

THE SUPERDIVERSITY INSTITUTE, Mai Chen

Cultural capability and business success

5 top business leaders making cultural capability a cornerstone of their success

24 August 2022

A fish might not know it's swimming in water, but if you come from outside that environment, you can see the water. As a migrant you can see things that aren't visible to others. Then having to assimilate in some ways into the new environment means that you have to learn what other people consider 'normal' or 'positive'. So instead of it being much more subconscious, it is a much more deliberate way of understanding the cultural environment that you are operating in – Angela Lim

"We're halfway there. I knew very little about some things and now I know a lot more. Diversity and inclusion has so many aspects ... that continual learning is necessary" – **Rob Hennin**

"If you look after the culture then the business looks after itself" – **Kiri Nathan**

"I needed to lead this. If I don't understand Te Reo and Tikanga Māori, how can I champion it to my team? It was important to me that we weren't just ticking a box" – **Rob Hennin**

Half the investors who approach us haven't done their research and don't know anything about us other than we have cash. They're not interested in a partnership. They're just interested in a transaction, so they get a black mark" – Shayne Walker 10,000 people worked on Commercial Bay – from a huge range of different cultures. I've always found that if you treat people with respect, understand their values, and what drives them, you will get more out of it, on both a personal and professional level.

The important thing is **not being afraid to ask questions** when you don't know something. In almost every respect I will get advice and get people around me who will guide me in the right direction. I'll ask and ask and ask"

- Scott Pritchard

"If you want to distinguish yourself in the marketplace, culture matters – to your customers and to your staff. It matters every single day"

– Rob Hennin

Foreword and summary

This report signals the start of a serious conversation about what the S in ESG means.

In the 21st century, we've caught up to the fact that business 'success' must incorporate environmental, social and governance (**ESG**) imperatives, as well as financial ones.

However, too much of the focus has been on environmental and governance imperatives, and it has not always been clear that 'social' imperatives include cultural considerations.

The reality is that businesses that fail to put a proper cultural framework on ESG will compromise their ability to relate to culturally diverse staff and customers and this will detrimentally impact their bottom line.¹

In this report, we hear from five business leaders who are part of a vanguard that understands that IQ (intelligence) and EQ (emotional intelligence) are not enough to achieve business success, and that cultural intelligence and capability (**CQ**) is essential too:

- 1. Rob Hennin CEO of nib New Zealand
- 2. Kiri Nathan Director and Designer of fashion label Kiri Nathan
- 3. Shayne Walker Group CE of Ngati Porou Holding Company
- 4. Scott Pritchard CEO of Precinct Properties New Zealand
- 5. Angela Lim CEO and Co-Founder of Clearhead

These leaders confirm that, because business depends on people, and because culture and diversity matter to people, understanding, respecting and reflecting cultural diversity and identity is critical to business success.

They also tell us that CQ is about showing respect for others, which can only be done if you understand the other person's culture enough to know when you may be acting offensively. In that sense, it is a part of modern, ethical, values-driven business practice, sitting alongside other important values like environmental sustainability and intergenerational responsibility.

The experiences shared by these leaders demonstrate that respecting and understanding culture pays business dividends – from Rob's ability to develop bespoke healthcare products tailored to different cultures (page 5); to Kiri's pioneering culture-driven fashion design business staying true to her culture (page 10); to Shayne's culturally-driven investment gateway and culturally-

¹ See, for example "Nadia Lim 'Eurasian fluff' controversy: She still hasn't received apology over Simon Henry's comments", New Zealand Herald 9 May 2022; "Market close: NZ shares fall, Simon Henry's DGL stake takes a hit", New Zealand Herald 9 May 2022; and "Simon Henry's Nadia Lim comments spark probe of DGL's culture", Radio New Zealand 12 May 2022.

informed pitch which enabled Ngati Porou to succeed with Akaroa Salmon (page 12); to Scott's ability to work with people from so many different cultures and communities to make the Commercial Bay development a great success (page 16); to Angela's innovative online mental health and wellbeing platform, the success of which is driven by its customisation to take account of the user's culture, and informed by her own cultural experience and viewpoint as a migrant (page 20).

