

Theme: Capitalising on diversity

From the President



Bryan Nye is current President of Asian Association of Management Organisations and Chairman of the AAMO Board of Councillors.

AAMO is all about collaboration. Its purpose is to share and actively leverage resources to enhance the achievement of its Members' mission.

One of the AAMO objectives is to share resources, knowledge and regional information in support of today's interconnected management world and the demand for ready access to up to date management information, thinking and views.

Furthering the AAMO mission, I am pleased to introduce our new online e-paper – "Leading the Way".

This new initiative not only reflects our increasing Member collaboration, but also reaffirms AAMO's reputation as a formative Management Organisation within the Asian region.

This quarterly online paper will contain articles provided by AAMO Member Organisations focused on a selected

topic or theme, and will also provide different perspectives on what the theme means to that the participating AAMO Member Organisation and the region in which it operates.

"Leading the Way" will also help facilitate the development of greater collaboration across all Members and their affiliated Associates, sharing our goal of improving management through professional development and furthering regional interests through knowledge exchange. This forum will go a long way to facilitate these exchanges among associated Members of the AAMO Member Organisations.

I wholeheartedly encourage everyone to actively contribute to the success of this new AAMO publication and provide valuable content for the next edition.

Bryan Nye
AAMO President

4 things to think about before you employ someone with a physical disability

"Don't hire a person with a disability if they can't do the job." Todd Winther, Political Scientist, Youngcare Grants Administrator and blogger is blunt. "No one wants to be a token in any part of their life."

2.2 million Australians have a physical disability. That's 16% of the working-aged population. Most are able and willing to work, yet the workforce participation rate of people with a disability is just over 50%.



Todd Winther, Political Scientist, Blogger and Grants Coordinator, Youngcare

If participation levels were on par with the general population (around 82%) Australia's annual GDP would get a boost of \$34.5 billion and save \$7.1 billion annually on disability support pensions (Physical Disability Australia, 2014).

At 8 months Todd Winther was diagnosed with cerebral palsy, a physical disability that affects the brain. Today he works as Grants Administrator with Youngcare. Todd offers four lessons for leaders considering a hire who has a physical disability.

The barriers are attitudinal rather than prejudice, research suggests, and Todd Winther agrees.

At 8 months Todd was diagnosed with cerebral palsy, a physical disability that affects the brain. The initial prognosis was grim. Todd's movement would be limited to blinking and moving his tongue. But, "by the time I finished high school, I was nearly top of class and now have two universities degrees," he says.

Today Todd works as Grants Administrator with Youngcare. Youngcare's mission is to get the 7000 young Australians living in aged care into supported accommodation appropriate to their needs. Todd takes calls from people at risk of being moved into aged care accommodation. Too often Youngcare is their last resort.

"My role is to understand what the person on the other end of the phone is going through," he says. "I know what it's like to have no options, to try every available avenue. I know how helpless and hopeless you feel."

With his personal experience Todd is more qualified than most to staff the phones at Youngcare Connect. He also brings a level of personal resilience to the role. "It's less emotionally demanding for me than it might be for someone who hasn't had that experience."

Research by the National Centre for Vocational Education Research in 2010 suggests that employer reluctance to take on people with a disability is often a lack of confidence in being able to provide the right facilities, or a fear of doing the wrong thing.

Todd offers four lessons for leaders considering a hire who has a physical disability.

1. Employ the right person for the job

"Hire a person with a disability if they can do the job. Don't let their physical challenge influence your decision. I want to be judged on my performance. I don't want to be the person to make the organisation look good. I want to know I have been employed based on my skills."

2. Find out what support they need

It's easy to assume you know the adjustments, flexibility or in-office support someone needs.

Once Todd is in the office, he needs

little support. It's the logistics of getting to and from work that posed a challenge, but to Todd complex travel logistics are normal.

Companies that do need to make modifications can access financial support from the Federal Government's Employment Assistance Fund.

3. Evaluate people based on their work, not their disability

It is a challenge to give honest feedback about someone's performance when a manager is confronted by an obvious physical disability. Todd is adamant that when his work is reviewed, his performance that should be under the spotlight first and foremost.

