organisations, and is now available to any organisation which wants to measure its CQ through the Superdiversity Centre. James Dunne, CEO of the Superdiversity Centre, describes our analysis of these organisations on an anonymous basis in his write-up below, to show the value the survey tool can add.

The Superdiversity Centre is also undertaking CQ and Asian Capability training.

[1] Available at [http://www3.weforum.org/docs/WEFUSA\\_NewVisionforEducation\\_Report2015.pdf](http://www3.weforum.org/docs/WEFUSA_NewVisionforEducation_Report2015.pdf)

[2] See [www.superdiversity.org](http://www.superdiversity.org) and [www.nzasianleaders.com](http://www.nzasianleaders.com).



### **Point 3 – CQ Training: Tourism and Cultural Competence**

Tourism is one of New Zealand's best export industries. There has been a major increase in Chinese tourists to New Zealand (a 38 per cent increase since 2014), such that Chinese tourists are now the second largest group visiting this country, comprising 11 per cent of total international visitor arrivals in 2015. In order to help the tourism industry adapt and cater to this emerging market, the Superdiversity Centre will be training tourism operators for the International Travel College this year in Auckland in CQ. Understanding the issues that tourists from different cultural backgrounds face, the concepts of ethnocentrism and stereotyping and their influences on communicating with tourists, and the influence of culture on the service and buying behaviour of people from other countries, is all integral.

### **Point 4 – Superdiversity is diffusing throughout New Zealand**

Superdiversity is diffusing throughout New Zealand and is not just an Auckland "issue". Around two thirds of farms in New Zealand now employ workers from the Philippines or South America. The number of international students is also increasing (rising by 15 per cent between 2013 and 2014), as are the number of skilled migrants working on the Canterbury rebuild, in the health industry as aged care workers, and in other sectors.

I was recently in Southland. Depopulation is their biggest economic regional challenge. The best way for them to plug that gap is migrants, so they encourage migrants to come to the city to study at the Southern Institute of Technology, and then to find jobs, and to settle in Invercargill with their families. The fastest growing ethnicity in Southland through to 2038 will be Asian.

In February this year, I devised and taught (on behalf of the Superdiversity Centre) the inaugural cultural capability building course to staff at the Southern Institute of Technology ("SIT"). Of the Invercargill campus of that polytechnic, 20 per cent are international students. Cultural capability is therefore pivotal to ensuring that students are taught in a manner that maximises their chances of succeeding and going on to obtain skilled employment.

During the course, the Chair of the Southern Chamber of Commerce, Carla Forbes, judged the Cultural Capability Challenge between mixed teams of staff and international students. She said in her address to the course participants that she had heard the students' desire for jobs, and the Chamber would work with SIT to make that happen. The Chamber is now looking at cultural competence training for its members so employers know how to recruit, and get the best from, migrant candidates.

Understanding the issues that international students face, and how their cultural background affects their learning, is crucial to helping students perform well in the classroom. For example, rote learning, and describing and remembering what has been taught in exams, is the modus operandi in many of the countries international students come from. So using the Socratic method in a classroom, and group work, may be difficult for them to adjust to without more assistance and explanation.

### **Point 5 – Superdiversity Law and Policy Framework**

There is a need to develop a framework to measure the impact of ethnic, cultural and linguistic superdiversity on law and policy, along the same lines as the existing frameworks which measure law and policy against fundamental rights and freedoms, in the New Zealand Bill of Rights Act 1990, and regulatory best practice through the Regulatory Impact Statement



process. The framework needs to take account of the reality: New Zealand is currently a multicultural society built on a bicultural base, especially in Auckland where almost 50 per cent of the population are Māori, Asian and Pacific peoples; where 44 per cent were not born in New Zealand; and where there are over 200 ethnicities.

The *Superdiversity Stocktake* identified the lack of a formal framework for assessing the impact of superdiversity on policy and law as being partially responsible for the fragmented response of central and local government to New Zealand's demographic transformation. There are isolated initiatives responding to diversity as it relates to gender, disability, age, and ethnicity, with little coordination between those initiatives and the broader bicultural relationship under the Treaty of Waitangi that underpins New Zealand. As New Zealand transitions away from a Pākehā majority, this lack of a systematic superdiversity framework compromises New Zealand's financial and social capital, both of which are crucial to maintaining high living standards, racial harmony and to security and social cohesion.

The development of a Superdiversity Law and Policy Framework would allow government when making law and policy decisions to identify and take account of the impact of those decisions on New Zealand's superdiverse population. The development of a formal framework for assessing all law and policy decisions for their impact on superdiversity issues will be a first in New Zealand's law and policy environment. It will also be a unique development globally because of New Zealand's unusual status as a superdiverse nation with a large indigenous population. Much like Bill of Rights Act vetting and the regulatory impact analysis processes, the intention of the framework would be to allow government to make decisions about how to develop and implement policy and law with a proper understanding of the consequences. It would include checklists of key factors, questions that need to be asked and processes that should be followed by government when engaging or consulting with ethnic and migrant communities.

A Superdiversity Framework for Law and Policy would guide central and local government, and assist ethnic and migrant communities to articulate their issues more clearly and have them considered. Such a framework should enhance financial and social capital in New Zealand by ensuring greater inclusion of ethnic and migrant communities, and consideration of risks and challenges particular to those communities to assist in remedying them, ideally prior to implementation of the relevant law or policy.

#### *Health and Safety Laws and Superdiversity*

For example, there has been little consideration given to the impact of culture and language on the implementation of our new Health and Safety at Work Act 2015 (**"the Act"**), which comes into effect on 4 April. As I recently wrote:<sup>[3]</sup>

Health and safety culture differs depending on where you were born. I remember visiting Vietnam and watching labourers with no shoes or safety harnesses climbing swaying bamboo scaffolding to build a giant office block late one Saturday night in Hanoi with minimal lighting from ad hoc torches on the ground. I thought to myself - this would never happen in New Zealand!

As the Reports *Superdiversity Stocktake: Implications for Business, Government and New Zealand*, and *Superdiversity, Democracy and New Zealand's Electoral and Referenda Laws* found, New Zealand is already one of the most superdiverse

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<sup>[3]</sup> Mai Chen: Big shifts coming under new Health and Safety at Work Act, [http://www.stuff.co.nz/business/opinion-analysis/77492308/618996\\_1](http://www.stuff.co.nz/business/opinion-analysis/77492308/618996_1)



countries in the world and will be even more so by 2025 and 2038, according to Statistics New Zealand's projections.<sup>[4]</sup> Many of these migrants are coming to New Zealand to work in the health, construction and farming sectors, or as high skilled migrants in other sectors.

Many migrants are also becoming "persons conducting a business or undertaking" ("PBCU") with greater obligations under the 2015 Act, as they gain entry under the investor migrant category and have invested significant funds in new businesses. There is also evidence from MBIE research that many new small to medium enterprise ("SME") owners are migrants, as they cannot get jobs as employees.<sup>[5]</sup>

Parliament will not achieve its intention to transform health and safety culture and compliance, post the Pike River tragedy, if a significant number of migrant employers and migrant workers do not understand how to comply with the new law. Are any changes required to ensure the new legislation properly accommodates those born in countries with very different health and safety cultures and languages? For example:

- The duties of officers in section 44 of the Act, particularly subsection 4, require officers to: ensure that the PCBU has available for use, and uses, appropriate resources and processes, ensure that the PCBU has appropriate processes for receiving and considering information regarding incidents, hazards, and risks and for responding in a timely way to that information; and ensure that the PCBU has, and implements, processes, and to verify the provision and use of the resources and processes. This requires a level of engagement and interaction which is going to be more challenging for those who use English as an additional language, and for migrants who come from countries where there is no custom of questioning authority, as is common in New Zealand. The underlying assumption that the officer is willing and able to bring challenging and new feedback to his or her superiors.
- The duty to keep records for a minimum of five years in section 57 will prove challenging to small businesses with limited resources, those who have English as an additional language, and those who may not have been in operation for long enough to have developed their own record keeping needs.
- The nature of engagement with workers in section 59 presupposes a culture in which duties of consultation and fair process are understood to be those relevant in a Westminster system, and to be similar to the duties of consultation (and good faith) used in the Employment Relations Act 2000. No allowance is made for different types of workplace interaction.
- The very idea that workers can or will request to elect worker representatives under section 62 of the Act presupposes a workforce that is "engaged" and "organised" in a certain way. It assumes that workers are going to have the ability and confidence to stand up to management and put forward their own ideas, rather than implement the requirements of their employer. This looks like an outdated assumption built on the ideal (rather than the reality) of an engaged unionised workplace, where workers are assumed to have bargaining power.

<sup>[4]</sup> Both reports were published on 3 November 2015, and are available on the Superdiversity Centre's website: [www.superdiversity.org](http://www.superdiversity.org).

<sup>[5]</sup> M Nathan "The economics of cultural diversity" (presentation to Pathways, Circuits and Crossroads Conference, Westpac Stadium, Wellington, 23 July 2015); Ministry of Business Innovation and Employment Investor Migrant Research 2013/2014 (2014). 618996\_1



- The idea in section 69 that an elected health and safety representative will have the willingness and ability (as opposed to the statutory power) to issue a provisional improvement notice compelling their employer to take action, appears to be built on an assumption that workers will be willing and able to challenge their employers, and will be sufficiently educated in health and safety matters to be able to do so in a meaningful way. Quite apart from the cultural assumptions about how workers can or should be able to challenge their employers, it also assumes a level of education and training which will not necessarily exist – how does this requirement work if the worker is not fully trained in New Zealand health and safety standards, and who will pay for and arrange such training?
- Under section 176 of the Act, there is a duty to assist a Worksafe New Zealand inspector. This includes, of course, the requirement to keep records, as well as specific requirements not to hinder investigations. There was a fine imposed for hindering a Worksafe New Zealand investigator last year of \$115,000.<sup>[6]</sup> What level of understanding will PCBUs have of “assisting” an investigator, when they may come from a culture which does not keep records in the same way, and may not understand that “assisting” the investigator does not mean finding what the employer wants to be seen? The requirements to assist and disclose only make sense when seen from the perspective of a system with low corruption and high regard for the rule of law, as well as an understanding of natural justice. Without these understandings, the requirement makes little sense.

Finally, should employers be required to translate their health and safety policies and training materials into different languages? The problem is that the cost of this would presumably be borne entirely by the PCBU, as I have seen no such materials put out by the regulator, Worksafe New Zealand.

#### *Financial Regulation and Superdiversity*

Another example of where a Superdiversity Law and Policy Framework would assist is the review of the Financial Advisors Act 2008 and the Financial Service Providers (Registration and Dispute Resolution) Act 2008 with a view to law reform. What issues does New Zealand’s superdiversity raise for the financial services sector because of the growing number of new migrant financial advisors and the growing number of new migrants in need of financial advice? To what extent are New Zealand’s financial adviser and financial service provider regimes – from the legislation, to the culture, to the regulators’ approach – fit for purpose? To what extent have the issues papers released to date addressed New Zealand’s changing financial services landscape? For example, is there any reference to Asian systems of regulation in the background papers?

#### *Age and Superdiversity*

I am also speaking on the issue of age and superdiversity. The New Zealand population is aging. But, of course, age is related to ethnicity in this country, because there are different median ages for different ethnic groups. The *Superdiversity Stocktake* noted that:<sup>[7]</sup>

- The fastest growing age cohort in New Zealand is that of 65 years and older;
- One third of Auckland’s population growth is projected to be in the 65+ age group;

<sup>[6]</sup> See <<http://www.stuff.co.nz/business/74712544/inflatable-slide-operator-fined-115000>>.

<sup>[7]</sup> See from [1.31]–[1.37].



- The median ages of persons of Māori, Pacific and Asian ethnicity are 23.9, 22.1 and 30.6 respectively, compared to 41 years for New Zealand Europeans.

This means that the populations of minority ethnic groups are young in comparison to the ageing European population. Professor Natalie Jackson writes that young Māori (as well as Pacific and Asian) will increasingly be relied on to support the ageing population, as they will be disproportionately represented in younger population groups.<sup>[8]</sup>

What implications does this have for law and policy, if any?

#### *Education and Superdiversity*

I am also now writing about the implications of superdiversity for education, including issues on:

- Education being at the coalface of Superdiversity, especially significant numbers of superdiverse students in schools and greater complexity for teachers due to English as a second language, and different culture and religions;
- ESOL, given that there are now 160 languages spoken in New Zealand by people from over 200 ethnicities, in particular the need for a national languages policy;
- Teaching migrant students about New Zealand history, the Treaty of Waitangi, the New Zealand system of government and Kiwi culture;
- Teaching cultural awareness and competence for all students and teachers and implications for how you teach, how you assess and what you teach ;
- Discrimination on the basis of race, religion and culture and the legal requirements under the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993 on educational institutions and implications for students and graduates getting work experience and jobs;
- Implications for staffing, and recruiting from the market to service the market in teaching;
- The statutory role of universities as the critic and conscience of society; and leadership on Superdiversity analysis and commentary; and
- A multicultural policy on a bicultural base as it applies to education.

By 2030, I want Auckland/NZ to be the most successful superdiverse city/country in the world with high financial and social capital, and for Auckland to be recognised globally as a model for others to emulate. That includes great race and business relations, particularly between indigenous New Zealanders and migrants, and high cultural capability amongst New Zealanders.

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<sup>[8]</sup> N Jackson *Māori and the [Potential] Demographic Dividend* (National Institute of Demographic and Economic Analysis, Working Paper No 2, June 2011).



### Julia Middleton

**World class thought leader and founder of Common Purpose, key note speaker**



Julia is passionate about helping people to develop as leaders, and campaigns to encourage leaders from all backgrounds to make an active and tangible contribution to their communities and to wider society.

In the autumn of 1989, Julia founded Common Purpose in Newcastle, which has grown to be one of the biggest leadership development organisations in the world. Julia has also helped in the founding of the Impetus Trust (developing venture philanthropy in the UK), the Media Standards Trust (fostering high standards in the news media) and Alfanar (developing venture philanthropy in the Arab world). She also sits on the International Advisory Council for Fundação Dom Cabral (a non-profit business institution in Brazil).

Julia was born in London and educated at French Lycées around the world. She worked for the Industrial Society after receiving an economics degree from the London School of Economics. She is married and has five children.

Julia is the author of the bestselling book *Beyond Authority: Leadership in a Changing World*. Her latest book *Cultural Intelligence – CQ: the Competitive Edge for Leaders Crossing Borders* was published in 2014. Julia defines Cultural Intelligence (CQ) as “the ability to cross divides and thrive in multiple cultures”.

*Why CQ? I mean you are a white girl from a white country -sort of - you come from the UK. So why CQ?*

It's my background. The first thing you think of about me is that I am white - but I was brought up to a lot of countries so I don't think that I am, really, and I have perhaps never fit in where I have been. English is my second language.

For example, my son is marrying someone from Bangalore. And his wedding will of course last three days. It's a very small gathering: just 800 people coming!

But it is actually quite interesting, because I am really struggling with my daughter-in-law to be. You might say that's because she's from India and has brown skin and I am from Britain and have white skin. But that's not the issue.



It is because I am twice her age. And she's a lawyer and I am an entrepreneur. And she has sorted these three days out for me into a series of ten minute interviews – which is course not how I would sort these things out. So the real culture issue here has got nothing to do with the colour of my skin, but it has to do with the incredibly different cultures that we both come from. She told me the other day that she felt like she was the mother in law and I was the young girl getting married.

CQ interests me because I was brought up in many cities, but these were all cities where there was no ethnic majority. And I think that makes me different, because I don't see the majority, I don't see the labels, so I've often fitted in in cities where that was the case, and I think that those kind of cities are the future.