These experiences confirm that CQ matters for driving innovation and creativity; it is also critical for managing relationships with culturally diverse business partners; and it is essential for engaging with increasingly diverse customers and communities.

The leaders caution that efforts to grow organisational CQ must be authentic. Employees, customers, stakeholders and markets can see through lip service, window-dressing and box-ticking, and that can be more damaging than making no effort at all.

All of the leaders we talked to had to build and grow their cultural capability. Their journeys show that CQ can be learnt. They also show that the learning has to be an ongoing process, both on a personal level, and an organisational one, to adapt to the changing cultural makeup of the clients, staff and communities they work with. It can't be crossed off the to-do list with a single cultural capability course.

The leaders also shared the importance of having a culturally capable network of colleagues, friends, experts and mentors to ask for help. Experts are needed to help and guide you on your CQ journey. It's a specialist skill like any other.

Lastly, the leaders emphasised the importance of using their influence to support and promote other culturally competent leaders. There needs to be a critical mass of CQ in the leadership and the organisation itself. It should not be trail-blazing but mainstream, especially in a superdiverse country (of customers and staff) like New Zealand.

My gratitude to these leaders for sharing their experiences, and to Rob Hennin in particular, who continues to lead this work and to trail-blaze.

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Mai Chen Chair Superdiversity Institute

Introduction

In a superdiverse country like New Zealand,² CQ matters.

CQ is the ability to cross and connect cultural divides, and to thrive there.³ "Culture" in this context means all the intersecting dimensions that can shape our identities – including, but not limited to, age, gender identity, disability, ethnicity, nationality, language, religion and sexual orientation or identity.

Culturally capable business leaders understand that culture matters at a personal and organisational level – "Leaders who have CQ don't just cross the divides, they also **build bridges** for others to use".⁴ They get that this is critical competency for business success:⁵

You need CQ to run a business today, because, in the long run, you will make more money with CQ. I know we have all thought business was about products, customers, finances and people, but it's more than that now. You have to understand the context in which you are operating and the communities you are part of. You have to work with other sectors and, if you are international, in other countries, and you need it not just at the top, but right through the business.

This report profiles five top business leaders whose CQ – at a personal and organisational level – is a cornerstone of their business success:

- 6. Rob Hennin CEO of nib New Zealand
- 7. Kiri Nathan Director and Designer of fashion label Kiri Nathan
- 8. Shayne Walker Group CE of Ngati Porou Holding Company
- 9. Scott Pritchard CEO of Precinct Properties New Zealand
- 10. Angela Lim CEO and Co-Founder of Clearhead

Rob has recently been awarded the Superdiversity Institute's **CQ Leadership Tick**[©], and this report also introduces the **CQ Leadership Tick Matrix**[©], that business leaders can use to assess and grow their CQ.

² Superdiversity means that more than 25 per cent of the population is comprised of migrants or more than 100 nationalities are represented. In Census 2018, 27.4 per cent the usually resident New Zealand population was born overseas, following the upward trend from 22.9 percent in 2006 and 25.2 percent in 2013: 2018 Census data allows users to dive deep into New Zealand's diversity, 21 April 2020, www.stats.govt.nz.

³ Julia Middleton Cultural Intelligence: The Competitive Edge for Leaders Crossing Borders (Bloomsbury, London, 2015) at 12.

⁴ Middleton note 3 at 13.

⁵ Jim Sutcliffe, Managing Partner at Arboretum Partners LLP and Chairman of Sun Life Financial in Canada, quoted in Middleton note 3 at 41.

The CQ Leadership Tick©

The **CQ Leadership Tick**[®] is an accreditation mark for people in leadership positions, like the **CQ Tick**[®] is for organisations. It is awarded to leaders who demonstrate the required level of cultural capability and leadership after undergoing an assessment process.

The assessment process involves self-assessment and personal reflection through in-depth interviews, and the evaluation of supporting evidence and data.

A **CQ Leadership Tick Matrix**[®] is applied to assess the person's cultural capability and leadership, and identify opportunities and areas for growth.