"I want people to say 'he's done a good job. He's working hard for Youngcare, and he's had challenges to overcome'. In fact, the challenges I have had help me to perform better in my role."

4. Avoid tokenism

"Don't employ people with disability because it looks good or fills a quota. People might see the wheelchair and think 'we can stick him on the internet.' Don't. Nor should an employer take on a person with a disability because they feel compelled to do so. The question employers need to ask in all their recruitment decisions stand: would the candidate enhance the objectives of the organisation?"

If the answer is 'yes', then they may well be the right candidate for the job.

Youngcare helps young people exit or avoid admissions to aged care. Sam Kennerley FAIM, CEO of Youngcare, is a Member of the Australian Institute of Management.

Insight Edge: Leadership lessons with your eyes shut

Hear more from the people you have enjoyed reading about in Insight Edge.

The Importance of Being Diverse

Most places in the world have become quite diverse but the workplaces have not. They continue to be predominantly male and they continue to be populated by people of the privileged racial, ethnic or cultural groups, particularly higher up the hierarchy.

However, diversity does not come easily. People are hardwired to seek out those like themselves and stick with them for peace and prosperity. But the real world is counter-intuitive.

Historically, only through great openness and diversity have nations and companies achieved outstanding growth and greatness. It has always been profitable to welcome others, even if it seemed unnecessary or even threatening at first, and to gain their intellectual, commercial and technological capital. The nations and corporations that have desired homogeneity have paid a high price.

Instinctively, despite prejudices, everyone wants meritocracy. Everyone attributes their own success to excellence and knows that collective success depends on having the best people for the job. Still, the fear and distrust of others continues to compromise the potential and effectiveness of most organizations.

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The lack of diversity in business organizations, especially at the decision-making level, remains a major issue everywhere in the world. For example, according to a McKinsey study, women are only 16 per cent of the senior executive teams in the US, 12 per cent in the UK and a mere 6 per cent in Brazil. Also, in 2015, only six CEOs of the Fortune 500 companies in the US were African Americans.

The consequences of such a lack of diversity are reflected in the paucity of



economic ideas and business innovation among most of the companies. In fact, the leadership consensus has been the main cause of the global economic crash and the prolonged slowdown of growth in much of the world.

The good news is that there is growing realization of the costs imposed by lack of diversity in decision making, and countries and companies are trying to capture the diversity dividend in their own ways.

In India, the challenge of diversity is perhaps more complex than anywhere else in the world. India is a conglomerate of religions, castes, regions, languages and many other differences. Still, Indian companies have managed to harness diversity by putting business first. Most of the large Indian companies do not discriminate, at least among men, while hiring workers. In a significant step in the Indian context, one of the biggest business houses, the Birla group has removed the restriction on meat-eating on office premises as it has globalized its leadership and workforce.

By not mixing business with prejudice, Indian companies have grown rapidly both at home and overseas and have

India has tried to address the challenge of gender diversity by making it mandatory to have women on company boards

enabled India to become the one of the fastest growing large economies in the world.

India has tried to address the challenge of gender diversity in corporate leadership by making it mandatory to have women on company boards. Now business houses are appointing daughters and wives also on boards and not just sons and sons-in-laws.

In the US, which is another extremely diverse country, there have been many studies on the value addition of diversity during the past couple of decades and every study has shown that there is a strong business case for diversity.

One such study was done by Merrill Lynch on companies that were rated as the best by a women's magazine. The analysis revealed that the S&P 500 companies considered the best for



working mothers outperformed other companies. A study by Fortune magazine showed that the companies with most Asian, African American and Hispanic employees were among the top performers on the Wall Street.

A more recent study on diversity by McKinsey revealed that in the US, there was a clear correlation between racial and ethnic diversity and better financial performance. It said that for every ten percent increase in racial and ethnic diversity in the top management, the profit of the company increased by 0.8 per cent.

The study also revealed a co-relation between gender diversity and profitability in the UK. There, for every ten percent increase in gender diversity in the top management, the profit of the company increased 3.5 per cent.

