

MEDIA COVERAGE

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INTdirector



The Asian Century

The next step in addressing the Asian Century

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The Asian Century is here and now. To leverage the opportunities it presents, Australian CEOs and their boards need to ensure their organisations and people are well equipped with the right knowledge and capabilities.

The recent government whitepaper, "Australia in the Asian Century", outlined that more language and cultural learning will occur in Australian schools. However this will take years, to the extent there is a huge gap between now and when this generation will

be in the position to lead our companies.

With 40 per cent of the world's economic activity in Asia, now is the time for boards to be considering how to ensure their organisations have the necessary skills so they can be competitive in the Asia Pacific region.

There isn't time to learn by trial and error, and the risk of taking this approach is huge as it can have a significant negative impact on the bottom line.

The next step boards need to focus on is developing Asia capability. This means being effective and able to achieve results when working in Asian regions, or with people from Asian cultures. © continued page 3

The next step in addressing the Asian Century

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Being Asia capable is more than learning Asian languages. It is also about building knowledge, skills and understanding of different Asian cultures.

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Achieving Asia capability is a four step process:

1. Awareness: Understanding what is cultural and what isn't. For example, when negotiating in China the Chinese will sometimes say something is not possible for cultural reasons, implying the other party is

being racist. Without a depth of understanding of what's cultural and what's not, this claim can be a real challenge for Australian negotiators who may not be able to discern whether this is merely a negotiation strategy or a reality.

2. Perspective: This involves learning how your (Australian) culture influences your perspective, behaviour and approach to business process, and how this may be different to the people you are working with. In the highly complex and culturally diverse context of the Asian region, it's hard to know all cultures in detail. What is far easier to do, is understand the key elements of Australian culture which are most foreign in the region. For example, the Australian preference for ignoring hierarchy and being highly informal and using 'banter' to develop rapport,

is something often misunderstood in almost all Asian contexts.

3. Knowledge: So you can understand the local context, how and why it is the way it is, as well as the unique characteristics in relation to the capability you need. For instance business and meeting processes, negotiation styles and governance. Understanding these differences leads to less confusion, greater accuracy in predicting timelines for achieving outcomes and greater focus on the areas of activity which will have the most impact.

4. Capability: Developing the skills to adjust, adapt and perform with and in other cultures. When we are capable we get results. With greater capability in the region, we can better contribute to the regional community, ensure our organisations are more successful

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There are many challenges associated with doing business with Asian cultures. However there are no shortcuts and no way to skip the first three steps outlined above. Developing Asia capability requires long term investment in developing understanding and expertise which results in greater capability. ☺