The Matrix sets out the key indicators of culturally capable leadership. Diverse thinking is a prerequisite for obtaining a **CQ Leadership Tick**[©], but being of a certain ethnicity or gender is not.

The Matrix has five components:

- 1. Personal CQ Leaders understand and want to grow their personal CQ
- Māori CQ Leaders understand the special place of Māori in Aotearoa New Zealand
- 3. Commitment Leaders demonstrate drive to grow organisational CQ
- 4. **Strategy** Leaders have established a strategic framework to support the growth of organisational CQ
- 5. Culture Leaders foster an organisational culture that supports CQ growth.

Rob Hennin

CEO of nib New Zealand

Rob is a highly experienced financial services CEO, with in-depth experience in the insurance and payments industries, including time spent working for large multi-national companies like Visa and American Express.

Rob grew up in the predominantly Anglo-Saxon community of Andersons Bay, Ōtepoti Dunedin, but working in countries like Singapore, India, the US and Australia from 2004-2012 afforded him the privilege of experiencing other cultural frameworks.



Applying the CQ Leadership Tick© to Rob

Rob has been working with the Superdiversity Institute since 2017 to track and grow his personal CQ, and the CQ of his organisation. nib underwent **CQ Tick®** audits in 2017 and 2021, so the Superdiversity Institute already had a lot of baseline data about the organisation under Rob's leadership. For the **CQ Leadership Tick®** Rob was interviewed and provided additional evidence against the indicators that make up the **CQ Leadership Tick Matrix.** On the basis of that information, the Superdiversity Institute concluded that:

- Personal CQ: On a personal level, Rob doesn't just tolerate difference, he thrives on it. He has a wealth of professional and personal experiences with people of other cultures that have given him insight into diverse thinking and ways of doing things. Rob has made it a priority to understand the cultural diversity in nib's member and employee base, and to integrate that understanding into specific standards, practices, products, services and attitudes. Rob has a good understanding of his own CQ – his strengths as well as areas needing work – and is on a continuous learning journey to upskill.
- Māori CQ: Through words and actions, Rob has demonstrated that he understands the special place of Māori in Aotearoa New Zealand. Seeing the need to 'lead by example' Rob has worked to strengthen his own knowledge of Te Tiriti o Waitangi (Te Tiriti), Te Reo Māori, Te Ao Māori and Tikanga Māori, as well as the knowledge of his employees. The impact of these efforts is visible in the results of nib's 2021 CQ Tick@ Audit. Rob has fostered partnerships and developed bespoke healthcare programmes with iwi including Ngāti Whātua Ōrākei (NWŌ) and Ngati Porou.

- Commitment: Rob is absolutely committed to growing CQ within nib. He has a clear understanding of what CQ is, and how it benefits his organisation. He has personally led, and supported members of his team to lead, a range of programmes and initiatives aimed at growing organisational CQ (you can read about these programmes and initiatives in the Superdiversity Institute's <u>Case Study</u> of nib's CQ Tick Journey).
- Strategy: Rob has established a strategic framework that supports CQ growth, including a high-level public commitment to diversity and Te Tiriti.⁶ A Diversity and Inclusion Policy and Action Plan set out nib's commitment to diversity and inclusion, along with detailed actions and measurable objectives; and a Māori Relationship Plan Te Hononga describes nib's journey to develop and enhance its relationship with Māori. Te Hononga outlines core pillars underpinning nib's approach to working with the Māori community and developing enduring relationships. Rob monitors nib's CQ growth through independent accreditation tools like the CQ Tick@, Rainbow Tick and Accessibility Tick.
- Culture: Rob has fostered an organisational culture that supports CQ growth. He clearly values and respects diversity of background, professional training and personal experiences and diverse thinking, and takes an active interest in who his employees are, personally and professionally, encouraging them to bring their whole selves to work. nib's 2021 CQ Tick© Audit demonstrated that Rob's employees feel included, and safe to express their views and bring their whole selves to work. 96 per cent of nib employees feel respected for the unique differences, background and experiences they bring to the organisation, and agree that nib has an inclusive culture that enables them to be their authentic selves at work.⁷

When Rob returned to New Zealand to lead nib in 2013, after eight years away, he realised the demography had changed, and he needed to bring himself "culturally up to speed".