*So how do you define CQ?*

If you wander around you meet people who have this extraordinary ability to go from one cultural situation to another and thrive. And the ability to do that is what I think CQ is. It is the ability to operate in different cultures and not just to operate but actually to thrive - to love it, and to make that a natural state, which is what the world needs. So CQ is the ability to operate in multiple cultures and for me multiple cultures means geographies, generations, sectors, and specialities.

*So after 28 years of exploring these fields, what are the key things you've learnt about CQ?*

What an interesting question. First there is no end to it: building cultural intelligence is a constant journey of making an idiot out of yourself. And then heading towards forgiveness, and if you are getting forgiveness, if you are brave enough: keep going! All these journeys and eventually people get trust in you and they will give in to you.

Another thing I have learnt and which I now believe very passionately came up in the course of writing *CQ: the Competitive Edge for Leaders Crossing Borders*. I was in the middle of writing that book, and I got an email from a friend of mine saying he was applying to be a bishop and asking if I could give him a reference. So I sent him an email back. I said:

"John, if you'd asked me 35 years ago if I'd ever write a book I would have laughed at you. And I certainly would never have expected you to ask me for a reference to be appointed a bishop. But I am writing a book now!"

He wrote me a great email back – I was one of four referees, although the other three did believe in God.

What this story shows is actually part of my internal journey when I wrote *CQ: the Competitive Edge for Leaders Crossing Borders*. Everybody assumes that people with cultural intelligence can persuade other people to reveal their cultures to them, and in that way they get more culturally intelligent. And that's true, up to a point: but the trickiest culture to crack is actually your own. It's pretty difficult to see your own blind spots – whether that's about references for bishops or something else entirely. That's the hardest.

Those are the two really big ones for me.



*So when you work with organisations around the world, what do you see in terms of cultural intelligence? You get invited all around the world – Common Purpose is everywhere. You travel all the time, you're advising CEOs, you're there with the heavy hitters. I've seen a lot of what you do. You are there with the heavy leaders. What is it that they ask you about cultural intelligence and cultural competence?*

The glass is always half full. People who don't fit now have an edge. And I think that's quite interesting. Some people are struggling to catch up. I was with this organisation the other day and they have spent a lot of money on a project on unconscious bias. And I was with the senior management team of this company in Atlanta, and these guys said to me, we've discovered that we've got biases. These days, that's not a very dramatic piece of information. We all have bias. And what are you going to do now, I asked them. That's the question, he said.

I think it's very interesting to see how the world is becoming much more diverse, and the upcoming generation expect to see that. A significant proportion of my generation did not grow up in a world like that. And that makes it really hard to adapt, and to adapt fast enough.

To be honest, I have lots of sympathy for people who are trying to adapt to an unfamiliar world - it's very hard. But that's the case all over the world. Here's a good example: we run programs all over the Asia-Pacific, and if you sit down with people in India and ask: what is your biggest management challenge? They often say managing the New Zealanders and Australians in my team. So everyone's running.

The world has turned upside down. It's mixed up now, and it's produced lots of people who are struggling with what the impact is, and what they personally have to change. It's quite hard because you can have a career at a firm, and you are 57, and have thirty years' experience and so forth. You are sort of expecting that as a person of 57, you should be deeply respected, and then everything turns upside down again. And senior leaders are struggling with that already. I also see a wave coming, that people are unprepared for.

*Talk to me about that way you are an entrepreneur and you saw that wave coming 28 years ago. And we are just waking up to that now. You are now in one of the worlds superdiverse cities, and most people would just have recognized that we are superdiverse. So when you talk about the wave that's coming – what's coming, and how fast?*

Take a step back. 75% of the population will be in cities, and most of the talent will be convenient in cities. That will be a huge impact for different parts of the world and cultures.

And I will argue Auckland is ahead on that - if you could recognize what you are ahead on, and use it cleverly. That's why I'm here – other than the chance to meet Mai.

Mai is an interesting person. We both want to produce challenges, and we are incredibly tolerant, and we want to change the world incredibly fast. So we are impossible to live with. But we are the people who are going to push the change.

I wanted to be in Auckland because it seemed to me that you are ahead of the game, and it could be very interesting if you knew you are ahead of the game and thought about how you could use that cleverly in the future. Obviously the big benefit would be for Auckland and New Zealand, but there is also a benefit for the whole world. So Auckland interests me as a city



enormously. You are superdiverse and you are going through a lot of learnings, and processing those learnings, and producing the kinds of leaders who will take you to the next stage.

*What sort of learnings are those?*

That cultural intelligence is a completely new way of being. Years ago I was doing some work back in China. They had this fascinating finding. If you were a first-rate Chinese English-language student you came to study in London. Within one year of studying, their English language skills went down about 20%.

The reason was that their students were crossing the world to study English on a campus in just the same way as they did at home. They weren't learning by using their English in the city – where every pavement, every café, every bar, every interaction is a chance to grow cultural intelligence. But if you just stay with people who look familiar to you and already speak your language, you never actually get the chance to use English or practice cultural intelligence – and this is what people in cities that are new to them tend to do.

So you have this new generation of talent crossing the world to extraordinary cities like Auckland and not getting the cultural intelligence which that city can give them. There are four million students annually who travel to study in about in about fifty cities across the world. Auckland is obviously one of them. They are real melting pots. Cities are recognizing that they are convenient places in the world and making that work for the next generation - that seems to be a huge opportunity we have got to produce more leaders who can connect up the world.

*Do you think leaders now truly believe that they need cultural competence to continue to succeed? Or do you think that they really believe that they can continue as they are and still succeed?*

I think people know that they need cultural competence, but they don't know how to get it. I think we have to give people some ways to get culturally competent. My father used to talk about vocabulary. You need a vocabulary for things. You need to have some ways that people can have the kind of conversations that increases cultural intelligence. There is a hunger for it – people who know what it is and want it, but don't know how to get it.

*That is why you are here. How do you define CQ? How do you encourage people which have high IQ to stay in a room and learn CQ?*

Let us come back a step. CQ is a continuous line from IQ. Do you remember when you were young and everybody told you that IQ gives you access to everything? If you are clever, that was fine. Do you remember when you people saying that this child has the highest IQ the world has ever seen? IQ was what we were all aiming for.

IQ is incredibly important because it means that you can take complex information and process that rapidly, but it's is only the start. You then get EQ, emotional quotient, which was quite a significant move into the right direction. The concept of understanding people: that might be relevant to leadership!

It used to be this ridiculous concept called soft skills. As a woman I found that deeply irritating. I was used to being on a panel with five people and the rest were always men. And they would look in your direction, and the chair would say: what does it feel like from the women's EQ perspective? Everyone can and should have high EQ – both men and women.



So EQ for me was a huge improvement. But people still just say that they are “good with people”. The trouble is that they forget to add the next words, which are “who are like me”. The really interesting thing is to be good with people who are not like you.

CQ was the natural next step. Can I work with people who are not like me? I deeply believe that most organisations I worked with should continue to recruit people with IQ and EQ, because there is those abilities bring with them useful skills. Indeed, I think a lot of organisations would like to get rid of people who have a lack of EQ.

But I believe deeply that we must also begin promoting people who possess cultural intelligence - the ability to cross boundaries and to thrive. It is not just the future leaders who need CQ - it's you and I too. Because the truth is that most problems that leaders face - the reason is why you became leaders - are complex. Most problems require the ability that looks across the boundaries.

But most of our leaders still learn to lead within their own space. You've got a business card: that's me – the me that leads. And you've got pips on your shoulders or stilettos on your feet that show you are in charge. And most leaders are fine to operate in their own space, and most languages have something perfectly horrible to describe people who cross boundaries and interfere – in French it's 'look after your own onions'.

All languages have something bad to say about people who interfere in other people's business. But the truth is we need leaders who will cross the boundaries. I believe that we will be more interested in promoting people with cultural intelligence, because we need it ourselves too – first because we want to deal with the problems that cross boundaries, and second because if you spend your life with people who are like you, you are doomed to be short on innovative ideas. There is nothing more boring than people who have started nodding and agreeing with you before you have even finished your sentence. That does not produce brilliant ideas, but brilliant ideas are what we need. Most parts of the world need innovation.

Because brilliant ideas come from diversity. And I believe deeply that innovation comes from what I call discord. We need that discord. And we need leaders who can cope with that, and not panic when they encounter it.

And the last reason is that we have to inspire the next generation so that they want to be able to cross cultures. We need CQ because if we don't have it we will become the thing my father used to talk about at the end of his life.

He used to say that the world becomes smaller. Which we know it does – because of all the things which connect up the world. And he used to say that the world will continue running with the 'flying death' - the people who fly around the world and have no clue what's going on in different cultures. And sometimes they stay around their own cities. And drive through their cities, without understanding the different cultures that are there. They live within most cities. And I think that the younger generation doesn't want to be the 'flying death'. There are too many of them still alive.

I started wandering around the world two or three years ago, to go to these people I thought had this ability to cross cultures. I ended up coming up with this model that is pretty simple - like all models, it's easy to completely demolish in a second. But models are useful for the base of a conversation.

Imagine a triangle with a line through it. One part is core, and the other part is flex.



The core is the stuff that if somebody stopped doing, they would no longer be them. There are all kinds of things on that list. Everything from values to beliefs, right down to behaviours: behaviours which, if I stopped doing, I would no longer be me.

And there are things on which I am flexible – my flex. And this over-simplistic model produces for me lot of clarity about people who cannot cross cultures. If your core is strong and solid, then I believe that people trust you more. If your flex is flexible, people trust you more.

Imagine a man with a huge core and a tiny flex. That's a bit of a compliment. That would have been my grandparents. They had huge cores and tiny flex. They lived in the north-east of England and reckoned that everybody in their street was like them, and if they weren't they jolly well should be.

And now imagine a man with a tiny core and a huge flex. That was my first boss. He was a salesman and I was watching him thinking: is there anything he wouldn't say for a sale?

I think cultural intelligence comes on the line between your core and your flex. You should be moving your core and your flex throughout your life, with huge care. Your core and flex should be moving all the time because you are in different situations, understanding different cultures, and re-evaluating your core and your flex.

I said earlier that core and flex was about behaviour. I got an email the other day. Somebody told me that they've stopped spitting in the street – because they'd realised that a lot of people find that disgusting in their core, and this person reckoned that they still could be them without spitting in the street.

As another example I was doing some work in Jeddah -not Riyadh – and port cities are always more culturally intelligent. The whole world convenes in port cities. I was working in the amazing college in Jeddah and I was told that if I got to go I've got to cover myself. So I went into this major “should I do that, should I not” thing.

In the middle of this process I met a group of my daughters: they came over to give me a lecture about how if I was a feminist I would never cover myself. And at the end I came to the conclusion that that actually never held fast for me. What I wore was fundamentally in my flex and I just did not care about it. So I went to Jeddah and covered myself.

The interesting thing was that I got to Jeddah and discovered a prejudice that I did not really understand and that was buried deep inside of me. I had always assumed that a woman who covers herself is a wimp and pretty useless. And in Jeddah I was surrounded by extraordinary women who covered themselves. So I learned something. But the really interesting point was coming back to the UK.

I went to Jeddah and was happy to cover up, but Muslim women come to London and don't want to wear Western clothes. And the answer is what they wear is in their core, and what I wear is in my flex. So core and flex helped me understand how to speak with lots of different people in the world.

Your core moves through your life. My core was huge at the beginning. I think your flex creeps up when you take your first international job, or the first job that covers a city like Auckland, and you have to re-evaluate which bit is you and which bit is not. I think your flex moves enormously when you got teenage kids. That's the really painful moment - when you make this extraordinary discovery that your kids don't have to have the same core as you.



And your core starts creeping back up as you age starts creeping up and you think you know the answer to everything. It's really hard when you get old to keep your core down. That's cultural intelligence.

Here's an example. I have always finished my letters with 'love Julia'. I finish all my emails with 'love Julia'. I say 'love Julia' to the chairmen of companies, to Prime Minister, to Emir of Qatar, to my butcher, to my husband and to my boss. I write 'love Julia', and my colleagues often say that I ought to stop it. They say "Common Purpose should not write 'love Julia' to the Emir of Qatar". And other people say that it is my core - you should not lose it. And for me, this issue is under review – is it my core or is my flex?

And as you go through life, you slowly get to find your knots in your core – those are the behaviour and values based on prejudgment. There might be people in the world who don't have knots in their core. I personally don't believe such a person exists. I think we all have knots in our cores. And I think you find them if you proceed in life. If you do find them, you have a choice. You either move them to your flex because they don't get stuck. Or they are so deeply buried inside you for such a long time that you can't move them out of your core. At least then you can make them your problems, and not somebody else's.

Here is a final example. After I lived France when I was very young, I remember moving to London and I thought that it would definitely be a business advantage for me, because I thought I was not as prejudiced as other people. And then I moved to Northern Kensington, where the biggest Moroccan community lives outside Morocco. And suddenly a piece of me that came from France, from a hundred years ago, worried about these people coming from northern Africa, meant that instead of stepping forward, I stepped back. It took a long time to understand why I kept doing it. Because you do find knots in your core, and you have to figure out what are you going to do with them.

Cultural intelligence helps a lot of other people talk to you and tell you things. And if you have CQ, you can hear it all. Sometimes you meet leaders, and they want other people to reveal their cores, but they don't want to reveal their own. The really hard thing is to find the knots in your core and carry on and find more knots: and then to move the line between core and flex. Discovering your own culture is the most difficult one of all.

The prize for me is that we can develop enough CQ that we can inspire people, that we can get many cultures together, and that we can lead innovation. Some people go into leadership to perpetuate what exists, but most of us go into leadership because we want to see change, and if you want to face the complex problems it requires you to cross the boundaries of culture. I think you need cultural intelligence to be able to do that, and to me that's what leadership's about.



### Marina Matthews' summary of key points from the morning session

48 Marina Matthews, Co-Chief Executive of the Superdiversity Centre, summed up by recapping her take on the six key lessons from the morning session of the Superdiversity Forum, where the following participants had discussed “If Auckland is ahead of the game, how Auckland can maximise the benefits of being superdiverse?”

