

harmony

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Fact Sheet 8: Maximising the Value of Cultural Diversity

Australia has enjoyed unprecedented economic growth and prosperity in the past decade, yet in the context of increasing competition and global financial challenges, there's no guarantee that our future growth potential will be fully realised. In anticipating these challenges, we could respond to skills shortages and constrained growth by making full use of our diverse workforce to meet Australia's future skills, knowledge and broader economic needs.

This factsheet encourages discussion and action on how to maximise the value of our culturally diverse workforce to benefit your business and its staff.

Benefits of cultural diversity for employees

Despite the known benefits of cultural diversity for Australian productivity and economic growth, attitudes towards our culturally diverse workforce are often based on misconceptions and assumptions about immigration's long-term social impact¹.

These fears are largely unfounded. Australia's experience shows that immigrants and refugees are highly-motivated and eager to participate in Australian economic life and in the broader community through employment. As a step in the settlement process, employment allows immigrants to productively contribute to Australian society, establish knowledge of, and experience in, the Australian workforce and workplace culture, and improve their language and communication skills.



Immigrants and refugees are generally eager to participate in Australian economic life and the broader community through employment.

On arrival in Australia, most immigrants and refugees recognise opportunities to fulfill their employment goals and work hard to make a positive contribution

to their organisation. So, organisations that encourage and maximise the potential of their culturally diverse workforce create sustainable employment opportunities, supporting refugees and immigrants and all culturally and linguistically diverse (CALD) employees to contribute to long-term success.

The benefits for workers born in Australia are equally great. Engaging with colleagues from CALD backgrounds provides better opportunities for skill acquisition and knowledge and information exchange through cross-cultural interaction. Working in a culturally diverse environment also creates cultural competency through direct personal interactions. In turn, this benefits an organisation's dealings with external and international customers and stakeholders.

Building cultural connections

Having the right skills and capabilities will be central to business success in the Asian Century. This was evident in an Australian Industry Group survey of over 380 businesses that gauged leaders' opinions on factors supporting business success in Asia. It found that senior leaders who have cultural training, speak an Asian language or have lived and worked in Asia for more than three months were more likely to maximise business performance and exceed expectations with clients and stakeholders².

Benefits of maximising cultural diversity for organisations and employers

The benefits of a culturally diverse workforce for businesses and employers are extensive, including:

- **Avoiding discrimination.** Recognising and embracing diversity in the workplace can limit the likelihood of legal action from alleged discrimination, which can be costly – in terms of financing proceedings, severely impacting staff

productivity and morale, and tarnishing your organisation's reputation.

- **Developing and maintaining a positive public image.** Offering services and products to diverse communities allows new markets to be targeted, and an organisation to become a leader in its field. This can translate into positive media attention and brand differentiation.
- **Creating a healthy and inclusive work environment.** Effective diversity management creates an inclusive, supportive and harmonious work environment that demonstrates respect for employees and their contributions.
- **Promoting innovation, creativity and problem solving.** Cultural diversity encourages innovation and creativity among team members who are encouraged to contribute a variety of perspectives from different backgrounds. Contributions of CALD workers can also enhance productivity, by drawing on a variety of experiences to overcome issues and challenges.
- **Reducing costs.** Benefitting from the talents of a culturally diverse workforce reduces employee turnover. Managing and maximising diversity in your workplace will help you make the most of the skills on offer.
- **Supporting your local community and economy.** You can demonstrate your organisation's commitment to the local economy by employing people from different backgrounds, including cultural backgrounds, from within your local community.
- **Expanding to new markets.** A culturally diverse workforce has expert knowledge of the communities it represents and can help your organisation expand beyond traditional markets and customers, promoting itself in a culturally appropriate way.
- **Filling job vacancies.** Recruiting a culturally and linguistically diverse workforce can help avoid labour shortages by creating a larger pool of candidates from which to draw.

Maximising cultural diversity in your organisation

The following strategies will help to encourage and promote cultural diversity in your organisation to maximise its full benefits:

- Implementing policies and practices that recognise and respect cultural diversity among employees, such as:
 - An Equity, Diversity and Inclusion Plan
 - A Multicultural Action Plan
 - An Anti-Racism Policy.

(For information on accessing examples of these documents, see *Factsheet 10 - Where to from here?*)
- Ensuring staff awareness of legal frameworks around racial discrimination, workplace bullying and harassment through regular training.

Become an organisational supporter of the national **'Racism. It Stops With Me.'** campaign to send a clear message that racism is not tolerated in your workplace. For more details on the campaign and sign-up information, visit: www.itstopswithme.humanrights.gov.au.

- Encouraging open discussion about cultural diversity in the workplace, challenging underlying assumptions that may frame attitudes and opinions.
- Developing and implementing cultural competency and diversity training to inform and encourage cross-cultural discussion.
- Making use of international connections by developing work placement and exchange programs.
- Encouraging industry-specific research and training around cultural diversity to increase awareness of its opportunities and challenges.

References

¹ Community Relations Commission (NSW Government) (CRC). 2011. *The Economic Advantages of Cultural Diversity in Australia*.

² Australian Industry Group (AIG). 2012. *Australia in the Asian Century*.



FECCA

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