Culture is **about people** for Rob, and nib – which provides health insurance to 245,000 New Zealanders – is a people business. He refers to one of his favourite whakataukī – "he aha te mea nui o te ao? Māku e kī atu, he tangata, he tangata, he tangata" ("what is the most important thing in this world? It is people, it is people, it is people, it is people") – as a touchstone.

Rob has seen first-hand the **creativity and innovation** that comes from cultural diversity: "I have lived and worked in a number of cultures over a long period of time, and I have seen the same vibrant, healthy, exciting, innovative dedicated people in all cultures".

Rob's driving motivation is to make nib an inclusive and accepting workplace, because "if we look after our people they will look after our members and

⁶ See <u>https://www.nib.co.nz/about-nib/</u>.

⁷ nib CQ Tick Audit Report 2021.

business partners, and we will have members who enjoy being with us, and partners who enjoy working with us, and our business will grow".

For example, nib has just introduced changes to its employee leave benefits to better align with its diversity, equity and inclusion commitments, including 18 weeks parental leave on full pay for primary and secondary caregivers, grandparent leave, Māori cultural leave, gender affirmation leave and family and domestic violence leave.

Rob is quick to say, however, that valuing culture is not just about the bottom line or staff retention. It has good business outcomes, but **is also good in and of itself**: "I do genuinely believe it's the right thing to do anyway – to focus on somebody's culture, and respect it, and learn about it. That is part of nib as an organisation – reflecting our member base and our employee base".

Rob recognises that: "If you want to distinguish yourself in the marketplace, **culture matters** – to your customers and to your employees. It matters every single day. We've got to recognise the diversity we have, and align with the marketplace we have, and if we aren't good at it, we won't be successful".

A practical example of that is nib's work with Chinese customers, which involved the 2018 launch of the first end-to-end Chinese health insurance in the New Zealand market, and resulted in the average premium generated from the migrant segment increasing 36 per cent.

Part of Rob's personal cultural upskilling included a focus on Te Reo and Tikanga Māori. "I needed to lead this. If I don't understand Te Reo and Tikanga Māori, how can I champion it to my team? It was important to me that we weren't just ticking a box".

After receiving private tuition in Te Reo, Rob reached out to Ngāti Whātua Ōrākei (**NWŌ**) to help guide the organisation in growing its understanding of Te Reo and Tikanga Maori. Beginning with cultural and Te Reo training in 2019, this has grown into a continuous 'cultural coalition' programme run by NWŌ, which includes beginner and intermediate weekly courses. 115 nib employees graduated from the training programme in 2020, 130 enrolled in 2021, and 55 enrolled (to date) in 2022 – some employees have done more than one course.

In 2019, Rob commissioned singer/songwriter Anna Coddington to write nib's own waiata – "Ka tū, ka ora" or "we stand, we thrive". This waiata is led by Rob and sung by employees regularly at workplace events, employee inductions and farewells, pōwhiri / whakatau and on marae. Rob always opens workplace events in Te Reo, including whakataukī, and relates this back to the work nib does and the event at hand. Karakia are said before meetings and sharing kai, and the appropriate tikanga is followed in workplace events.

As a result of these efforts, employee self-assessed understanding of Te Reo and Tikanga went from an average 75 per cent across a range of indicators in 2017,⁸ to 89 per cent in 2021 – a 14 per cent increase.⁹ The Superdiversity Institute hadn't previously seen such a dramatic improvement in these metrics. Rob says "I've been so impressed with the level of engagement we've seen – we've all learnt so much, and it's made a real difference to the culture of the company".

The relationship with NWŌ has developed over time into a partnership. Working together, nib and NWŌ created a first-of-its-kind health and wellbeing programme – <u>NWŌ Health Insurance</u>. NWŌ Health Insurance provides hapū members with free universal private health insurance and tailored benefits, including a Rongoa Māori (traditional healing) benefit and mental health benefit.