49 Participants in the discussion were:

Aaron	O'Donnell	Senior Strategist	Designworks
Alieta	Ueese		Learning Innovations
Amanda	Singleton	Group Manager	Genesis Energy
Annie	Brown	Director - People and Communication	BNZ
Berlinda	Chin	Director	Office of Ethnic Communities
Brijesh	Sethi	Managing Director	NZ School of Education
Dr Carina	Meares	Senior Social Researcher	Auckland Council
Cecilia	Tse	Manager, Public Law	Auckland Council
Charles	Hayward	Auckland Regional Operations Manager	English Language Partners NZ
Claire	Huxley	Marketing Director	International Travel College of NZ
Colleen	Lynch	Team Leader Community Compliance	Inland Revenue
Colleen	Ward	Director, Centre of Applied Cross-cultural Research	Victoria University of Wellington
Dan	Mercer	Creative Director, Wellington	Designworks
Diane	Maxwell	Retirement Commissioner	Commission for Financial Capability
Doug	Martin	Chair	BNZ
Gita	Jayaram	Principal Consultant	Diversitas
Graeme	Wong	Independent Director	
Grainne	Troute	General Manager, Corporate Services	SkyCity



Hannah	Walton	Head Of Network Investment and Capability	Spark
Ingrid	Leary	Country Director	British Council
Hon. Philip	Burdon		
Joanna	Perry	Director	Kiwi Property
Judi	Altinkaya	National Manager, Settlement Unit	Immigration New Zealand
Justine	Pearce	Group General Manager	Fonterra
Justine	Smith	Lead Officer	Tupuna Maunga o Tamaki Makaurau Authority
Karl	Wixon	Kaiarahi	New Zealand Story
Kate	Tibbitts	Group Manager People Capability	Ministry of Education
Kelvin	Watson	Deputy Chief Executive - Organisation Capability & Services	Statistics New Zealand
Lana	West	Head of People, Customer Fulfilment Services and People & Communications	BNZ
Laulu Mac	Leauanae	Chief Executive	Pacific Cooperation Foundation
Lewis	Holden	Deputy Commissioner	State Services Commission
Lisa	Li	CEO	China Travel Limited
Louise	Hill	Head of Legal – New Zealand	Fletcher Building Limited
Marina	Matthews	Partner/ Deputy CEO	Chen Palmer Partners/ Superdiversity
Martin	Pouwels	Chief Executive Officer	Niche Media
Mary	Dawson	Chief Executive	Auckland Regional Migrant Services Trust
Melino	Maka	Chair	Tongan Advisory Council
Mena	Antonio	Lead Coach and Mentor	The Diaspora Way
Michelle	Teirney	CFO and Director Corporate Services	Manukau Institute of Technology



Mika	Austin	General Manger of HR	NZ Super Fund
Monalisa	Urquhart	Business and Special Projects Manager	British Council
Pam	Dunn	Senior Advisor Strategy Projects	MFAT
Penelope	Borland	CEO	Fulbright New Zealand
Pip	McLachlan	Director, Engagement and Research	Asia New Zealand Foundation
Rebecca	Smith	Director	New Zealand Story
Richard	Northey	Chair	Problem Gambling Foundation
Rosie	Mercer	Civil and Environmental Engineer	Ports of Auckland
Rt Hon Sir Anand	Satyanand	Patron	Superdiversity Centre
Ruma	Karaitiana	Chief Executive	Building and Construction Industry Training Organisation
Sandy	Burgham	Consultant	Sandy Burgham & Associates Ltd
Simon	Young	Principal Global Relations	syENGAGE Marketing
Susan	Warren	Chief Executive	COMET
Stephanie	Paterson	Team Leader	IRD
Tarun	Kanji	Independent Director	
Thomas	Song	Managing Director	Ernslaw One Ltd
Ziena	Jalil	Partner	Senate SHJ



50 The participants raised many ideas, thoughts and comments about how Auckland can maximise the benefits of being superdiverse, including:

- Auckland should be like a marae, a meeting place for all people with a tikanga Maori foundation. Auckland should welcome all cultures, races, ethnicities, religions; and those who we welcome, should learn more about tangata whenua of New Zealand and our bicultural base. Once you are welcomed to the superdiversity of Auckland, then are part of the people and will welcome others;
- We need to look at the measures of success for a superdiverse Auckland; there are not only benefits from an economic perspective, but also social and cultural benefits. We also need to describe what the value of superdiversity is, and why it is important;
- Superdiverse Leaders and Cultural leadership are an integral part of a superdiverse Auckland. Superdiverse leaders will be authentic, they will help mentor the next generation of superdiverse leaders, and they will also be ambassadors of superdiverse success stories;
- Recognising and celebrating cultures is becoming the new norm, for example, the Lantern Festival, Diwali, Pasifika festival, Pride parade;
- Auckland needs to communicate and market its superdiversity, keep the conversation alive and continue talking about superdiversity. Auckland should have 'superdiversity' as its tagline. Auckland needs to share its superdiversity stories, and celebrate successes
- Organisations can make small changes in recognising and valuing superdiversity, for example changing induction programmes to include sessions on cultural capability and the organisation's 'core', or introducing training about different cultures. It is not about creating a homogeneous society or organisation, but creating one that values and understands many cultures;
- It is not just about what the superdiverse can do for Auckland, but what Auckland can do for the superdiverse.

51 Marina Matthews summarised the six key issues and themes to come out of the morning session as follows:

- The trickiest and hardest culture that people and organisations have to understand is their own. Marina reflected on Julia Middleton's comment that people who in the past did not fit with the norm, now had an edge; and also Mai Chen's points regarding culture being more than ethnicity and colour, but also your gender, religion, profession, where you are from. Marina shared that when she worked in the office of the Deputy Prime Minister of New Zealand; people would come in for meetings with the Deputy Prime Minister and would anxiously wait. Marina would introduce herself as a Maori, catholic, female lawyer from Invercargill; and this would produce a few nervous laughs. At the time, Marina thought it was a way to break the ice, but based on the discussion in the Forum, she sees now that it is way of identifying what her 'core' is, what her cultural identity is.
- Cultural intelligence is a journey, it is not endless. The 'core' and 'flex' of individuals and organisations are constantly evolving with each new cultural experience, new staff member or new client. You can never have too



much cultural intelligence, and cultural intelligence can be developed by anyone. You just need the tools. One of those tools is the Cultural Capability Assessment Tool for Business, an online survey of an organisation's employees that generates indicative scores for cultural knowledge, cultural capability, cultural experience, indigenous languages and culture, and people management.

- Auckland is superdiverse now. The challenge/wero for Auckland is how we can use it and maximise its benefits. Soon, the world will be run by cities, and Auckland can get ahead of the game by making the most of its superdiversity. Auckland needs to keep the superdiversity and cultural capability conversation going; there is momentum and Auckland needs to share the success stories.
- Cultural intelligence leadership and being a superdiverse leader is about inspiring the younger generation. There is a new wave of leaders coming, and it is important for them to understand and build their cultural intelligence. Senior leaders need to be authentic, and they need to be diverse, to reflect their staff and customers. EQ is about being a good leader with people who are like you, CQ is about being a good leader with people who are not like you.
- Education is an important platform for feeding the culturally intelligent mind, and that can be at schools, universities or other tertiary education organisations. Education organisations and institutions are a good opportunity to engage, network, grow and learn with people who are not like you. It is a haven of culturally diverse people. There are approximately four million students who travel to student, and New Zealand and Auckland are increasing our share of the international education / export education market. With this growth, comes cultural diversity and culturally intelligent people, which will have an impact on our infrastructure.
- Never have there been more opportunities for business to focus on superdiversity and cultural intelligence. We need the tools to disrupt. Some tools are available now, like the Cultural Capability Assessment Tool for Business and CQ Audits, but some tools need to be developed. New Zealand needs a formal multicultural policy on a bicultural base, particularly in central and local government to inform policy development, as recommended in the Superdiversity Stocktake.



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### **PRESENTATIONS FROM AFTERNOON SESSION**

The following speakers spoke during the afternoon session of the Forum:

- Anthony Healy, Managing Director and Chief Executive, Bank of New Zealand.
- Derek McCormack, Vice Chancellor, AUT University;
- Heather Shotter, Executive Director, Committee for Auckland;
- Ian Maxwell, Director Community Services and Patricia Reade, Transformation Director, Auckland Council;
- Berlinda Chin, Director, Office of Ethnic Communities;
- Penny Simmonds, Chief Executive, Southern Institute of Technology;
- Lewis Holden, Deputy Commissioner Auckland, State Services Commission;
- Claire Huxley, Managing Director, International Travel College;
- Carol Brown, CEO, Diversitas;
- Mitchell Pham, Director, Augen Group;
- Colleen Ward, Director of Centre for Applied Cross-Cultural Research, School of Psychology, Victoria University of Wellington.

**Anthony Healy****Managing Director, CEO, Bank of New Zealand**

Anthony has been the Managing Director and CEO at BNZ since May 2014, and prior to this he led BNZ Partners, the company's business banking division. He has been involved in banking across New Zealand, Australia, Asia, and the Middle East for more than 20 years. As well as being a member of the BNZ Board and the Group Executive Committee of National Australia Bank (NAB), Anthony is chair of the New Zealand Bankers' Association (NZBA) Council.

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My name is Anthony and I'm the CEO of BNZ.

It's a pleasure to be here today and many of you will know that BNZ is a staunch supporter of the Superdiversity Centre and its work. At BNZ, I reckon our diversity journey started back in 1915 when we hired Miss Ivy Walters as our first female employee.

But more recently, and almost despite this, banking and finance has remained a male dominated industry, so at BNZ, our initial focus was on gender diversity.

I think we've done well. Really well in fact. Some of you will be aware that BNZ has received awards and accolades from the UN and APEC for our efforts in this area.

Gender diversity will continue to challenge us – it's evolving and there is no quick fix or silver bullet. Tackling gender diversity needs to be constantly front of mind and strategically integrated into the business.

This will be the case with a super diverse future, which is what I'm here to talk to you about today.

**A super diverse future**

When I sat down and looked at the brief for today, I spent a bit of time thinking about the super diverse *future* and how BNZ is getting ready for it.

I'd like to challenge that notion a little.

I don't think superdiversity is in the future. It's here already.

I also think that for the majority, superdiversity and the pace of change, especially in Auckland, has snuck up on us in New Zealand.

Auckland is the fourth most diverse city in the world. We have the opportunity to be world leaders in how to realise the opportunity that superdiversity brings.

So I today, I want to share with you the lessons from BNZ as we start to make the most of superdiversity.

**Lesson one: we're more diverse than we think**

- There is more diversity in New Zealand and in Auckland than many recognise.
- In 1991 just 5 % of Aucklanders were Asian. Today it's almost one in four.
- Many of us know this. I'm preaching to the choir.
- But does the rest of New Zealand know? Do ALL business owners understand or think about how to meet the needs of a changing customer base and labour pool? Are they maximising the commercial opportunities that come from considering the needs of customers from different ethnicities?

**Lesson two: there's no such thing as a perfect plan**

- Not in this disrupted and fast paced world. We have to be more agile, literate, able to adjust and adapt. Don't obsess about writing a document.
- Think about it like an app – developers release apps all the time that might be imperfect. Or they discover a flaw. So they tweak and keep going.
- Instead of focussing on getting the piece of paper right, what's more important is to invest your time into lesson three.

**Lesson three: understand the status quo**

- This is the bit you invest in. Finding out the nitty gritty.
- For us at BNZ we decided to look inwards to understand our people first.
- So we've done a BNZ census and learnt that in certain areas we're different to the general population
  - More than a third of BNZers were born overseas and of those, the greatest proportion were born in Asia (for both of these, we're slightly higher than the national average)
  - 17% of BNZers described their ethnicity as Asian (versus 11% of the population)
  - However just 11% of staff identify as Maori v 14% of the population
  - One in five of our staff are multi-lingual with Hindi 18% and Chinese 10% the most popular languages spoken aside from English (Maori was just 4%)
- We see those statistics reflected in the second piece of work we've had done - the cultural capability audit that the Superdiversity Centre has undertaken for us.
- What have we learnt from the assessment?
- There are good things to celebrate
  - We get a pat on the back in how we manage our people – it's our strength
  - Our staff are comfortable when working with different cultures
  - Where they think they have a weakness is their cultural capability but they are willing to learn and want to learn – surely that's half the battle.
- There are things we need to improve on
  - We need to work harder for indigenous languages and culture
  - We need to align our cultural knowledge in the business context especially with expressions of non-verbal behaviours.

**Lesson four: it's not 'PC gone mad'...it's good business**

- I get immensely frustrated with murmurings about being 'too PC' in the context of superdiversity or gender diversity for that matter
- It's not about that. It's about ensuring we're making the most of diversity to enable a high achieving New Zealand.

- It's about making sure that BNZ is successful. Because strong banks are good for the economy.
- And to be successful we need to stay relevant.
- When we understand our (super diverse) customers and staff, we can connect with them, and build relationships. And they stay with us
- If we understand what new migrants need from their bank, we'll acquire more new customers, and hire the best people possible.
- It's likely we'll help a great number of migrants and people from a range of ethnicities, set up their own businesses, that will have a positive impact on the economy
- And as a bank, our new migrant customers can help to connect us to their networks throughout the world.
- These things make will make BNZ and 'en zed' successful. What's so PC about that?

### **Lesson five – be like Nike**

Just do it. Make the commitments you need to – be it financially or with time, effort and energy.

Lead and resource: I and my executive are totally accountable for BNZ's progress in managing superdiversity. Members of the exec sponsor our diversity and inclusion, and LGBTI councils. Half of us marched at the pride parade just last month. I've just hired a Head of Diversity and Inclusion – Lana West – who many of you will know who will steer the strategy and direction of our progress.

Navigating superdiversity will continue to challenge our business.

But the rewards will be great.

The future is bright for a super diverse Auckland and BNZ. I look forward to sharing the next chapter in our story with you in the near future.

**Derek McCormack****Vice Chancellor, Auckland University of Technology**

Derek was appointed Vice Chancellor of Auckland University of Technology in April 2004. He was previously a Deputy Vice Chancellor at AUT, and was General Manager for Auckland Institute of Technology (the precursor to AUT).

He has led a wide range of key areas during a decade and a half of extensive development and growth for the organisation – from major campus developments, to academic structures, processes and programmes, and the advancement of AUT's university profile.

Derek started out teaching Biochemistry at the University of Otago and Otago Polytechnic, but his career quickly took an early turn into tertiary education policy and management. He has held national roles in a range of authorities, professional bodies, and ministerial and government working parties related to tertiary education, and is the current chair of the New Zealand Vice Chancellors' Committee (NZVCC).

In other fields, Derek has been a Chair of the NZ Academy of Sport network, and is a past President of the NZ Stroke Foundation, as well as a member of various service and community clubs and societies.

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Universities by their nature have a diverse, or at least international, character. Much of New Zealand's and Auckland's apparent super-diversity can be attributed to its education institutes and their international recruitment of students.

AUT, for example, has 3700 international students from 92 countries – mainly China and East Asian countries, but also large numbers from Russia, the Middle East, and Northern Europe.

The international students at AUT constitute 17% of the total enrolment.

Recently the Times Higher Education World University Rankings agency published their rankings for the international outlook of universities, determining that that aspect was essential for any significant university in the world today. In assessing a university's International Outlook they considered its international partnerships and research connections, the percentage of international students it had, and the percentage of its academic staff members who were international.

AUT came out 12<sup>th</sup> and first in Australasia for International Outlook. And all New Zealand universities were in the top 200. That might not seem very impressive if you think that the world's universities number only in the hundreds. However, there are more than 15,000 universities in the world today, which means that New Zealand having all of them in the top 200 for internationalisation is a singular achievement.

Our 3700 international students at AUT graduate and turn over every three years or so and need to be replaced with new students each year. To ensure that our international students want to stay and can successfully complete their studies, and we need to ensure that the reputation we have from our students is one that will keep more coming.

To provide an environment in which they can be comfortable, satisfied and successful, has meant providing new services and delivering other services in different ways, which also goes to maintain a strong and positive reputation for our work with international students. We need that reputation to keep them coming, and we need them to keep coming because they bring a lot.

Of course they bring profitable revenue, and to some extent universities are export businesses, that need to connect with their markets and satisfy its customers in a very competitive context. Lots of countries want to attract the country-mobile students in the world.

Perhaps just as important as the money international students bring, is the variety they add to our thinking and practices. They contribute without even intending to, just by being themselves, different assumptions, different perspectives, even different epistemologies and conceptions of what is true and what is good. These are the stuff of university enquiry and they enrich it. Evidence suggests that students develop higher levels of critical and active thinking when studying in a diverse community.

They connect us as a university to the world bringing us all sorts of opportunities in research, innovation, and more, but they also connect Auckland to the world, and New Zealand, as they become future friends, trading partners, business partners, with an affection for the place where they did their university studies, and they friends and memories they made there.

But at AUT international students are just one branch of our diversity. Our domestic students are hugely diverse. One count revealed that they were born in well over 100 countries. Ethnically, 20% identify as Asian, 12% as Pacific Island, and 10% as Maori, who of course have spent two hundred years coping with the challenges of escalating diversity in Aotearoa. At AUT, the Euro Anglo group is now in the minority.

Of course we have diversity within and beyond ethnic groupings.

We have diversity of religious practice, belief, and codes of conduct – I don't mean institutional codes, but those written on our hearts from immersion in our cultural background.