Diversity has proved to be the key to identifying new opportunities and developing new capabilities. Just like people want to work with their own kind, they want to buy from those who are like them and understand them. People with diverse backgrounds not only bring the knowledge of the unmet needs but also the knack of solving problems in different ways. Anecdotal evidence suggests that the companies that hire more women, minorities and people of foreign origins are more effective in opening up new markets and in innovation.

Capitalizing on diversity requires its treatment as a growth strategy. Altruism lacks stamina. There is no dearth of companies in the world that have hired without discrimination at the entry level but that remain narrowly homogenous at the top. Such companies get some PR points but make little gains in business outcomes. Strategic diversity makes different groups feel valued and involves them in improving the business outcomes.

Achieving diversity is one thing but making it work is quite another. Diversity is not just about collecting different people; rather it is about ensuring that they trust each other and pull together. Not creating a tangibly level playing field while creating a diverse workforce can be counterproductive. Diversity without equity can produce competitive



victimhood and the leadership can be consumed by the tensions between

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Also, diversity needs to be contextual. Barring gender diversity, which is a universal issue, the diversity issue vary from place to place and organization to organization. For example, race may be the key diversity issue in the US but caste and gender diversity would be the key issues in India. Similarly, for the IT and finance organizations, diversity could also mean hiring people with expertise in humanities. Some companies may look at extending family benefits to the partners of LGBT employees and some others may focus on multi-generational diversity in the organization.

Embracing diversity starts with recruitment. Lazy companies prefer to hire people through referrals from the existing employees and from the favorite educational institutions. Such companies are not going to achieve meaningful diversity. It is a given that hiring strange folks is fraught with risk and would cause great anxiety in the existing set up. Moreover, it would take above average leadership to turn the diverse hires into a well-

functioning team. Therefore, the diversity agenda has to be set up and followed by the board.

But ensuring diversity at the entry level is a low hanging fruit. The leaders can even feel smug about it, as they get good PR without risking their clubby exclusivity. However, to achieve effective diversity for meaningful business outcomes, the diverse recruits have to be given decision making roles. They have to be put into positions where they can offer

something additional to the organization.

For example, in global organizations, capitalizing on diversity would involve creating multi-national, multi-racial, multi-lingual teams to compete with the local rivals in geographically, economically and culturally different markets. Such diversity could be further layered with inclusion of women and people of different ages and expertise.

Increasingly, the large multinationals are appointing CEOs from their most promising markets. For example, some of the world's top IT and consumer companies now have Indian CEOs. Some companies are even shifting their headquarters to their high-growth markets in Asia to acquire the necessary diversity.

The market forces are clearly telling the CEOs that they either capitalize on diversity or perish.



Firdose Vandrevala is the President of All India Management Association

Macau Moving towards Industry Diversity



For so many years, as the only city of China where gambling is legal, Macau has developed a strong focus on the gaming industry with its revenue as the primary source, especially after the year 2002, largely due to the liberalization of this industry.

But it's fragile while Macau's economy is just dependent on gambling. The city has gone through unprecedented heights in the gaming industry and now it is at a crossroads, after the execution of central government's anti-graft policy; Macau's economy has been having a negative growth since 2014.

Now Macau is facing a huge challenge on economy as well as the continuing development of the society; an adjustment on the industrial structure is inevitable. It involves the Leisure Tourism, Convention and Exhibition, Chinese Traditional Medicine,

Characteristic Finance and the Cultural and Creative.

Here we will look into two of the above industries to see how Macau is moving towards the industry diversity.

Leisure tourism: with the aim of construction of a "World Tourism and Leisure Centre", the Macau Government Tourism Office (MGTO), in recent years, has been riding on the momentum of tourism development and different platforms on the internet to promote Macau to the world. One of the examples is the participation in the Arabian Travel Market 2016 held in Dubai. MGTO has run a 40 square meter booth introducing Macau's tourism offerings, covering products, facilities, events and festivals; the tourism officer regards the Middle East region as one of Macau's tourism markets with great potential for future growth. On the other hand, the

enterprises, for example the Wynn Diamond's in Cotai will be providing a 15000-seat Coliseum arena as part of its ambitious business expansion due for completion in the coming August, to enlarge the non-gaming services and tap into the family-leisure market. It is no doubt that this will create a lot more events and activities that attract visitors to Macau.