Another aspect of nib's partnership with NWŌ involved the creation of internships for iwi members, and recruitment of iwi members to join the nib team across various roles (customer care, kaiārahi and group sales).

Seeing the NWŌ kaupapa, Shayne Walker, the CEO of Ngati Porou Holding Company, also reached out to Rob: "When I realised that there's this whole NWŌ relationship – that gives me confidence. We sniff-checked that and saw that it was authentic and felt that it was authentic. So we invited them into the whare here in Ngati Porou to start the dialogue".¹⁰

This echoes Rob's own view that **authenticity**, demonstrated by backing words with actions, **is essential**: "You have to have an absolutely authentic, genuine focus on improving your culture over time".

Adaptation is also key. Like the Red Queen's Race (in Lewis Carroll's Through the Looking Glass), Rob says "you have to run to stand still, and run even harder to get ahead. Staying put means you will decline and die. Growth and change may be uncomfortable, but you just have to get used to it. Decide what your tolerance for discomfort is, be authentic about that, and work within it".

CQ, on both a personal and organisational level, is an **ongoing journey** for Rob: "We're halfway there. I knew very little about some things and now I know a lot more. Diversity and inclusion has so many aspects – culture and ethnicity, gender and sexuality, accessibility, mental health etc – that continual learning is necessary".

Support from cultural experts, internally or externally, is important: "We have to surround ourselves with good people. I try to appoint people with cultural expertise to deepen our CQ and to help me relate to, and lead, our superdiverse employees, and to build the external partnerships we need to thrive as a business".

⁸ nib CQ Tick Audit Report 2017.

⁹ nib CQ Tick Audit Report 2021.

¹⁰ Superdiversity Institute interview with Shayne Walker.

You can't do everything yourself: "Diversity of thought and skills does absolutely help. I have to champion things that I feel particularly passionate about and support other people to champion other things. Other people have done this at nib and that's quite liberating".

The next frontier for Rob is about **accessibility and neurodiversity**. One in five working age people in New Zealand have some form of disability,¹¹ and Rob says: "This is a vast untapped talent pool, with diverse ways of working and thinking. If disruption and the pace of change truly is increasing, and COVID's impacts will reverberate for years to come, we must do things differently – including changing the way we recruit, develop and retain people in our workplaces, and that doesn't just mean working from home – it means thinking differently. Traditional ways of working are based on the majority, the middle of the bell curve. Where opportunities lie are with people who think and work differently, the outliers of the bell curve". In 2023, nib will be providing Accessibility Confident recruitment training for leaders, in order to support the recruitment and retention of employees with accessibility needs and neurodiversity.

Another focus is **measurement**: "Previously we only measured employee engagement; we're now measuring inclusion and wellness: How happy people feel, can they be themselves at work? If you want success, the scores on all of those have to be high". And nib will keep working with the Superdiversity Institute "every couple of years to keep us honest on how that is going".

In the 2021 nib **CQTick Audit**©, 99 per cent of employees agreed that nib values diversity, and makes people from other cultures feel included and comfortable.

¹¹ "Employment for disabled people", Employment New Zealand: www.employment.govt.nz/workplace-policies/employment-for-disabled-people/.

Kiri Nathan

Director and Designer of fashion label Kiri Nathan



Kiri is the co-founder and designer of selfnamed fashion brand <u>KIRI NATHAN</u>. Inspired by Aotearoa New Zealand & Te Ao Māori, the company is built on tradition, culture, unique designs, integrity, and a clear company vision. In 2017, she founded the <u>KĀHUI Collective</u>, which supports, mentors, educates and connects indigenous creatives and entrepreneurs to the world.

Kiri's overall message is "If you look after the culture then the business looks after itself".

She has been on a life-long journey to **reclaim her culture**: "I was an urban Māori and my grandparents' generation was called the lost generation. That's when we lost our connection to language, culture, our marae, essentially our whakapapa. The blood is still running through our bodies, but the mātauranga, the knowledge, isn't there, and the connection isn't there. So my life has been a process of reclamation and reconnection and re-education".