At AUT we recognised the need to provide for students who wish to practice their religion where it had practices that intersected with normal working and study hours. For Moslems this requires the practice of prayer several times a day some of which occur during normal work and study hours. Where to pray is a problem for every Moslem. The stairwell? An empty class room? An office space? Where to find somewhere I won't be a nuisance or a spectacle? So we have established a large Moslem prayer room to provide for the hundreds of Moslem staff and students to make it easy for them and to welcome them being who they are.

And the Moslem prayer room is in addition to our multi faith space which provides for different needs including those of the Moslem AUT community members to engage together in discussion or be together in a quiet contemplative environment.

We also have diversity in the physical ability of our community. Those who identify as studying with or working with a disability represent 10% of our students and staff. So we are working with Be Accessible (in organisation which we had some part in beginning) to achieve their gold standard in accessibility by 2017.

We also recognise our diversity in sexual orientation and identity. AUT was the first university in New Zealand to receive the Rainbow tick for inclusive policies towards LGBTI. I should add that this isn't one of those ticks you get for putting your hand up. There's quite an evaluation required of policy and practice that goes into getting the tick.

Our approach to diversity is partly push and partly pull. Much comes from energy for change and initiatives arising within the organisation. The rainbow tick for instance was the result of one staff member's vision and drive to see it happen. But other aspects of our drive for diversity comes from are the result of government policy and our adoption of widely accepted practice, and embracing diversity is a key element of our stated values and strategic plan.

Julia Middleton in her keynote address point to the 'core' and 'flex' parts of each individual's cultural makeup. Some things can be changed and readily adapted without undermining the integrity of the person. Other things in the core part cannot be changed so easily and to do so might fracture the character of the person.

I wonder if there are core and flex elements within organisations, functional communities and societies.

Some core elements would be deeply rooted in the widest variety of cultures and settings, such as the preference for peaceful interaction and engagement between people, the freedom to seek the necessities and the quiet enjoyment of life, fair dealing and treatment, and respect for the idea (if not the systems) of justice.

At AUT, while we have a strategic aim and a responsibility to promote diversity in the university that is something that we must do in our flex part, because we also seem to have a core that if changed would fracture our integrity. That core would include our language of tuition and interaction. You can't study or work at AUT if you can't speak, read and write English. We require validation of that, for international students with an IELTS score, and for domestic students with the literacy component of UE. We support te Reo as an option and adopt it in all our formalities, we teach other languages, and we support deaf students with sign language interpretation, but English is our language at AUT. Other core elements would include that:

- We don't accept writing that includes plagiarism.
- We don't accept that enquiry and its expression should be constrained or prevented by political or commercial or cultural interests and demands – we are a place where you are allowed to follow the argument wherever it leads and we hold fast to the principle of academic freedom.
- We expect and strive for equality for women in all things.

It therefore occurs to me that within any diverse community a shared core must be sought – which would hold the accepted way that together we do things and the things that we value together. This shared core will, unlike the individual's core, change over time as the community changes. Those changes as we seek and re-seek our shared core will come, not so much by enforcement or by plans and policies, but from a dialogical dynamic characterised by conversation, interaction, and seeking to understand, as much as to be understood.

In the community of Aotearoa New Zealand or Auckland discussion of change might come to highlight and preserve the characteristics that attracted people to come to the place. Was that the volcanic cones or the sparkling waters of the Waitemata, the islands, the Waitakeres or the house prices. My pick is that part of the attraction would be something to do with the way we are as people together.

To conclude, universities contribute to effective and operating diverse societies by providing their students and staff members with a diverse community in which to interact in ways, that help to create graduates, and thence, citizens and practitioners of all kinds that are understanding and tolerant, aware of their own values and assumptions, ready to discover and challenge, more readily able to acquire and display cultural competence, and play their part in the diverse future of New Zealand.

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## Heather Shotter

### Executive Director, Committee for Auckland



Heather Shotter grew up on farm at Lake Waikaremoana in Northern Hawkes Bay. After secondary schooling at Iona College in Havelock North, Heather went on to complete a Bachelor of Commerce and Administration at Victoria University, majoring in Business Administration.

After graduating she held successive communications roles within Shell Oil and Telecom and then joined Sky City Limited as Communications Director and its first employee. Over her 12 years at Sky City Heather held the role of GM Marketing, Sales and Communications and was then appointed as GM Group Marketing and New Zealand Operations. Over this time Heather had full operational responsibility for the day-to-day running and growth of a business with 3,500 staff and group revenues of \$386 million.

In 2008 Heather left Sky City to take on the redevelopment of the New Zealand Breast Cancer Foundation. She delivered a new three-year strategic plan and an internal reorganisation to support improved revenue, strengthen fundraising and education, and ensure that the charity was investing in programmes which targeted the areas of greatest need.

Two years later Heather decided to continue her career development in the not-for-profit arena and was appointed as Executive Director for the Committee for Auckland in October 2010. The Committee brings Auckland's most influential organisations and leaders together to enhance the development of the city as an exciting and dynamic globally connected place where people aspire to live and work.

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Superdiversity is so pertinent to Auckland's future and its desire to become part of the world's greatest cities to live in. We would also say to play in.

The Committee for Auckland works as a champion of Auckland's long term vision. We are an independent and non-politically aligned organisation and a broad cross section of leaders who work together to help Auckland become an economically dynamic city that attracts talent and creativity.

Our work and our influence address the key issues that are facing our region and an example is the China Report. This report examines our relationship with China across five critical sectors:

- Trade;
- Investment;

- Tourism;
- Education; and
- Migration.

It explores both the economic and cultural ties, provides an overview of the varying relationships, sets out the cultural implications of the past, present and future, and the interaction between our city and China.

Cultural capability is key to all businesses working not only China but all our trading partners across all areas of interest.

Before we address that, we think it is wise to see how we do in our backyard at addressing cultural morals and imperatives in our own diverse city.

As you are no doubt aware, populations of cities are becoming a lot more diverse. Advanced communication technology means that global business is a reality for all businesses of all sizes. Nowhere is that truer than in a city like Auckland. It has one of the highest percentages of overseas born residents in the country and with more than 200 ethnic groups recorded as living here. Auckland is considered to be more diverse than London or Sydney.

One of the key drivers for immigration has been the supply of skills that businesses need that cannot be located in our local labour market. It is important that Auckland's economic growth continues to be stimulated and sustained through the ongoing attraction of skilled migrants as well as retaining and attracting back local talent.

Not only are those migrants' employees, but they also become investors in our economy, they become customers, and they become very active members of our communities. For these reasons, the Committee views cultural capability as an earning platform that organisations across all sectors need to address if they want to become fit for the future.

When presented with the data of the Superdiversity Stocktake, the Committee endorsed the finding that most of Auckland's businesses could better engage with superdiverse customers and their superdiverse employees.

How do we compare with our closest neighbour, Australia? The Diversity Council of Australia surveyed more than 2,000 Australian workers in 2015 to generate the first international scorecard of the Australian workforce's Asian capability. The report found that one third of Australian workers had very little or no ability to effectively interact with people from Asian countries or backgrounds for work purposes despite the fact that seven out of Australia's top ten export markets were in Asia.

This research in conjunction with a Superdiversity Stocktake was the core driver for the Committee of Auckland commissioning the Cultural Capability Assessment Tool for New Zealand's businesses. This tool was produced by Mai Chen and her team at the Superdiversity Centre.

We believe the real value of survey is that it can identify the specific gaps that each business needs to plug to derive benefits from New Zealand's ethnic diversity. The survey is aimed to address New Zealand's superdiversity environment and reflects Maori, Pasifika and Asian cultural capabilities.

It examines five key domains for measuring whether an organisation is cultural capable or should take and generating an organisation's cultural capability scorecard:

- Cultural intelligence;
- Cultural knowledge;
- Cultural spirits;
- Language proficiency; and
- People management.

But how do we know which tool works for New Zealand's businesses? We recruited some of our member organisations of varying scales and industries to test-drive a survey that we would be proud to offer to businesses later in the year. This opportunity to participate and to shape will be critical to develop a competitive advantage for the survey.

We chose the Auckland Museum, the Auckland International Airport, BNZ, and SkyCity. We knew that these companies are already making significant inroads into recognising diversity in their customer base and promoting diversity in their work force.

By participating, our members could develop a measure of their own organisation's cultural capabilities as a whole across each of the five domains and across individual areas of strengths and weaknesses. The results provide very clear feedback about the companies cultural capabilities in their areas in which they need to focus on to improve.

What are the results of the pilot survey? There are some intriguing points of data as a whole that we will highlight.

The starting point is that all organisations who participated are well placed to continue to improve their cultural capability. That's the good news, although the survey also identified some consistent areas of weakness across all participants. These areas are likely to have some further attention from the organisations. Each of the organisations has been given their individual results. The average overall score for all organisations regarding their cultural capability is 3.7 out of 5. No organisation performed particularly poor, which we would consider at least 2.5 out of 5, in across any areas of focus. We were very encouraged about that.

The vast majority of respondents across all participants were positive about their own cultural capability. Be aware that this was the self-assessment. There are self-acknowledged gaps in cultural knowledge and experience, but also being positive about their employer's efforts to be cultural capable.

The key outtake from this survey is that most of the respondents felt that they have the core skills to be culturally capable but what they lacked was the cultural knowledge and experience particularly in Maori language and culture to translate those skills into culturally capable behaviour in workplaces.

Most participants across all organisations surveyed said greater cultural capability was important in their workplace and their customer base was increasingly diverse. Many respondents thought they have colleagues from different cultural backgrounds who could help their employer bridge cultural gaps. It is really encouraging that people want to be involved in those processes of improving cultural capability.

The participant organisations appeared to be setting the right expectations for cultural capability.

The advantage these companies have with their ongoing journey to cultural capability is that the survey has provided them with a dip stick about how well they are doing on and what they can measure for the future progress. If your business is committed to measuring cultural intelligence then you will be at a significant disadvantage and have to play catch up to maximise the benefits of migration and ethnic diversity.

What's next for superdiversity in Auckland? We agree that business and government need to be quicker off the mark to see the opportunities of superdiversity and to capitalize on them for the benefit of New Zealand.

For the Auckland economy, it is a priority. As Mai Chen stated at the Superdiversity Stocktake, there is no business as usual as the talent pool, the customer based and citizens have all changed.

This issue is important because diversity will bring strength, vitality and innovation. New cultures bring with them new values and energy to our city, they bring connections to cities they came from and they help us to build new international relationships.

A more diverse population can drive the development for new goods and services and a more diverse urban environment and help to create a class of skilled and open-minded employees. If done well, our businesses have an important role to play here. It fuels our

economy, our growth, and our opportunity. It spurs innovation and talent renewal and it creates new knowledge and promotes and opens richer, more inclusive social fabric.

After all, isn't that not what we want for our city of the future?

*Powerpoints from Heather Shotter's presentation*

**Your Journey to Become Fit for NZ's Ethnically Diverse Future**

Heather Shotter

Tuesday 8 March 2016

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**The Committee for Auckland**

**Our Remit:**

- A champion of Auckland's long-term vision
- Independent and non-politically aligned
- Addressing the key issues facing our region

**The China Project:**

- Cultural capability is key to all businesses working with China

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**Cultural Capability for Auckland**

**A burning platform that organisations across all sectors need to address if they want to become fit for the future**

National Scorecard of Australia's Workforce Asia Capability (2015)

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**A Cultural Assessment Tool for Business (CCATB)**

- New Zealand's superdiversity environment
- Reflect Maori, Pasifika and Asian cultural capability
- Measures an organisation's culturally capable leadership team by a cultural capability scorecard
- Cultural intelligence, cultural knowledge, cultural experience, language proficiency & people management

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**Results**

- **The average overall organisational cultural capability was 3.7 out of 5**
- Majority of respondents across all participants were positive about their own cultural capability
- Key takeout: most respondents felt that they had the core skills to be culturally capable – what they often lack is the cultural knowledge and experience, particularly in Maori language and culture

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**Learning**

- All organisations appear to have succeeded in setting the right expectations for a culture which recognises and accepts diversity which does not mean that they don't all have areas for improvement
- They are on the journey to cultural capability
- Businesses without cultural intelligence are at a significant disadvantage to maximise the benefits of migration and ethnic diversity

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**Learning**

- All organisations appear to have succeeded in setting the right expectations for a culture which recognises and accepts diversity which does not mean that they don't all have areas for improvement
- They are on the journey to cultural capability
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**Ian Maxwell**  
**Director Community Services**  
**and**  
**Patricia Reade**  
**Transformation Director-Auckland Council**



**Ian Maxwell** is Community Services Director and a member of the Executive Leadership team at Auckland Council.

Ian has over 20 years' experience in local government. He has held a number of senior leadership roles including heading up the Strategic Planning Department at the former Auckland City Council and Director of Community Services at the former Manukau City Council. Prior to taking on his current role, Ian was the General Manager Parks, Sports and Recreation Department at Auckland Council. During this period Ian worked closely on joint projects with iwi and community groups across Auckland as well as the Ministry of Social Development, Housing New Zealand, Sport New Zealand and the Department of Conservation. He has also lectured part time at the University of Auckland and UNITEC.

The Community Services Division consists of three departments: Libraries and Information, Community Development, Arts and Culture together with Parks, Sports and Recreation.

**Patricia Reade** has held a variety of senior leadership positions in the New Zealand public service. She was Head of Work and Income New Zealand, one of the largest government agencies in New Zealand, where she was responsible for 5,500 staff across the country. She also held leadership roles in the Department of Labour during which time she had a secondment to the Department of Education and Employment in London and was Private Secretary to the Minister of Employment.

Patricia became the Chief Operating Officer for Auckland Council when it was established in 2010, following the amalgamation of eight former local authorities. Auckland Council is now the largest local authority in Australasia, servicing a population of 1.5 million people. As COO, with responsibility for an \$800m operating budget and leading 5000 staff, Patricia was responsible for all service delivery across Auckland.

Patricia is now Transformation Director for Auckland Council. As a member of the Executive Leadership Team she is leading major projects that aim to transform the customer experience and deliver better value for money.

Patricia has a Master's Degree in Public Administration from Victoria University.

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**Patricia Reade**

Look around you for a moment at the people in this room and think about the number of stories in this room alone. None of them will be the same. All are valid, equally valid. All of you bring something to Auckland, this great superdiverse city.

Curiosity and inquiry about the stories of others are essential characteristics for any leader or agency working in Auckland now. This is because the implications of diversity for Auckland and its communities are far reaching, permanent and they demand an effective response.

What will make the city great is not its liveability. The most recent survey by Mercer says it is already quite liveable. It is the third most liveable city in the world. What will make a city great is its ability to leverage the talents of nearly half the Aucklanders who are not born in New Zealand, the 27% of Aucklanders who are right now aged under 20, and those who make up over 200 ethnicities living here now.

This requires real openness of thinking amongst executives and policy-makers across all government agencies, in Auckland Council and the CCOs. It requires change. Let me give you a quote:

*Change messes up everything, our systems, our para-structures, our sense of identity; we resist change because the alternative which is stability allows us to find rhythms and efficiencies, and to control. But change is good, it's the antidote to power, it's at the heart of our democracy, the question is how we will respond.*

The biggest risk we all face is that we are not changing fast enough. This means people with new needs are left behind or even left out altogether.

We all know the benefits of adapting to diversity. We get improved social cohesion, innovation, economic growth, and robust governance in decision making for Auckland.

In particular, we know that inclusion is positively correlated with innovation, and if we want a fast response, we need innovation. This applies to both organisations and cities as many researchers have found.

Richard Florida argues that diverse and tolerant cities are more likely to be populated by creative people, attracting industries such as high-tech and research that rely on creativity and innovation.

Here in New Zealand, Professor Paul Spoonley's work has found that diversity generates higher productivity and innovation for regions and cities with large immigrant populations.

The diversity effect may well apply to nations as well. We in New Zealand are amongst the best placed to discover whether or not this can be the case. Clearly, the evidence tells us we need to see this change as positive rather than as a more complicated set of demands on our organisations or even as a threat.