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Convention and Exhibition: Macau is speeding up the development of its convention and exhibition. After the completion of a variety of large tourism, entertainment and resort facilities, Macau has accelerated the development of this industry and is expected to serve as a platform for investors to enter into the mainland market. The Macau Government will be working on attracting renowned fairs and exhibitions from different countries, to foster regional cooperation in convention and exhibition sector. The Macao Trade and Investment Promotion Institute (IPIM), will be taking over the duties for the implementation of a series of support programs dedicated to the convention and exhibition industry, for example the "MICE and Business Travel Stimulation Program" which aims to organize professionals from local convention and exhibition industry to travel overseas to attend trade fairs and business travel shows.

These new growing industries, focusing on non-gambling elements of business, are expected to bring renewed growth momentum to the local economy in the near future.

Macau Management Association

Women on Boards is Smart Investment



It has been more than two years since the new Companies Act made it mandatory for the listed companies in India to appoint at least one woman on the board of directors. For some the glass is now more than half full whereas for some it is still mostly empty.

Today, there are more women on Indian companies' boards than ever before even if not all companies have complied with the law. From less than 5% of all board members, women on boards are now nearly twice that number. However, the most important change is that companies are getting used to the idea of having women in decision making positions. Moreover, they are realizing that women directors add significant value to both the strategy and performance of the company.

According to a Grant Thornton report on relative performance of the companies with women on board and those without, the NSE CNX 200 companies with women directors outperformed the rest in 2014-15. The companies with men-only boards suffered \$14 billion in opportunity cost, the report said.

Typically, women directors tend to be more protective about the company's money, employees and reputation.

However, numbers do not tell the entire story. Women are changing boards in ways that have significant effect on board cultures and output. Even with just one woman present, the fraternity culture of boards has been disrupted. The consensus of the old buddies no longer holds and issues get discussed afresh. Board meetings are now more decorous, focused and open. More importantly, women have brought a different perspective to strategic issues, which have prompted boards to be more responsible and avoid costly mistakes.

Typically, women directors tend to be more protective about the company's money, employees and reputation. They tend to be less supportive of betting collective interest on the ego trips of the CEO. Being an extreme minority and practically outsiders,

women directors ensure greater scrutiny of board debates and decisions. This eventually reflects in the company's performance and stability.

It is a myth that women directors are there only for compliance or public relations and are consigned to non-core issues such as CSR. Women directors are as varied as men directors and many of them have qualification and experience to shape decisions about finance, operations, marketing, technology and more. Women also bring alternative thinking to the organization and help it innovate more fundamentally.

In any case, how a woman is treated on a board depends on her own work. Women directors have to focus on what they bring to the table and not on men's scepticism. Ultimately, everybody cares only about one's contribution to the collective achievement.

Still, being in extreme minority on company boards does have its issues for women. Typically, they start with an identity based on gender and not intelligence. Then, it is harder for them to challenge the majority consensus as

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the odd one. It helps to have at least one or two other women in the room to diffuse the focus on one's gender and be seen as a person. Too often, the value of being different is lost because of the desire to fit in and the reluctance to be seen as the spoilsport.

It is important that the women who get on to boards stay there. It is easy

to get intimidated or frustrated and throw it all away. Like any other job, being a board member requires learning and adjustment. Eagerness to make instant impact can make others hostile and being passive only justifies their prejudice. Winning the respect of fellow board members is not only the key to doing one's job as director, it is crucial for opening the doors for other women.

The experience of bringing women on company boards has been mostly positive and the trend is likely to gain momentum, irrespective of the law. Ultimately, it is the business value created by women that will determine their presence and role on boards.



Rekha Sethi is Director General of All India Management Association

This article appeared in India's leading daily 'The Tribune'

Salesforce takes on the STEM challenge



In 2014 a number of tech firms released the diversity mix of their employees. Companies that are redefining our world, Google, Facebook, Twitter, LinkedIn, had a very old-world problem. Women were poorly represented in the important jobs. Racial minorities fared even worse.