The catalyst was the birth of her first child at age 18: "That was the motivation – to ensure that he didn't grow up the way that I did. I started taking Te Reo classes and studying fashion, and I based my fashion around my culture, my whakapapa, specifically".

Kiri says "Grasping any new language can be difficult. However, for me and for many other Māori there's trauma attached. You feel that you should know the language, and if you don't know it, it carries a sense of shame".

In 2021, Kiri completed a 36-week full immersion Te Reo Māori course with Te Wānanga Takiura: "It wasn't just about learning a language. When you start to learn Te Reo Māori at a certain level, you're learning about your history, indepth connections to whakapapa, mātauranga and the way in which Māori think and act. That whakaaro has always been inside me, but I couldn't identify it – what it was that made me think and act in a certain way because I'm Māori. Last year was the hugest privilege".

Kiri started commercial fashion design in 2010, after years of entering design competitions like Style Pasifika. Despite winning awards and garnering critical acclaim, there was no market for indigenous fashion at the time. When KIRI NATHAN acquired its first High Street stockist, another established fashion label threatened to walk if 'The Māori label' wasn't removed. "So they let us go. That was the final realisation, I was wasting my time trying to morph our business into the current business frameworks that weren't built with Māori or indigenous fashion designers in mind, so I built my own framework, my own playing field". Kiri went big – focusing on building key relationships and making high-value and culturally-unique taonga and kākahu – pioneering a business in fashion **driven by culture**.

"People want to feel authentic connections, hear real stories and feel genuine relationships to people. There were no fashion brands at the time that had an authentic and indigenous connection to Aotearoa. Indigenous brands can tell their story anywhere in the world and people will feel the connection immediately, however there is nothing more powerful than standing on your own whenua (land). We built a business and a brand that was completely unique in its authenticity and its connection to Aotearoa, a brand that is globally unique".

The fashion industry's gradual embrace of diversity has also helped. "There came this gradual shift in the New Zealand Fashion industry. Suddenly everything brown was cool. Then everything that was diverse was cool. And I think it's wonderful, not just because it is so long overdue, but because it's like YES – this is life! These are all the magical things that make us human and beautiful and interesting and not just this one story, which is European New Zealand".

Cultural integrity is key to business success for Kiri: "There is an understanding that you need to do better and be better because you are representing your culture. You need to make sure that when you're building relationships they are real relationships; they are healthy and enhance the mana of your culture, not take away from it".

"We have turned down investment interest over the years because there was no understanding of our cultural responsibilities, and where there is no understanding of our cultural responsibilities, there is no protection for it. Someone said to me 'just push your cultural integrity aside for a little while, until you get some money in the bank, and you can go back to it later' – but that's not how it works. You either have it or you don't".

Kiri's observation is that **New Zealand society is going through a transition** – from one where IQ and EQ used to be good enough, to one where **CQ is essential**. "There's a group of people who are resistant to the reality and benefits of diversity. They don't want to have to consider having diversity on their boards or in their organisation. However, they're being pushed into this space where they have no wriggle room anymore. They've dominated business and government and our creative spaces for far too long and that was the norm. That's not the norm anymore. So now, you've got this group of people who are very resistant and don't want to do it, but are forced to; you've got a group of people in the middle who really want to do it, but don't have the tools at the moment; and then a smaller group of people who just get it. Whether they have the tools or not, they understand the basics – the respect, the things they have to do to fit into this space in a respectful way".

People in the middle group need to be able to **recognise when they are leaning on culturally capable people for help**. Kiri says "the risk from my perspective, and my friends' perspectives, is that you become the 'go-to Māori' because you have a certain amount of cultural capability". The CQ skill set needs to be recognised and reciprocated in the same way as any other specialist skill set – like financial, marketing or IT skills.

For Kiri, culturally competent leadership demands a commitment to the **environment and sustainability**: "We have always used processes and methods that were good for people and planet, those things will never change. They were one of the fundamental building blocks of our business, even when it wasn't cool and it wasn't the best financial decision to make, but we knew that was our cultural responsibility. Indigenous people have always been mindful of people and planet as they go out to the world".