How have we responded so far? The Auckland Council group employs more than 10,000 people. Our workforce should and needs to reflect the city and region we serve.

Here are a few examples of how diversity/inclusion principles are embedded into a range of our strategies and activities:

- We have commitments and obligations toward Māori arising from Treaty of Waitangi principles and included in many of our guiding statutes. These are paramount – and the foundation of any type of diversity work we do.
- In response to these commitments and obligations, we have a comprehensive programme to lift organisational responsiveness to Māori (Te Toa Takitini) and are developing governance and operational level relationship agreements with mana whenua.

- We are really proud of the way our libraries tailor services to local communities, using an inclusive service delivery design approach. Libraries have collections in thirty-six languages; hold story-time events in Māori, all the Pacific languages and sign-language; and conversation classes for new migrants to practise English in a safe environment.
- Our Arts and Culture, and Sport and Recreation Strategies have a focus on diversity and improving accessibility.
- We have a Disability Action Plan and Accessible Information and Communication guidelines. A number of our Local Boards partner with Be. Accessible.
- Our Research, Information and Monitoring Unit lead much of our research to inform and support Council's decision making – they give guidance on social cohesion, diversity and demography  
Those who govern Auckland Council are elected. In October, Auckland has the opportunity to vote local councils and local board members. We have 170 positions available.
- Right now, we are working to reach candidates and voters from those communities who traditionally have been underrepresented. We are publishing candidate information in different languages as well as on video. We are hosting information events and we will be using ethnic media to publicise them.
- Decision-making in Council is supported by a whole range of advisory panels, including the Ethnic People's panel, the Pacific Peoples' panel and the Rainbow panel. These panels and their members reflect different sectors of Auckland's community.

We have EEO obligations as a Council under the Local Government Act. We want to be an employer of choice in Auckland for obvious reasons. Our gender balance is pretty good. Like other organisations we are focusing on increasing diversity amongst our senior leaders. Better cultural intelligence in developing a more inclusive culture are absolutely on the 'to do' list.

We are working to develop Pasifika and Asian pathways and we have built strong and successful graduate, cadet and intern programmes over the last three years, with people from a wide range of ethnicities and a good gender balance. They are the workforce of the future. But our response extends beyond our workforce and deep into communities.

### ***Ian Maxwell***

Auckland Council is five years old and was formed from eight existing councils. We are the largest local government body in Australasia. We are here essentially to represent and serve Aucklanders. We need to apply a diversity lens to everything we do:

- to our governance role that our residents are heard;
- to how our decisions are made;
- to the nature of the services we provide.

Can we do better? Too right we can do better. Our organisation will not survive if we are no longer relevant for the majority of people that exists within our community. It is important to as to continue to adapt.

We have already mentioned that our commitments towards Māori are the foundation of any Superdiversity work we do. One of the ways this works in practice is that members of the Independent Maori Statutory Board assist Council when we are making decisions. When I look back over the five years, that is a very big change which goes to the 'core' of our organisation.

Our parks and pools reflect our changing demographics. A pool provides for disabled people, we have dedicated evening hours for Muslim women to swim safely and sports fields facilities are available for new sports introduced by new Aucklanders. We have recreation programmes targeting older people.

Our parks host a wide range of events like Pasifika, the Lantern festival, Waitangi day, the International Cultural Festival and International Race Relations day. We are proud of bringing these events to our community.

If you go to the beaches, parks and walkways, you can see people sharing their spaces and enjoying themselves. Near the coastline it also can be risky. We have programmes targeting the safety of those who fish from rocks on the West Coast. We also have similar programmes for Pacific men, as it's those men in small boats who have lost their lives in unacceptable numbers in our harbours.

"I am Auckland", our children and young people-strategy engages young people for the future Auckland they want to live in. This has led to a whole range of facilities being developed - , streets, basketball courts, skate parks, pump cycles, mountain bike tracks. Events are taking place all over the city. If you're not there you are probably not aware that there are kids out there doing all this stuff.

Auckland Tourism, Events and Economic Development (ATEED) has 'Global Auckland' – a programme to leverage Auckland's diverse population to facilitate better international linkages to valuable networks and international markets.

Another key focus for our Council is the Southern Initiative based in South Auckland. The aim of this work is to tackle the high social need to develop human and economic potential, with an emphasis on early childhood education, skills development and for young people after they leave school, jobs for local people.

Finally, and this is a bit unusual, our cemeteries are helping Aucklanders celebrate the end of their loved ones' lives. If you think of 'core' and 'flex', at that time of life the core is strong. and our cemeteries are endeavouring to cater to a wide range of needs in the services we provide.

That is just a snapshot of some of our activities. There was an earlier question about where do you start. If I look at the things our organisation has started with, actually, the answer is just start, just get going. You try things out, you pilot them, you are not going to plan out everything, you just start, and you keep going.

We are not sure that we are doing all that we could and we aim to attempt to do better. Alongside these operational matters, our size means Auckland Council is well placed to exercise influence on wider diversity outcomes, not only in Auckland but in New Zealand.

We do understand that we cannot do the things the same way as we have done before. That is something else other organisations need to take on. That the status quo is never good enough.

### ***Patricia Reade***

I was born and raised in Fiji and being the daughter of immigrants from Fiji I know very well the reticence my parents feel about getting involved in any council process or wider public discourse. This has been true for the forty years we have been in New Zealand.

They are ratepayers but they never have participated outside of church and family community, they are observers. As a Council, we have to understand how to help newcomers to our great city to participate. You can participate in the political process and in the engagement/consultation projects that will affect you. Think about the Unitary plan and what has happened through the past few weeks about that.

We don't find it hard to reach some ratepayers, the views of European and especially male New Zealanders over 50 years old are well represented in our processes. These processes are easier to navigate for some groups of ratepayers but for others they are not. And this is Auckland's challenge.

Depending on how you measure it, Auckland is made up of at least 500,000 households and up to 1,000,000 people who are not ratepayers. They are maybe the children, relatives or tenants of rate- payers. They may not pay rates directly, but they pay for the services provided to them indirectly through fees and other charges.

It's the voices of these people with new needs that must be included in shaping Auckland and council services and processes. Not all of our services need to be adjusted for a diverse Auckland but many do.

One of our core business strategies is therefore to commit a customer-centric design. If we do this we cannot fail to get this right over time. It is not a diversity strategy per se. But it is our way of adapting our services to a more diverse Auckland.

Customer centred thinking requires us to start with the community's citizen or customer. For them it is about equity of information, equity of access, and equity of influence on council decision making. When we do this we match up the needs of all those affected and we have to balance these often different needs as we design new services and agreed plans and budgets, whether it is refreshing the 30-year-plan for the city or designing a new local park.

This is why we are now creating at Auckland Council a specific Diversity leadership strategy to give structure to and to prioritize our response to diverse Auckland. It really is the great challenge of our time.

**Berlinda Chin****Director, Office of Ethnic Communities**

Berlinda Chin is the Director of the Office of Ethnic Communities, Department of Internal Affairs. Berlinda leads 30 staff across four teams: Knowledge and Strategy; Stakeholder Capability; Business Support Services and Events; and Products and Channels.

Since joining the Office in 2005, Berlinda has worked on social and economic issues related to intercultural competence, identifying and leading a range of initiatives designed to build leadership capability within ethnic communities and promote diverse ethnic representation and visibility across the public sector.

Berlinda is a New Zealander of Malaysian-Chinese descent, speaks Malay, Mandarin, and Cantonese and is an accomplished public speaker. She is a member of the Senior Officials' Group of the National Migrant Settlement Strategy and the National Refugee Resettlement Strategy, and she holds governance roles on several boards and committees.

Berlinda has extensive experience in the export education sector, adult education training and programme design through previous roles in New Zealand and overseas.

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I would like to test something and bring you along the journey with me, and in this case, to put to practice Julia Middleton's model about IQ, EQ and CQ. I have been in New Zealand since 2000. I've spent here 14 years in Auckland before I had to move to Wellington for my job. But Aucklanders, I am here with you today and let us play a game to check our IQ. "Do we know our numbers?" I think we need to know our numbers.

How many ethnicities do we have in New Zealand in 2013? 213. It is just the number that you have got something to compare with.

How many official countries on the world map? 196.

213 ethnicities in New Zealand in 2013 and compared with 196 officially known countries on the world map. Welcome to New Zealand!

What is the percentage of ethnicities that have been identified in 2013 are living in Auckland? 60%. This is my passion for the future and for young leaders who are coming up in New Zealand and this drives a little bit more of my energy to live up the challenge of what we do.

22.8% of our children with the age of 14 identify with more than 2 ethnicities. These are our young leaders. Here is the New Zealand we are gifting them. What is our stretch? What is leadership core? What are we leaving behind?

The Office of Ethnic Communities is part of the Department of Internal Affairs, a central government agency, but a really small one, with 30 FTEs across the nation; we have ten team members in Auckland, ten in Wellington, two in Christchurch and one in Hamilton.

Our mission is to ensure that ethnic diversity works for New Zealand. We do this through the provision of information and advice as well as through the delivery of support services and capability building to ethnic communities.

What does that all mean? Basically, we want to enable our ethnic communities so that they are vibrant because you are in Auckland and you see them every day. We want them to be stronger, more resilient and so they can continue to enrich the social and economic fabric of New Zealand. We also want to maximize the benefits of our ethnically diverse society. For that, we need inclusive and harmonious communities, where people recognize and value the strength that diversity gives us.

So, how do we do this together? One way that we think would help is when we get the public policy settings right so that we maximize the upside benefits of ethnic diversity while minimizing the downside risks.

I have got a multicultural life due to my family background. 7 or 8 years ago, I made a mature conscious decision, to be a New Zealand citizen. Those of you who come from my part of the world, or who are born in South East Asia, you will know that we really don't have a choice of dual citizenship. I decided to be a New Zealander because I see my future in New Zealand.

What are we doing practically to support our ethnic communities in New Zealand? Allow me to introduce two of our programmes we have developed.

#### *Mana Tangata Ethnic Leadership programme*

This is an Office of Ethnic Communities pilot programme delivered in partnership with Massey University to support diverse ethnic representation and visibility across the public sector.

The programme is designed to provide governance education and training to ethnic community leaders.

The programme focuses on the core skills required for public sector governance roles such as financial management, public relations, people leadership and sustainability.

This pilot initiative will act as a learning tool prior to any larger scale commitment. Full impacts, benefits and weaknesses will need to be carefully evaluated before implementation is considered on a regional or nationwide basis.

The pilot will be delivered on 19-20 March 2016.

#### *Intercultural capability e-learning programme*

This has come out of intercultural awareness, communications, trainings, workshops which we were running since 2007.

One of the key limitations of such a programme is that the dialogues in the groups have always been rich and have been considerable and things they come out of group but this has not gone far enough. It does not reach enough people. As such, we've moved what we've got as a building block from the workshops onto the online platform.

After a review of the original programme in 2015, we made the decision to really bring the programme to everyone. It's really accessible to anyone anywhere in New Zealand if you have got the right computer specifications.

It is an introductory programme. It's not big super-duper complex stuff, it's about increasing everyone's intercultural awareness and your ability to communicate across cultural boundaries. We keep using this word "culture" throughout the whole day.

We know about companies which want to implement such a tool in their own learning management system.

The tool will be available at the end of March.

Culture for me personally is how we do things here. That's how we deal with culture. You can have culture at home and in the community hall. What we are talking about through this programme is not a cultural specific programme. It is an intercultural one. We basically expose everyone to technics or towards the new communities anywhere you go.

This programme is comprised of four models - taking the participants through the breath of diversity in New Zealand. The programme leads you through the topic of cultural awareness with tools and interactive online activities to effectively communicate across cultural boundaries.

One last activity before I close, please stand up if you are born overseas! [About 2/3 of the audience stood up]

Thank you everyone for participating. Kia ora!

## Penny Simmonds

### CEO, Southern Institute of Technology



Penelope (Penny) Simmonds is Chief Executive of Southern Institute of Technology (SIT), appointed in 1997. SIT has campuses in Invercargill, Gore, Queenstown and Christchurch as well as a successful distance learning faculty through SIT2LRN.

Prior to appointment as CE, Penny was in a management position at SIT from 1990 – 1997. Penny is a Board Member of Venture Southland, a combined local authority economic development group, as well as Chair of Hockey Southland, President of New Zealand Hockey, Community Trust of Southland Board Member. Penny is a former Director of the Southland Museum and Art Gallery and former Board Member of the Southland District Health Board and Southland disABILITY Enterprises. Penny was a recipient of the Woolf Fisher Fellowship in 2000.

Penny was made a Companion of the New Zealand Order of Merit in the 2016 New Years' Honours list.

Penny is married with three daughters.

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Southland had the highest percentage increase in people coming from Asian ethnicities in the last census survey period. 15% of our population is Maori. That's the largest of any region's population in the South Island and it's larger than most North Island regions. There are more than 2,000 Filipino workers in the dairy industries. I want to dispel the myth that everybody in Southland looks like me. Southland has *some* diversity already.

SIT and Southland had to get ready for superdiversity. We started without knowing what we were doing. We had to expand what we were offering at SIT. We had to develop our facilities.

We had to grow our student numbers and we had the dubious distinction in the mid '90s of having two years of declining student numbers, which gave us real wake up-call. Some of you might be aware that the lower fees for domestic students gave us a real boost. But then again in 2008, we realised that, actually, our provinces need much more of a boost and we really pushed our internationalisation.

Now, we have around 5,000 students and our international student numbers are the ones that are growing. We have around 1,100 equivalent full time international students – getting over the 20% rate – and they come from about 70 different countries. You can imagine the impact of that in Invercargill, where a decade ago you wouldn't see someone walking with a turban through the streets.

The growth is focused around what we need for Southland, and SIT has the luxury of being a big fish in a very small community. So, it's important for us to work really closely with our community. Southlanders are a pretty pragmatic people: if they know the reason for doing something then they are pretty likely they come on board.

We regularly do economic impact surveys because money is a big influence to our people accepting change. In the 2013 survey people could see that we were putting \$20 million into the economy every year through our international students and creating a significant number of jobs from that.

Southland's got a really small population. We are only 2.3% of New Zealand's population but we are the reason why rest of the country keeps wealthy because we produce 15% of New Zealand's tradeable exports. 70% of what we produce is exported. The government's got the target, for regions, to reach 40%. Sorry Wellington: you are way behind with 17% and we hope you feel incredibly grateful to us. So, we are a star performer economically.

But economic growth itself doesn't give population growth. Population growth in Southland has been really small. If we continue growing at the rate we're currently at, and the rest of New Zealand grows at its current rate we will have a much lower proportion of the overall New Zealand population. The economic growth that has occurred has often been through productivity, and productivity often decreases population.

But we know that in the next ten to fifteen years we will have really significant skill shortages. Reinforcing that is in this indisputable fact that we are older than the rest of NZ. Many are in the age group I am in and are moving out from work in the next 15 years. Furthermore, our employment rate is really high compared to the rest of New Zealand and our unemployment rate is really low. That, combined with the population situation, means we have got a well-researched and well-documented labour shortage looming for us.

That really focusses people's minds when they see what's coming. The Chamber of Commerce and other community leaders are seeing that this might culminate in something that really holds us back as a region. We know that the economy is vitality important to us. But, the Southland regional strategy that was developed last year, unlike most other regions' strategies, included an economic growth strategy but also put in place the strategy to grow the number of people.

We know that retaining or increasing new migrants and increasing international student numbers is critical to us as a region and to our social development as well as to our cultural development. Economic growth is there. But, actually, people are more important to us.

There are lots of things we do at the other end of the country that you perhaps don't have to do up here in Auckland to make our international students feel important. We have to make them feel like they're at home. We pick them up the way you pick up a guest. We give them free accommodation for the first two weeks. And, it is cold down in Southland so we give them a free jacket. We give them a phone card and say you must ring home and tell them you reached the other end of the world!

