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The argument at a glance

Business leaders welcomed the Government's White Paper on the Asian century but the question is 'where to now?'

There's agreement that cultural competence will be crucial for success in all sectors, but little agreement about what that means in practice.

Some approaches are far too vague and general to be useful to business.

Others appear to suggest that Australians should simply adopt Asian approaches to doing business. This assumes things will always go smoothly but business life is full of downs, as well as ups!

For this reason, competence frameworks need to be robust and evidence-driven. Cultural skill sets need to be precision tools, if they are to deliver results. Good intentions are never enough.

In addition, cultural competence needs to have an organisation-wide dimension. Organisations need to conduct an Asia-ready health check. This will help mitigate risk, as growth opportunities are pursued.

The challenge of scaling up is critical. Business needs a range of approaches in order to build skills quickly and develop their own, in-house capability. This kind of flexible approach is also vital for meeting the special needs of the SME sector.

It's time to build a practical roadmap for the next steps of Australia's journey into the Asian century.

AUSTRALIA IN THE ASIAN CENTURY: WHERE TO FROM HERE?

What does it all mean and what do we do now?

It's now five months since the publication of the Government's White Paper, 'Australia in the Asian Century', and in some ways not much has changed. The rise of Asia as an economic powerhouse continues inexorably. Meanwhile, Australian organisations carry on with the slow and steady work of connection and collaboration, in a neighbourhood that most experience as challenging, complex and endlessly diverse. Yet there is a gap in the public discourse. It concerns the practical questions of what exactly to do and how to do it – where 'it' refers to the need for greater cultural competence.

One problem is that the White Paper aimed to set broad directions and provide a high level policy framework. It did not (and arguably could not) give a detailed blueprint for organisations simply to download and action. So people are rightly wondering what it all means for them.

There is broad agreement that the various domains mentioned in the White Paper, such as trade, diplomacy, security, education, business and the arts, share one thing in common. All of them need to be underpinned by cultural competence: the insight and skills required, if people are to achieve results in the midst of – and even in spite of - cultural differences. We know that the old days of expecting others to learn our ways and our preferences are gone and they won't be coming back.

But what is 'cultural competence'?

This is where things get a bit tricky. Most of the recent public conversation on the topic has been so vague that, while no one could disagree, neither could they know just what to do. For example, there has been talk of the need to build relationships, to adapt behaviour and be culturally aware. These are obvious, even self-evident. But they don't stack up as competencies because they lack precision.

Then there are all the cultural tips about succeeding in Asia that leave professionals high and dry because they don't reflect the everyday reality of business life. For instance, you're advised that it's important to protect face, maintain harmony, tolerate ambiguity and respect hierarchy! This may be fine in the 'honeymoon' phase of a business venture. But what happens when you really need to pin down meaning, manage disagreement and challenge the mythology around face? When things get tough (as they surely will) such simplistic prescriptions are useless.

What does academic research have to offer?

In short – not much. A recent overview of the field acknowledged that virtually all the studies on what constitutes 'cultural competence' had done no more than put forward untested theoretical models which,

identified more than 300 distinct constructs! This is why UGM has focused research efforts over many years on investigating what constitutes cultural competence in practice, as well as how it can best be transmitted and learned. We've collected data in many hundreds of organisations, much of it filmed or audio recorded. By analysing what real people do (and don't do) in authentic situations, we've been able to build a robust, evidence-based framework. Under five broad categories, we've distilled a range of precisely articulated skill sets, together with practical ways these can be assessed and developed.

An example: knowing how to clarify meaning

Our research shows that good will and good intentions ('cultural awareness') are simply not enough. Misunderstanding can occur because the parties are using language in different ways. Native speakers (the Australians) may not know how to use their own language in the particular way required when it's a shared international language for business. Or meaning can be lost because of a mismatch in conversational conventions. Or, thirdly, there can be misunderstanding at the deep level of conflicting values or attitudes. In fact, quite often, people experience multiple types of misunderstanding in the same interaction. You need quite a sophisticated toolkit of skills to sort things out before any permanent damage is done. This goes well beyond the easy platitudes of 'tolerate ambiguity' and 'protect face'.

A further challenge: the need to scale up

As organisations gradually build a tipping point of culturally competent employees, they must also ensure their systems, processes and structures will support a deepening engagement with Asia. Is the leadership framework still Anglo-centric? Will the performance management system work in Asia? Will approaches to managing change or doing business planning suit different, culture-based, thinking styles? To tackle this, we've developed an organisational health check, together with a suite of management tools that work across Asia, as well as here. Managers are far too busy to learn two ways of doing things. Better to learn one way that works here and internationally from the outset.

If Australia is going to succeed in achieving the White Paper's goals, organisations cannot be endlessly dependent on consultants. They need the flexibility of blended learning and support to develop their own in-house capability, through train-the-trainer programs. Interactive online learning, specifically designed for the Australian context, is also a great solution for the SME sector, whose smaller budgets don't need to be a disadvantage. In this way, the next steps for 'Australia in the Asian Century' can be a practical, evidence-driven focus on new skills for new times!