Culturally competent leadership also demands a commitment to **helping others**. "That's the point of the <u>KĀHUI Collective</u>. There's this sustainability and longevity about it, the Kāhui Collective community and initiatives will be in place for everyone, forever more. One of our fundamental responsibilities is to ensure that we're creating space for the next generation and we are doing this whilst respecting our tīpuna (ancestors). That's the really important about thing culture; it's not for you solely, it's not about you solely, it's never been about just working to build our own growth, it's been about building pathways and growth for others and trying to ensure those pathways less culturally hazardous".

Shayne Walker

Group CE of Ngati Porou Holding Company

Shayne heads up <u>Ngati Porou Holding</u> <u>Company</u> – the iwi's commercial arm / wealth creation division, which owns and administers \$230m in commercial assets, including equity investments, and farming, seafood and tourism businesses. He comes to that with a wealth of experience in the public and private sectors, including as BNZ's head of Māori business. He is currently Chair of the Hawke's Bay District Health Board (**DHB**).



Shayne learnt to speak Te Reo Māori as a teenager at Te Aute College: "You grow up with Maori whānau all around you but not really learning the reo. You might have a kapa haka group at your primary school, but really it wasn't until third form at Te Aute College where I was entrenched into that environment of learning".

The same is true for many Māori of his generation: "My father is Māori and doesn't speak Māori. He was in that generation where they weren't allowed

to speak. That generation is really whakamā about that because they can't hold the paepae. My father is a hunter-gatherer and not a kōrero man – maybe that was the driver to send both my brother and I to college and learn our culture and our language. We thank them for that".

Shayne's journey shows **the value of cultural mentors**: "I've been really fortunate in my journey. I've had a number of matakite and tohunga work with me, and that I still remain engaged with actively – those that are still alive. They always grab me and take me under their wing and give me some of their tools. I feel really fortunate with that – that's how I make my decisions and where a lot of my guidance comes from in terms of my kaitiaki".

As a Māori business leader, **culture is the most central thing** for Shayne: "Our culture is central to our identity being Ngati Porou, being Māori, having Te Ao Māori. Therefore it is central to our business and critical. It is probably the one most critical thing".

Culture is connected to people - "he aha te mea nui o te ao? Māku e kī atu, he tangata, he tangata, he tangata"¹² – but also **the environment**: "We come from Ranginui, the sky father, and Papatūānuku, the earth mother, and without those deities and without our environment we wouldn't survive as people. Part of our culture is acknowledging our whakapapa back into the creation of the universe, our environment and our gods. We are reliant on them, so our business is reliant on them. Without our culture we are not Māori, and without it we don't have a natural environment, let alone a business environment".

Culture is an essential component of ESG, those non-financial factors used to assess business risk and success: "We have started talking about using a capital C in **ESGC** – to say, actually if you lump us in the 'social' then we as indigenous people get lost, and we don't like that. We point to the example of Rio Tinto blasting the aboriginal site at Juukan Gorge to demonstrate indigenous impacts and effects through investments.¹³ We are now far more acutely aware and astute in how we assess the ESGC to understand what effects our business partners might be having on indigenous populations around the world. We just say 'take us out of any of those funds, we don't really care what they are returning'. If they have a negative effect on the indigenous people then we don't want to be linked at all. We aren't interested".

¹² "What is the most important thing in this world? It is people, it is people, it is people".

¹³ <u>"Rio Tinto blasts 46,000-year-old Aboriginal site to expand iron ore mine"</u>, The Guardian 26 May 2020.

For Shayne, business success means **staying true to his values**, and sometimes that requires a **longer-term view**: "We have an environment that we have to acknowledge and we can't be doing negative things. The world calls it karma. We call it wairua".

Shayne says "As long as we are moving forward financially and all those other things are lined up we are happy. We aren't out here to make \$1m in two months and put those other values at risk. We are happy to take a longer view into 400-500 years' time".

Shayne has created an *"investment gateway"* that **factors culture in all investment decisions**. Potential investments are assessed against criteria including:

- Whether it will meaningfully incorporate Ngati Porou reo,
- Whether it will enhance the Ngati Porou brand,
- Whether there is community / hapu support, and
- Whether the investment will advance Ngati Porou culture.