We also want to include the spouses who come with the international students because if their spouse can't come and be included in our community then the whole family becomes isolated quite quickly.

What did we do at SIT to help SIT and the community prepare for internationalisation and the superdiversity that comes with it? We've got the Mayor on board to meet stakeholders. He is the best advocate you could possibly get. He travels regularly and he opens doors for us overseas, and he understands how important superdiversity for Invercargill and Southland is.

We do lots of small things around sending newsletters around the province, to showcases our students, where they come from and what they bring to us here in Southland. We have staff meetings and we have advisory committees with people from all industries coming along to meet our students. We make sure that our students join in those celebrations that are important to people out in communities, so they feel included.

Education as well as awareness is incredibly important. Mai Chen came down and did some fantastic superdiversity training with our students and our staff and we are now rolling it out into the community. The Chamber of Commerce and the Mayor are excited about that, and we are small enough that we can do this. We can use SIT as a centre and roll out some things right across the province.

It's important for us to do this because I had a meeting yesterday with the owner of quite a large manufacturing industry in Southland about one of our international graduates. He was really worried about whether this graduate would fit the culture of their organisation. The graduate kept talking about workers as if they were "down there" and the owner said "we are really about team work".

So, it came home to me how much we have to do both with the students: teaching them about the culture of New Zealand, about that egalitarian culture that does foster team work. I am also working with employers through this superdiversity training, so that they feel comfortable to be able to discuss this, to say that's part of our core and teamwork is really important to us. Employers need to teach people how to get there, but employees need to understand that that culture is really important to them. We have to take responsibility of not only working with our students but also with the wider community in helping the education process, with the support of Mai.

Part of that is about understanding the rewards that come from internationalisation and superdiversity. We know we can offer formal programs to international students because of their international appeal, and the staff know that they can get extra support and teaching assistance when they have international students.

Southland businesses understand this is the new way to get talent, and they know that doing it the same way we've always done it is going to leave us with skill shortages. They understand that this is the means that brings talent in their businesses.

And the Southland community understands that it brings richness to it and it brings those different celebrations, different ethnic foods, different cultures, the colourfulness of having diversity. So it has been a journey for us at SIT, but it's also been a journey for our community. That's important to us in Southland because we are not an island: we are very small, SIT is a relatively small institution, we have a very small population. We need superdiversity, we understand that we need it, and we are going to work hard to get it.

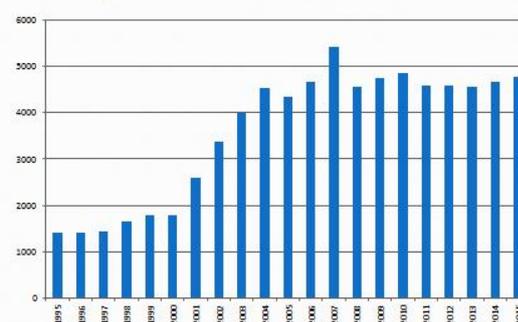
*Powerpoints from Penny Simmonds' presentation*

<h3>Southland's Diversity</h3> <ul style="list-style-type: none"> <li>➤ Highest % rise for whole of New Zealand in people of Asian ethnicity during last census period</li> <li>➤ 15% of population Maori – highest region in South Island</li> <li>➤ More than 2000 Pilipino workers in the dairy industry</li> </ul>	<h3>SIT</h3> <p>2 decades ago we had no programme higher than Diploma level. In the early 1990's we developed our first Bachelors Degree, Bachelor of Nursing</p> <p>We now have approximately</p> <ul style="list-style-type: none"> <li>➤ 79 Certificates</li> <li>➤ 53 Diplomas</li> <li>➤ 14 Bachelors Degrees</li> <li>➤ 3 Postgraduate Diplomas</li> <li>➤ Masters in Applied Management, Masters in IT</li> </ul>
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## Facilities

- Last 2 decades spent over \$100 million on capital developments in Invercargill, Queenstown, Gore and Christchurch Campuses

## SIT Equivalent Full-time Students



## Students

- Overall almost 5,000 equivalent full-time students (EFTS)
- Domestic numbers capped by Government funding at around 3,600 EFTS
- International students for this year will be over 1,100 EFTS
- Further approximately 400 other students i.e. Industry Training Organisation apprentices

## International Students

Growth is focussed on International students

- In 2013 total economic impact on Southland was \$19.9 million when we had only 700 international students
- 126 equivalent full-time jobs created by our International students being here from the 2013 study

## Link with Regional Strategy

- Southland 2.3% of New Zealand's population, 15% of New Zealand's tradable exports
- 70% of Southland's GDP is exported – the Government's regional target is 40%, places like Wellington around 17%
- Southland is a star performer economically but economic growth does not, of itself, result in population growth

## Link with Regional Strategy cont...

- Population growth has been very small. If we stay the same and the rest of NZ grows at current rate we will go from 2.3% of NZ's population to 1.8% of NZ population by 2025
- Economic growth often comes from productivity gains which decrease population
- Predictions of skill shortages over next 15 years starting 2016

## Link with Regional Strategy cont...

- Largest portion of our population (28%) is in the 40-64 age range, many will move out of the work force over next 15 years
- Our population is slightly older than NZ average 38 years vs 35.9 years
- Employment rate is high in Southland 71.9% vs 65.5% NZ average

## Link with Regional Strategy cont....

- Unemployment rate is low in Southland 4.2% vs 5.8% NZ average
- By 2023 Southland is expected to have a labour force shortage of approximately 5,000

## More People

- The economy of Southland is vitally important but Southland needs more people to sustain a high quality of social and economic life
- Retention
- Increased migration
- Increased International students

## Specific Support for International Students

- Airport pick up
- First two weeks accommodation free
- Free phone card, jacket and satchel
- 26 weeks free English or Foundation studies if needed
- 12 weeks free English for spouse

## Preparing SIT and our Community for Internationalisation

- Awareness:
  - Mayoral Involvement, Mayor Tim advocacy
  - Regional Strategy, Newsletters, Staff meeting, Advisory Committee functions
  - New migrant celebrations for cultures eg Diwali, Chinese New Year

## Preparing SIT and our Community for Internationalisation cont...

- Education:
  - Staff Superdiversity training
  - Dealing with people from different ethnicities training
  - Moving next to educating employers in partnerships with Chamber of Commerce

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**Lewis Holden****Deputy Commissioner Auckland, State Services Commission**

Lewis Holden is currently the Deputy Commissioner for Auckland at the State Services Commission. Prior to this appointment he was the Chief Executive of the Ministry for Culture and Heritage. Holden was previously Deputy Secretary of the economic strategy branch at the Ministry of Economic Development.

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There are three points I want to focus on. Firstly, I want to give a bit of a profile of the ethnic makeup of central government in New Zealand and in Auckland. Secondly, I want to outline some of the challenges that we face as a government responding to the challenges and opportunities of superdiversity. And lastly, I would like to share with you a few thoughts on what we might do to improve our responsiveness to these challenges and touch on some of the measures, and finally explore what success may look like.

I should start with stating the obvious. Over the last 20 or 30 years in New Zealand's history, the ethnic diversity of New Zealand, and particularly, Auckland has changed dramatically. It is quite a challenging mission for a large system like central government to manage and respond to. The change has happened to us as a community, and is not something that we have necessarily planned for. The government, like many others institutions within New Zealand, has been caught more flat footed than we would aspire to be.

How are we doing? Good news. New Zealand's public service is becoming more representative of the communities that we serve but we have fair way to go. A particularly significant factoid is that the Asian New Zealanders are not as highly represented in the public service. A particular challenge is the senior leadership within government is not at all representative of the broader population.

What about Auckland? Interestingly, in Auckland we are not doing too bad. Asian people make up almost 19% of the public service in Auckland (8.3% nationwide). The core public service in Auckland workforce is about 10,000 and the state sector in Auckland over all the services is a workforce around about 100,000 which is the largest body of workers in the city.

Within that there are some quite telling statistics. For example, Pacific People make up 3% of managers in Wellington, but 12% in Auckland. Overall, the public service has a higher percentage of Maori and Pasifika representation than those of the general population. The particular area of under-representation is amongst Asian New Zealanders.

Also, despite the progress in representation, there are persistent ethnic and gender pay gaps.

I want to share with you representation by occupation. We need to dig a little bit deeper into this sort of data just to see where we need to focus on our efforts. What we do see is that European New Zealanders are highly represented in many managerial roles, Asian New Zealanders in ICT positions, Pacific People most highly represented in call centres, and Maori in social health and education industries.

Some of the key challenges that we face within the public services as we attempt to do better:

- First, women and ethnic groups are well represented in leadership pipelines. That's a particular focus the State Services Commissioner has adopted. There are persistent gender and ethnicity pay gaps;
- We need to make sure that we have the best talent available to replace an ageing work force;
- We need to ensure the public servants irrespective of their ethnic background have the capability to work in a superdiverse society;
- What we do see throughout survey material is that there is more trust across different social and ethnic groups. But, interestingly, the group which is most underrepresented in government tends to have the highest trust in government. Maori and Pacific people tend to have the lowest. I should say within New Zealand we are relatively fortunate in what we see over all ethnic groups is actually relatively strong trust and confidence in government. That is something we need to nurture and to protect and not be complacent about;
- We have a very Wellington-centred public service. New Zealand is arguably the most centralized form of public administration in the world. Auckland is by far the largest city and not the capital city which is another challenge for public service;
- We have insufficient positive role models of people from different ethnicities and cultures and there is evidence about unconscious bias which may recruitment and selection processes in New Zealand's public service.

The vision that the state services have is to be a leader but not the only leader in promoting public service diversity and inclusion. We have implemented what we call a diversity and inclusion strategy. Our strategy that were in the process of rolling out provides the opportunity to show how we are going to contribute and proposes a high level system of approach.

We have a vision to support the development of state services that reflect, value, and understand the community we serve. It's critical to recognise that ultimately both the effectiveness and the legitimacy of our public services depend on our ability to represent the different communities that we have within New Zealand.

Our intention is not to reinvent the wheel; there is a lot of good work on the way as superdiversity stocktake highlights. Part of SSC's job is to share, connect and build on significant work that's happening across agencies as we've seen this afternoon.

We don't operate a command and control centralist system of public administration. SSC oversees a highly devolved system of government even at the central government level and this presents some challenges particularly if you believe as we do that it is not actually enough just to put out our intent. We need to be rather more intentional about addressing the opportunities and the challenges of our superdiversity.

How do we know if we are succeeding? We are identifying a number of short and medium term goals but let's talk about the next ten year vision that we have. This is sort of a prelude to be able to measure these different things:

- We want to be a society that harnesses a world of experience, perspectives and talent with people from all backgrounds;
- We want to see productivity gains from greater innovation and improved social capital inclusiveness;
- We want to see people from all walks of life work and participate in our public service;
- We want our public service leaders to be sourced from the diverse range of people within the state sector and from across all of our communities and economy;
- We want our diverse leaders to bring through a range of cultural and other perspectives, service design and delivery;
- We want our public services to be trusted by everyone within New Zealand because they will be better tailored to our customers and our community priorities;
- We want more diverse perspectives leading to better decision-making in government;
- We want to see our diverse and contributing to a vibrant, globally connected and prospective society and economy.

Finally, I want to touch on a few of the initiatives that the Commission is exploring with other parts of the government and to invite you to tell us what you think. We do want to expand flexible work place initiative, we do obviously want to close the gender and ethnicity pay gaps, we are looking at unconscious bias training of our leaders and managers which is not a concept that comes too easily to our levels. We are looking at focusing our efforts in Auckland on developing experiential opportunities for Aucklanders.

We are considering each department having a diversity champion at senior leadership level. We are reviewing recruitment practices and some agencies have already moved to explore name-blind recruitment and other have tried and tested other means of combatting some of unconscious bias. We are also looking at whether it should be extended on a general level.

Finally, we want to strengthen the leadership pipeline with people from diverse backgrounds. That's the particular focus of the Commission and of mine.

Powerpoints from Lewis Holden's presentation

**State Services Commission**  
 Working with Superdiversity.  
 Presentation to the Superdiversity Stocktake:  
 What next? Forum.  
 8 March 2016

### Ethnic diversity in New Zealand's Public Service

Category	Māori	Pacific peoples	Asian	NZ European/Pasifika
N NEW ZEALAND	17.0%	4.0%	11.0%	74.0%
N PUBLIC SERVICE	16.0%	8.0%	9.0%	74.0%
N SENIOR LEADERSHIP	11.0%	2.0%	7.0%	80.0%

25% of the Public Service was born overseas, compared to 27% of the entire workforce

### Ethnic diversity in Auckland's Public Service

Category	Māori	Pacific peoples	Asian	NZ European/Pasifika
% Auckland	12.0%	15.0%	25.0%	58.0%
% Auckland Public Service	15.0%	20.0%	20.0%	55.0%

On the whole, the Auckland Public Service is more diverse than the general population, but we do need more diversity in senior leadership

### Ethnic representation by occupation in the Public Service

Occupation	Māori	Pacific peoples	Asian	NZ European/Pasifika
Manager	10.0%	5.0%	10.0%	75.0%
Policy Analyst	12.0%	6.0%	12.0%	70.0%
Legal, HR and Communications	15.0%	8.0%	15.0%	62.0%
Administration	18.0%	10.0%	18.0%	54.0%
Programs	20.0%	12.0%	20.0%	48.0%
IT	22.0%	14.0%	22.0%	42.0%
Legal, Health and Education	25.0%	16.0%	25.0%	34.0%
Project and Program Delivery	28.0%	18.0%	28.0%	26.0%
Contract Centre	30.0%	20.0%	30.0%	20.0%
Workshop	32.0%	22.0%	32.0%	14.0%
Cultural and Engagement	35.0%	24.0%	35.0%	6.0%

## Key challenges in the Public Service

- Women and some ethnic groups are not well represented in leadership pipelines
- Persistent gender and ethnicity pay gaps
- Making sure that we have the best talent to replace an ageing workforce as needed
- Ensuring that public servants have the cultural capabilities to work in a superdiverse society.
- Variable trust in government across different social groups, e.g Asian people have the highest trust, while Māori and Pacific people have the lowest
- Wellington-centric Public Services
  - Insufficient positive role models for people from different ethnicities/cultures
- Unconscious bias in recruitment/selection

## Vision and role

**Vision** State services that reflect, value and understand the communities they serve.

State services better serve New Zealanders by ensuring that diverse perspectives, experience and backgrounds are reflected in our work and what we deliver.

### Roles

- State Services Commission**
  - SSC will lead, promote, monitor and facilitate a system approach to improving diversity and inclusion outcomes as employer of CES, HR Head of Profession, and through a growing role in Auckland
- Agencies**
  - Deliver customer centred services
  - Build a diverse workforce and inclusive workplace
  - Share and build on good practice across agencies.

**System Actions** – SSC will play a lead role in the system, partnering with others to deliver:

- Leadership and talent for diverse and inclusive workplaces
- Flexible work initiatives
- recruitment & supply for diversity
- grow positive, inclusive workplaces & communities of practice on D&I
- Information and analytics

## How will we know we're succeeding?

**What will have changed in 1 year?**

- Pay and gender leadership roles in diversity and inclusion will be stable
- We will be doing better on D&I
- Pay equity proposals will be completed
- Flexible workplace initiatives and flexible working will be improving everywhere
- Best practice on diversity and inclusion will be more visible across the system
- Māori tikanga as an exemplar
- Discussions about diversity and inclusion will be about "how" rather than "why?"