In 2014 a number of tech firms released the diversity mix of their employees. Companies that are redefining our world, Google, Facebook, Twitter, LinkedIn, had a very old-world problem. Women were poorly represented in the important jobs. Racial minorities fared even worse.

Twelve months ago Eric Schmidt was called out for repeatedly interrupting a fellow panellist- female - ironically, at a discussion on diversity. Schmidt, the President of Google was 'mansplaining', talking over the Chief Technology Officer of the United States Government, Megan Smith.

It seemed the problem is as much cultural as one of numbers.

But it's not business as usual in the tech sector. Making the problem visible is the first step to change, says Wendy Johnstone, Vice President of Marketing Asia Pacific at Salesforce. "Achieving equality will be one of the greatest challenges we will achieve in our lifetime."

Wendy heads up the diversity and inclusion program in Australia. At Salesforce diversity is both a business issue and a complex social challenge: "We have made equality a core value of our organisation."

It starts at the top. "Change on this issue cannot simply be an aspiration, it must be a priority," said Marc Benioff at the annual user conference, Dreamforce, in October 2015.

"Anything that requires transformation - including gender diversity - requires the CEO to be in the middle of it."

But inequality has been resistant to social change for decades. What is different about the current approach at Salesforce?

The company has determined three platforms on which to tackle gender inequality: equal pay, equal advancement and equal opportunity.

Equal pay

Salesforce have been pragmatic. If women are paid less than men for doing the same work, pay them more. 17,000 employee salaries were examined. US\$3 million has been

spent to eliminate discrepancies. Johnstone says that 6% of employees had their salaries adjusted, men as well as women.

The pay review will be repeated annually to prevent pay gaps opening up with promotion and new hires.

Quotas

Salesforce have mandated a minimum of 30% women attend any important meeting in the company.

Wendy Johnstone believes that this "absolutely changes the conversation in the room." The real impact has been a visible increase in the number of women making presentations, and delivering content. "We are accessing true diversity of thought, of ideas and in decision making."

Identify unconscious bias

Unconscious bias training is teaching people to identify the decisions and behaviours that are informed by biases they may not be aware of. It has exploded as companies seek new ways to tackle the diversity challenge.

According to Google, everyone is exposed to 11 million bits of

information every moment. We only consciously process 40. Our unconscious minds do most of the work processing the information that determines our decisions and behaviours.

Salesforce Australia has developed a local program to give people the tools and techniques to call out biases constructively. "We have made the modules available online in the hope that other organisations will benefit from them," says Johnstone.

Make it an inclusive conversation

Diversity is increasingly framed in business as a people's issue, not one that affects women alone.

"No longer is it women in a room having a conversation with a closed door. When I spoke to men around the organisation, I found they wanted to help, but they didn't know how," says Johnstone,

Beyond Salesforce

To create sustainable change Salesforce is reaching outside the company. Initiatives with educational

and not-for-profit organisations include a partnership with Casula High School in south western Sydney. Salesforce is working on an in-school coding factory, training teachers and building coding into the curriculum. "It is a model we hope to extend more broadly to schools around NSW," says Johnstone.

Beyond gender

'Inclusion' is about embracing all difference. Salesforce has the 'Outforce' program to address issues of inclusion and equality for the LGBT community on staff. BizAcademy is a five day program that selects 12 disadvantaged young adults, 33% from the Cerebral Palsy Alliance, to shadow Salesforce employees.

The cultural norms established in the global tech sector have far reaching influence in creating and celebrating a culture of broad inclusion. After all, they are changing just about everything else we do and know.

Salesforce is a corporate member of the Australian Institute of Management

About AAMO

AAMO is a partnership of National Management Organizations (NMO) in the Asian Region whose purpose is to share and actively leverage resources to enhance the achievement of their respective missions. AAMO is an independent, non-political and not-for-profit Association of NMOs, which promotes, facilitates and supports

the development of professional management in the Asia Pacific Region. The current 10 members of AAMO include Australia, Hong Kong, India, Macau, Malaysia, Nepal, New Zealand, Pakistan, Philippines and Sri Lanka.

Know more

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