**What will have changed in 3 years?**

- Inclusion and justice outcomes are being achieved
- The Public Service is responding to stakeholder needs
- The leadership pipeline is providing real opportunities
- Flexible employment options are available
- Public Service gender pay gap will be closing faster
- The system will reflect D&I strategy

**What will the desired state be 10 years?**

- A society that harnesses the wealth of experience, education and talent of people from all backgrounds
- Productivity gains
- People from all walks of life work and participate in our public services
- Strong leadership
- High trust and customer-orientation
- Strong diverse representation leads to better decision-making in government
- Diversity contributes to a resilient, globally connected and respected society & economy

## New initiatives, what do you think?

- Expanding flexible workplace initiatives
- Closing the gender pay gap
- Ensuring that leaders and managers have unconscious bias training
- Developing Auckland for experiential opportunities and information sharing
- Encourage take up of shared parental leave
- Each department having a diversity champion at senior leadership level
- Reviewing recruitment practices in the Public Service, e.g name-blind recruitment
- Strengthening the leadership pipeline for people from diverse backgrounds

**Claire Huxley****Marketing Director, International Travel College of NZ**

Originally from the UK, Claire has a background in international tourism, starting in reservations for Europe's largest tour operator. Several years' experience working in retail travel in a managerial role helped Claire develop her skills in marketing. This resulted in her working for the UK's largest direct marketing organisation, where she worked with the travel and tourism industry to develop cohesive marketing strategies.

In 2002, Claire and her husband emigrated to New Zealand. She has travelled extensively throughout Europe, the Caribbean, New Zealand and Australia. She still has a passion for the travel and tourism industry and loves to travel (and talk about it!).

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I want to take you onto a journey about my culture, my 'core' and what it means to me in my role at my organisation.

I spent my childhood living all over Europe and United Kingdom, and did not settle any one particular place until I was a teenager when we settled in Yorkshire. People in Yorkshire are fairly blunt, they are bold. Yorkshire has rubbed off on me; not only is that clear from my accent, but I too can be fairly blunt and bold.

Fourteen years ago, my husband and I decided to move from the United Kingdom to New Zealand. We decided to travel for four months around New Zealand and Australia; this was an opportunity to settle into the culture. It was fabulous, and then we had to look for a job.

We understood that there would be a new employment process in a new country, but we did not realise that New Zealand experience (that is, experience working in New Zealand) would be such an important element of getting a job. We had good experience and good CVs. However, recruitment agencies advise us to lower our expectations, to consider taking a job a level or two lower than our experience in the United Kingdom.

What is the relevance of this story to Cultural Intelligence (CQ)? I wanted to demonstrate that our personal experience of coming into a new country, and our expectations that we did not think that there would be any issues with fitting in. But, we realized that it will take years to establish the roles and experience we had in United Kingdom here in New Zealand.

Has anything changed since fourteen years ago? In my experience, it is still a reality; industries are looking to recruit more people, and we are still looking at a small pool of candidates. Are people with overseas experience being ignored and overlooked because they have not got New Zealand experience?

I hope that organisations and businesses can see the need to look at candidates with different cultures, gender, generation, diversity.

But what about organisations and businesses that do not see the need to change? What can we do to help in that area?

If you don't embrace in change, then you are going to miss out. The companies and organisations that are here today represent those who are already thinking about this in their recruitment process – that is, you are thinking about the importance of culturally intelligent staff, and seeing the benefits of being culturally intelligent. Your customers will expect of your organisation to be cultural diverse.

Do we want to have organisations where we all look the same, where we all are the same, where we do not represent different cultures and real diversity?

So, when you talk about culture, I think it has a different definition in different organisations. Different people will define it in different ways. It is less about your personal views, but the views of what your company means, your organisation means. It's your company CQ.

My personal view is that it is okay not to recruit me because we have already got someone like me or do we need another me. I need people who are not me, who challenge, who are different and don't look (and act) like me.

What is the benefit? The Medici Effect talks about the benefit of diversity when trying to be innovative. The Medici Effect is well known, and it has a hundred of cases where collaboration across ethnicities, cultures, generations, ages, industries, has actually positively impacted on innovation.

Our industry about is about travel and tourism. It is an industry where people love travel, they thrive on travel and are passionate about talking about it. At their 'core', they love the new experiences, new cultures. They love the service aspect of helping and meeting new people. By definition, people in the travel industry have a high Cultural Intelligence.

The International Travel College is filled with people who are very passionate about travel and tourism - we all love what we do, and we have all had this extensive experience for our career in travel and tourism.

Our values are what we recruit for. We recruit on cultural fit; we are looking for people who have 'core' values that mean they are passionate about travel and tourism. We can train them skills, but we cannot train them to be passionate. As Ken Robinson said, you either endure or enjoy your work.

We recruit our students on the same values as we recruit our team. We recruit people who are enthusiastic, passionate, and curious about the industry. Our students are young and old; they come from different cultures, different generations, and different genders. We have a mix of international students and Kiwi students. So it's important to have students who have the same values that we as an organisation have.

How do you do that? It is really hard to do this because you to encourage, motivate, inspire, and set high standards, role model behaviour. We have to train people to work in the New Zealand travel and tourism industry. They have to represent themselves, and the industry that they work in. We are open and modest, and we set very high standards because we expect them to succeed in the industry regardless of their cultures.

*Train people well enough so they can leave, treat them well enough so they don't want to.*

How do you achieve this? Well, it's a continual process. You just have to invest in people. Nobody knows everything and everybody is constantly learning. It is all about investing in THE people, listening to them, developing them continually and helping improve our own CQ.

**Carol Brown**

**CEO, Diversitas**



Carol is the CEO of leading diversity consulting company – Diversitas. Based in Auckland, Diversitas consultants work with clients to fully leverage the benefit that having a diverse workforce brings, while assisting them to build inclusive workplace practices.

Carol's career spans over 25 years, in which time she has consulted to global organisations on a wide variety of strategic diversity and HR areas. Having lived and worked in different countries and cultures, including South Africa, New Zealand, Australia, the Middle East and Singapore, she has a breadth of understanding of cultural influences and their impact on workforce productivity.

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“Familiarity breeds contempt” – we've all heard that saying and we know it to be true in many contexts. But as diversity consultants, we work across industries and organisations and what we've seen is exactly the opposite.

“Familiarity breeds understanding, trust, acceptance and collaboration” – it is in fact lack of familiarity that breeds contempt, fear, misunderstanding and ultimately rejection.

How does this play out in organisations? Our brains are hard wired to reject what we don't understand, what is not familiar to us, what is unknown, and to attract what is like what we understand, what is familiar, what we recognise. And that's why our organisation is becoming more and more diverse.

We are confronted with working with people who are not like us at all and this presents a challenge to us. We need to work hard to understand how different people think, what their perspectives are and how they problem solve. The rate of change is phenomenal and many view it as something which seems to have happened while we weren't looking. We were busy with this and that, and then the change happened. That is how it feels like for the most people in most organisations.

We were talking this morning about Auckland being a diverse city. We must remember that we got here more by default than by design. We didn't set out 20 years ago to become the most superdiverse city in the world. It happened as result of migration. It is a result people coming from off shore to work in New Zealand. It is a really good thing but we absolutely cannot stop there because if we do we really haven't achieved very much.

This afternoon, I want to share with you some of the key learnings we have gleaned in working with our clients in the diversity space. Hopefully you will be able to take some of these learnings back to your organisations and it will provide you with some food for thought.

We've heard from inspirational speakers today about the sweeping demographic changes taking place across our society and workplaces. It's important to understand that these changes are permanent and irreversible. The rate of change has been phenomenal – the workforce of the early 20th century, where sameness was valued and workers were rewarded for fitting in, has been transformed into the workplace of the 21st Century, where business leaders are beginning to value difference and individuals who stand out from the crowd are in highly prized!

There is a wealth of research that points to the business case for hiring a more diverse workforce and leveraging the differences that your workers bring to the table. But while turning to research and best practice is useful, we, as diversity consultants, have the privilege of working inside client organisations in different industries and geographies, and what I'd like to share with you this afternoon is some of the key take homes from our experience:

### **Lesson 1 - Culture should be viewed as much more than an individual's ethnicity**

What we often hear is that the word "culture" is used synonymously with "ethnicity". The problem with that is it is too narrow a definition. It doesn't give us the full picture. Culture is everything that makes up an individual. A person's culture is more often influenced by things you can't see in them, like their faith, upbringing, and the social context in which they've been brought up. These are things you can't see. The things you can see or you think you can see is ethnicity. We tend to hang on to that but in fact, people are influenced by much more than that. Culture is the wholeness and uniqueness that makes an individual who they are and is influenced by their personality, social environment, experiences, worldview, and education. Ethnicity is only one stitch in that tapestry.

Building cultural intelligence in your organisation, is therefore not about counting how many people of different ethnicities work for you, but rather about individual employees having a level of insight into their own cultural makeup and your ability as a business leader to value and integrate that deep culture into your workforce - without stereotyping or making sweeping assumptions about your worker's needs, views or capabilities.

I am not saying it's wrong to understand what the demographic makeup looks like in your organisation because it's a really good starting point. I am saying that you absolutely cannot stop there.

We have held many focus groups across different organisations which have led to us uncovering some interesting facts about what employees want. For example, we have found that:

- Employees with a soft voice are just as likely to be ambitious as those who are loud and extroverted;
- Leadership has a broader meaning to your employees than the role they play at work;
- Leadership pertains to the role they play in the community and in society as a whole and how they make money is just one aspect. Often in organisations, we fail to see their potential. We want to have the view that this person doesn't have the right culture to fit in to our organisation to be a leader. Here at Diversitas, we want them to recognise that this person is already a leader;
- Being valued for their contribution is more important to your employees than understanding their cultural background;
- Being heard is more important than understanding their accent or speaking their language; and
- Two people can look the same, sound the same, even come from the same place, but have vastly different cultural paradigms, and there are many people in the room who know the reason of that.

### **Lesson 2 - Building cultural intelligence is about building trust**

Building cultural intelligence in an organisation is nothing more than the collective efforts of individual employees who work to build trust, understanding and collaboration with people who are different from them. This then translates into the way work gets done and customers get dealt with.

The 20<sup>th</sup> century organisation where the sameness was valued and group think was just about the gold standard, fitting in was everything. That has been transformed into the 21<sup>st</sup> century organisation that difference is valued; people who stand up from the crowd are the people who are in hot demand. Group think is not "in vogue" anymore.

For business leaders, building trust is about taking action. While it is absolutely crucial to have a positioning statement, a statement of intent, policies, and frameworks in your organisation, your employees are more interested in the behaviours that you as a business leader exhibit. It is about walking the talk. This can be a scary place for business leaders who are not necessarily used to being vulnerable or sharing particular aspects of themselves with their employees. There is no question that there is a greater burden of responsibility on leaders in the business (those people with a voice), to live those behaviours and demonstrate those values. It is much more about the “doing”, than it is about talking.

### **Lesson 3 - If you don't know where to start, ask your employees**

As a business leader - if you don't know where to start, ask your employees. If you think you know where to start, ask your employees anyway. We too often reach for “best practice” and models that have worked elsewhere. The richest source of information for building cultural intelligence in your business lies with your employees themselves.

It's about two-way communication: share the vision with your employees, tell them the business problem you are trying to solve – get their input into how it might be solved – agree on a way forward – follow through on the actions and communicate, communicate, communicate.

### **Lesson 4 - Be courageous enough to confront your biases individually and resolve the issues collectively**

In order to make progress, we need to understand our own cultural make up, our own particular biases and we need to work with others to table the issues and share the solution collectively. As I said at the beginning of my talk - cultural intelligence is about understanding yourself first so that you can understand others.

We all have a tribe, or a mountain, or stream that we relate to. I have lived in New Zealand for 17 years. I am a citizen. This is my home, I love it and I will never leave.

But if you ask me who am your tribe, the people who absolutely formed me, from when I was very young, and shaped me into the person I am. It is the people from South Africa who had the most profound impact on me when I was growing up. If you had asked me what my mountain is. It's not to be found in New Zealand. It's to be found on typically African continent, Table Mountain and Lion's Head.

If you would ask what your stream is, the stream is in the middle of the desert, and it runs red with that desert earth, when it runs. Sometimes it doesn't run at all.

I encourage you to take the time to get to know the people you work with – what is their tribe, mountain and river? If familiarity builds trust and collaboration, become familiar with your fellow workers and be the change you want to see!

Powerpoints from Carol Brown's presentation

# DIVERSITAS

## FUTURE WORKFORCE BY DESIGN

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Carol Brown - CEO  
March 2016

DIVERSITAS  
FUTURE WORKFORCE BY DESIGN

## Lesson #1

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Culture is much more than ethnicity



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## Lesson #2

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CQ is the collective effort by individual employees to build **trust, understanding & collaboration**



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## Lesson #3

If you don't know where to start, ask your employees



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## Lesson #4

Confront your biases individually – solve issues collectively



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## Tribe, Mountain, Stream



**Mitchell Pham****Director, Augen Software Group**

Mitchell Pham is a Vietnamese-Kiwi business & social entrepreneur. He is a Co-founder, Director and Head of Sales & Marketing of the Augen Software Group in New Zealand, as well as Chairman & Director of their operation in Vietnam.

Augen provide information management capabilities and drive business transformation through a range of technology services, often to advance organisations through innovation. Their achievements have been recognised by New Zealand and international awards, such as NZ ComputerWorld Excellence, NZ Innovators, Red Herring Top 100 Asia, and Vietnam IT Excellence.

Mitchell is experienced in information management, software products and services, sales and marketing, international operations, integrated health-disability-social services, strategy development, collaborative partnerships and strategic growth through innovation. Internationally, he is also recognised in leadership – as an Asia 21 Fellow of the Asia Society, and a Young Global Leader by the World Economic Forum.

In the government sector, Mitchell currently serves as a trustee of the Asia New Zealand Foundation and an advisor at the Ministry of Business, Innovation and Employment (MBIE).

In the health and social services sector, Mitchell is an Executive of Health Informatics NZ (HINZ) and Co-founder and Trustee of the Auckland Refugee Family Trust (ARFT) and the Foundation for Social Responsibility NZ (FOStR-NZ). He previously served on the board of Refugee Services Aotearoa (now merged with New Zealand Red Cross).

In the business sector, Mitchell is involved with the Ethnic People in Commerce (EPICNZ) network, the New Zealand Asian Leaders (NZAL) forum, and the Superdiversity Centre. Internationally, he is a member of the Strategic Alliance Vietnamese Ventures International (SAVVi) network, and an Executive of the global Vietnamese diaspora business network (BAOOV).

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What I am sharing with you today is not much about accepting this diversity thing. We are already a superdiverse country. I want to focus on how we make superdiversity actually work, on the ground floor, for business, where the bottom line is. How do we make superdiversity of our organisation benefit our customers? How do we go beyond that and leverage it even further?

My organisation is in the IT sector. We live and breathe the New Zealand innovation ecosystem. We provide software services, and we bring capability to businesses in many different sectors across our economy, from health to financial to many others. We work across different areas in a business, where our customers innovate to gain efficiency, achieve integration, enhance customer experience, or deliver new innovation of products and services.

New Zealand is incredibly challenged by resource capacity.

We fundamentally lack the technical resources to build and deliver our innovation, unless, all of us become software engineers. But even then, it is probably not enough. We have a very fast growing digital economy. It is growing faster than we can supply to. It is growing faster than we can build and deliver back out to the world.

We still have not yet mastered the skills to manage resources in other parts of the world and make these resources work for us. This is why we at Augen have developed a model especially for New Zealand businesses who innovate rapidly. Some of them are large organisations, others are start-up's, but that does not matter. What matters is that Kiwis have a certain way of doing business, of innovating, and we also innovate very rapidly, because it is a small economy with many small companies.

How can we make that work? How can we tackle the resource challenges?

We have technical resources in Vietnam where I am originally from. We develop the model from working closely with New Zealand businesses, and we integrate our team between New Zealand and Vietnam, physically, technically, but fundamentally: culturally.

This is where many projects traditionally outsourced to Asia have failed. The key thing is to integrate the front end and the back end of the process into one. That took us a long time to get right.

Why it is working so well? It is because of the diverse nature of our organisation. We were born diverse 23 years ago and continue to be even more diverse today. Our board is diverse, our management is diverse, and our staff are diverse. We have had 30 different nationalities in our Auckland office alone.

What does that mean exactly? Well, since we work in innovation, so we really need to tap into diversity: diverse experiences, diverse perspectives, and also international connections. All of that is really important when it comes to innovating new technology products and services.

We are working with a resource base that is in a completely different part of the world, with different language, and different culture. If we want to resolve New Zealand's resourcing challenge we need to draw on the cultural intelligence capability we have to make that work. That is fundamentally key to whether we succeed or fail.

So, we have managed to achieve a lot with our diverse organisation. We have built this resourcing model and capability, and we have done a lot with it and made it work well for many Kiwi businesses. But what we have not done yet is the leverage it even further.

That is why we are setting up a new initiative out of our new large offices we recently moved into, called 'Kiwi Connection'.

The Vietnam market today has 40 million internet users, the highest number in any country in South East Asia. There are 30 million smart phone users. The BBC has pointed out that Vietnam is likely to be the next Silicon Valley.

This market alone in the South East Asia region is ripe for our tech sector to export to. We have been there for 11 years. Geographically, this red circle represents the distance between Auckland and Christchurch. The blue circle is equivalent to the distance between Auckland and Sydney. As you can see it covers all of the main centres of all ten ASEAN markets.

ASEAN is a great region of opportunity. However, the challenge for our tech companies is that we can go to these markets, we can do the deals and make the sales, but then how do we deliver. In terms of delivery, it is neither economical nor scalable to fly a bunch of Kiwi software engineers over and drop them into a customer site in Vietnam, to sit down with the customer and work out what they really need and then deliver the new system to them. Also, that wouldn't work well because our Kiwi engineers do not understand the first thing about Vietnam culture, legal environment and business practices. It is much smarter to tap into the abundant local resources to help deliver NZ technologies to customers in Vietnam from within their ecosystem.

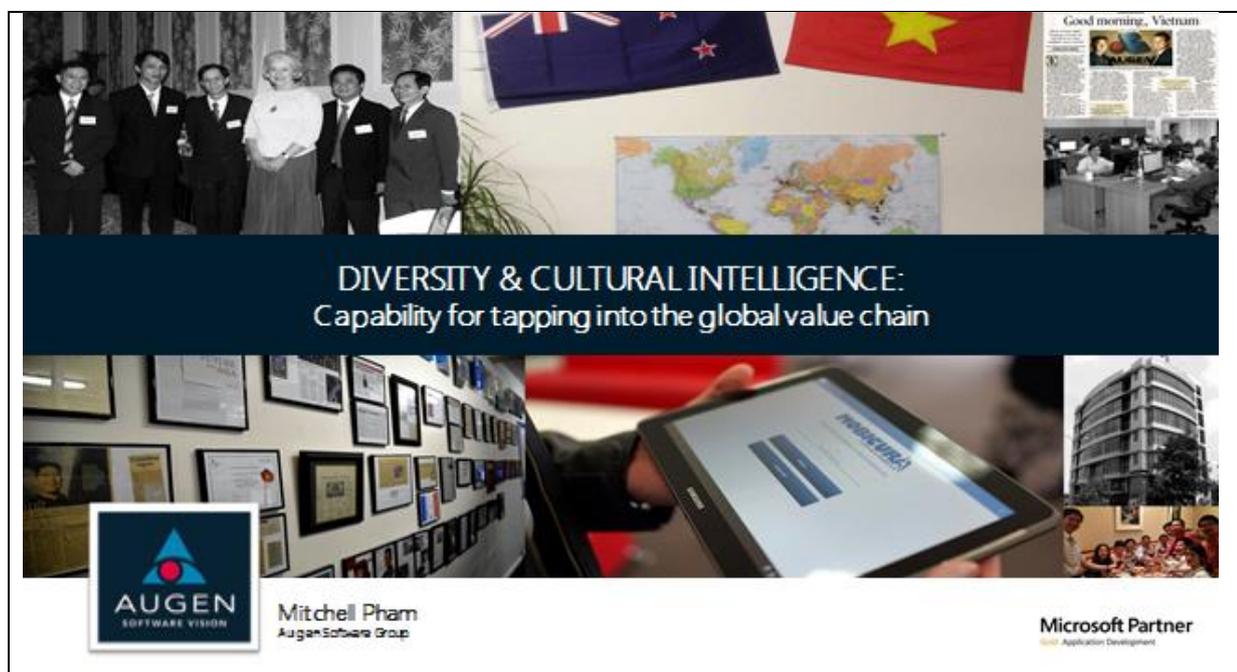
We see a real advantage in leveraging what we have got on the ground already that has been working extremely well in the Vietnam ecosystem. We have a business operation in Vietnam that actually understands NZ business and culture. Our team in Vietnam have been working with Kiwi businesses for eleven years. That makes it easy for Kiwis to work with.

In early June, we are going to launch this Kiwi Connection facility. That takes us to the next level. It is not just about connecting. It is about delivering. It is exciting to close a deal and sign up a new customer, but that still doesn't give you access to the revenue, not until you actually deliver what the customer is buying.

So, we are working together with those companies who want to deliver their offerings into the Vietnam market. Some companies also look an opportunity to establish a support centre to serve their customers across the whole South East Asia region as well.

At Augen, we are very fortunate to be able to live and breathe diversity, and have made that work well for our own business and our customers. What we are doing now is about how we get even more value and benefit out of it. How do we benefit more tech businesses in the New Zealand innovation ecosystem with what we have already built so far?

*Powerpoints from Mitchell Pham's presentation*



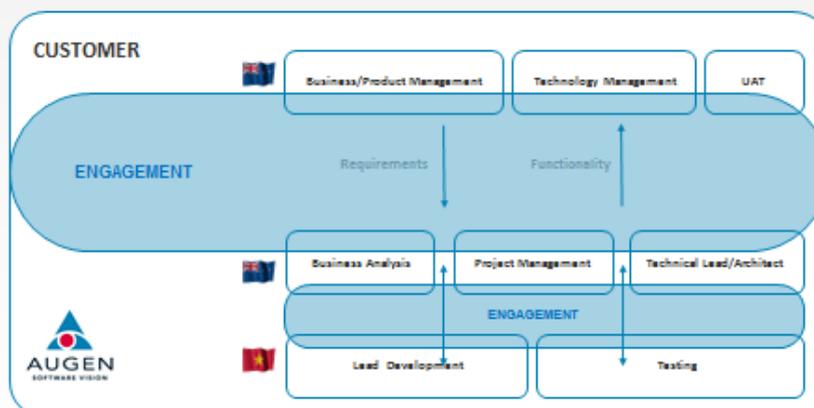
## OUR BUSINESS: Software Innovation – Providing Services & Resource Scalability



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## RESOURCE SCALABILITY MODEL – Tapping into Asia, the Kiwi way



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## AUGENEERS – History of Diversity & Cultural Intelligence in New Zealand



### Founding Board Members:

- 20% Kiwi, 20% US, 20% Europe, 40% Asia.
- Up to 80% born outside of New Zealand.

### Management and Staff:

- Up to 85% born outside of New Zealand.

### Mix of Nationalities & Ethnicities:

- |                |                |                        |
|----------------|----------------|------------------------|
| • Aotearoa     | • Indonesia    | • Scotland             |
| • Australia    | • Iran         | • Serbia               |
| • Belgium      | • Ireland      | • Singapore            |
| • China        | • Korea        | • South Africa         |
| • El Salvador  | • Malaysia     | • Sri Lanka            |
| • England      | • Mongolia     | • Taiwan               |
| • Fiji Islands | • Namibia      | • United Arab Emirates |
| • Germany      | • Pakistan     | • United States        |
| • Hong Kong    | • Philippines  | • Vietnam              |
| • India        | • Saint Martin | • Zambia               |

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## Background: Growing NZ Businesses – Resources and Skills



Significant challenges standing in the way of growing NZ businesses, in today's technology-enabled world:

1. Significant lack of skilled resource to develop and deliver software innovation.
2. Major lack of experience and capacity in managing and scaling resources to meet needs – when it comes to utilising resources external to the business.

Augen, with our NZ-Vietnam business model, works to address both of the above challenges.

This is how we benefit New Zealand with what we do.

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## DIVERSITY & CULTURAL INTELLIGENCE – How does this impacts NZ businesses?



### Innovation & Ecosystem

- Diverse skillsets
- Diverse experiences
- Diverse perspectives
- International connections

### International Resource & Scalability

- New Zealand's on-going resourcing challenges
- Drawing on and managing overseas resources

### What's next?

- Accelerating Kiwi presence and engagement in overseas markets
- Kiwi Connection – 6<sup>th</sup> June 2016

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## KIWI CONNECTION – HO CHI MINH CITY



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## Presence + Engagement = Relevance

- |                   |  |
|-------------------|--|
| <b>A. Office</b>  | Quickly establish physical location in Vietnam             |
| <b>B. Staff</b>   | Quickly employ local staff on the ground in Vietnam        |
| <b>C. Support</b> | Technical software support to customers and sales team     |
| <b>D. Develop</b> | Software development, implementation, integration          |
| <b>E. Partner</b> | Future: Engaging with business networks and local partners |
| <b>F. Scale</b>   | Future: Build-Operate-Transfer options                     |

## THANK YOU – from the Augen Team

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**Colleen Ward****Director of Centre for Applied Cross-Cultural Research, School of Psychology, Victoria University of Wellington**

Professor Colleen Ward PhD FRSNZ is Director of the Centre for Applied Cross-cultural Psychology, Victoria University of Wellington. She is the former President of the International Academy of Intercultural Research, author of *The Psychology of Culture Shock*, and a recipient of the Royal Society of New Zealand's Te Rangi Hiroa Medal for her outstanding contributions to the advancement of the psychological study of immigration, acculturation, and intercultural relations.

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I want to talk to you about how you make your organisation culturally competent and the keys to success. It is, in fact, what I call the “three P’s”. You have the people, you have the programmes and you have the policies. These have to work in harmony with each other.

Some people are more prepared to become culturally competent. They have what we refer to as a “multicultural personality”. We know there are traits such as social initiative, flexibility, and openness that facilitate the development of intercultural competence. Emotional resilience is also important: crossing cultures can be difficult, and it helps if you can “bounce back” and keep on trying.

But a multicultural personality isn’t all that you need. You need to have an intercultural mind-set. You need to be able to understand that culture affects all of us and that we view the world through our cultural perspective. As Julia said, you need to crack your own culture first.

You must also have a respect for other cultures. You need to understand that difference does not mean deficiency. You should adopt a non-judgemental approach to understanding other cultures and have a respect and motivation to learn more about them.

But then again, an intercultural mind set is not sufficient. You need an intercultural skill-set, and here is where we get to cultural intelligence, which in fact reflects the knowledge and the skills that you have to make you perform and behave in a culturally competent manner.

Really, cultural intelligence is about capability. But have you ever met an intelligent person who does not behave intelligently? I suspect we all have. The ultimate goal – if you want to talk about intercultural competence in an organisation or in everyday life – is to behave in a culturally appropriate and effective manner.

For example, say I am in a staff meeting in Singapore and my manager comes in and says “we are going to do this henceforth” and I think “that is really dreadful!” Can I bite my tongue and not say “no, no, no, I really disagree with that”? Instead, can I either talk to him or her after the staff meeting in private? Because I know Singapore is a culture that values the public face. Or perhaps, can I say “that is a really good idea but should we not be thinking about this in conjunction with that”?

How do you get the best people? Programmes. You can select the best people and you can do that with psychometric assessment. There are some very good, reliable instruments that can assess multicultural personality, intercultural sensitivity and cultural intelligence.

You can use these in terms of recruitment selection. You can also use these tools in terms of staff development so you can feed back to individuals information about their strengths and weaknesses.

But on top of that, there is intercultural training which can enhance cultural competence. We know that you can train for cultural intelligence. We know that you can improve intercultural sensitivity through training, and more broadly we know that training has a number of positive benefits – not only increasing intercultural competence. It can improve cultural judgment and decision-making, and it can also have some other benefits for individuals in terms of increasing their cross-cultural self-efficacy and even indeed increasing the number of friends they have from different ethnic backgrounds.

It is really important, though, that the people and the programs are supported by policy. Here, we are talking about all-inclusive multicultural policies. You may find in an organisation that you get resistance from majority group members because they feel like their culture – the dominant culture – is not included in a multicultural vision. It is important for us to recognise that we all have culture, we are all ethnic and that all cultures are included in a multicultural policy or approach.

What we know from the research evidence, which is very clear on this, is that in essence multicultural policies can improve intercultural competence within organisations and enhance knowledge of major markets. It also improves the organisation's attractiveness, staff development and retention of employees, and it also increases revenue growth.

How do you succeed with diversity in the end if you put it all together? You look at people. You look at teams. You look at the organisation. Starting at the bottom, you can talk about or strive towards having intercultural, competent employees that have both the mind-set and the skill-set.

When you have competent individuals, you can cross cultural boundaries. Culturally competent individuals tend to work more effectively in multicultural teams, particularly when these teams are supported by policy and a diversity climate endorsed by the management in multicultural organisations. The benefits of getting this right are enormous.

For individuals, we know that intercultural competence is associated with better job satisfaction and better job performance. Interculturally competent individuals have better relationships with their workmates and stronger organisational commitment. If you are sending someone overseas they are more likely to complete their global work assignment if they have these competencies.

And, more broadly, they tend to be more satisfied with life. Psychological wellbeing is associated with intercultural competence.

At the team level, you get more productivity, innovation and creativity, and greater organisational citizenship behaviour. On the organisational level, you find that the outcomes are very positive both in terms of establishing competitive advantage for your organisation and also in terms of having a more cohesive organisation.

## CULTURAL INTELLIGENCE - USEFUL SOURCES

### Cultural Intelligence Generally

- Mai Chen *Superdiversity Stocktake: Implications for Business, Government and New Zealand* (2015), available for free at [www.superdiversity.org](http://www.superdiversity.org).
- Julia Middleton *Cultural Intelligence – CQ: The Competitive Edge for Leaders Crossing Borders* (Bloomsbury Publishing, London, 2014).
- The Superdiversity Centre for Law, Policy and Business *Culturally Capable Leaders and Organisations Video Series*, available at <http://www.chenpalmer.com/superdiversity-centre-for-law-policy-and-business/cultural-capability-video-series/>.

### Cultural Intelligence in Business and Industry – some examples

#### *Tourism*

- Yvette Reisinger *International Tourism – Cultures and Behaviour* (Elsevier, Hungary, 2009).

#### *International Education*

- Sophie Arkoudis *Teaching International Students – Strategies to Enhance Learning* (Centre for the Study of Higher Education).
- Brian Crose “Internationalization of the Higher Education Classroom: Strategies to Facilitate Intercultural Learning and Academic Success” (2011) 23 *International Journal of Teaching and Learning in Higher Education* 388.
- Anita Gopal “Internationalization of Higher Education: Preparing Faculty to Teach Cross-culturally” (2011) 23 *International Journal of Teaching and Learning in Higher Education* 373.

#### *Mediation*

- Garrick Apollon “Cross-Cultural Deal Mediation as a New ADR Method for International Business Transactions” (2014) 20 *Law and Business Review of the Americas* 255.
- Kelvin Lau “Mediation in a cross-cultural setting: What a mediator should know” (2014) 25 *Australian Dispute Resolution Journal* J 221.
- Siew Fang Law “Culturally sensitive mediation: The importance of culture in mediation accreditation” (2009) 20 *Australian Dispute Resolution Journal* 162.