Shayne says "half the investors who approach us haven't done their research and don't know anything about us other than we have cash. They're not interested in a partnership. They're just interested in a transaction, so they get a black mark".

Understanding, respecting and valuing Māori culture is therefore essential if you want to **participate in the Māori economy**. Māori own a significant proportion of assets in the primary sectors: 50% of the fishing quota, 40% of forestry, 30% in lamb production, 30% in sheep and beef production, 10% in dairy production and 10% in kiwifruit production.¹⁴ The asset base of the Māori economy was estimated to be worth \$68.7 billion in 2018,¹⁵ and projected to be worth \$100b by 2030.¹⁶

¹⁴ <u>"The Māori Economy"</u>, MFAT.

¹⁵ <u>"Te Ōhanga Māori 2018"</u>, BERL 28 January 2021.

¹⁶ <u>"Māori Economy Investor Guide"</u>, NZTE June 2017.

The market advantage of CQ

Shayne's experience shows that cultural intelligence has a market advantage:

"We recently entered into a joint venture (Ahi Mokopuna) to buy 80 per cent of the shares in Akaroa Salmon New Zealand Ltd from a Filipino company. We were the only potential buyer that asked to meet the owners face-to-face. We had a strategy – not to be the highest bidder, but to be the preferred bidder. We did our karakia; our mihimihi; our mōteatea; our whakawhanaungatanga; and they were blown away. They were very steeped in culture and faith, and they understood where we were coming from. And it worked, having that cultural intelligence to respect the current owners, who had a cultural and indigenous value about them, and to recognise that through our process".

Conversely, a lack of cultural intelligence is a distinct disadvantage:

"When I first arrived, we had a funds manager based out of Sydney. The financial performance was OK, but they didn't understand who we were. For example, they recommended that we invest in a church fund, and our board wouldn't endorse that. There is a lot of distrust of the church due to its role in colonisation. There was a disconnect between their cultural values and the cultural values of the customer. We found a new partner to deliver on our funds management. We made sure our cultural values were really strong and we have expectations of all our partners with regards to that".

People need to understand that business requires **engagement and connection**, which in turn requires cultural respect: "That is why the whakawhanaungatanga has to go first, because that is a process of establishing relationships, and I can't do business if I don't have a relationship with you. If someone launches straight into the business korero, I'm going 'where are you from? Who are you related to? What school did you go to?' How can I talk to you about a business transaction, when I don't even know who you are? Without the whakawhanaungatanga, we can't get to the maanaakitanga – the expression of trade and hospitality".

Shayne's culture also gives him the skills and fortitude to **deal with racism and resistance**: "The tools that keep me safe in business are doing my karakia every morning and every night; and before hui, sending that wairua into the meeting. I have had lots of experiences where you go into a meeting you think is going to be controversial and a karakia just lifts it, gets rid of all the rubbish in the room. I feel fortunate that my tīpuna were so smart that they designed these tikanga and systems over hundreds of years for us to still use today".

As a culturally competent leader, Shayne wants to use his influence to **support and promote other culturally competent leaders**. Cultural competency was a key strength for Keriana Brooking, the first ever Māori wahine DHB Chief Executive, appointed during Shayne's tenure as Chair: "Under Keriana's leadership, we have attracted the most funding in decades. We've changed community programmes and got engagement with our partners that people would have never thought possible".

Shayne encourages others to give cultural leadership a go: "You have to be prepared to put yourself out there, to say actually I am going to challenge this, and going to lead this, and I don't really want to but no one else is going to. Dollars may be the driver for some, but others get that it's just the right thing to do".

Scott Pritchard

CEO of Precinct Properties New Zealand



Scott is CEO of <u>Precinct Properties</u> (**Precinct**) and Chair of the Property Council New Zealand. Precinct is the country's largest inner-city developer, with a property portfolio valued \$3.3b.

Scott has extensive experience across property development and asset management with previous roles at NZX-listed entities such as Goodman Property Trust, Auckland International Airport Limited and Urbus Properties Limited.

In 2020, Scott helped Prime Minister Jacinda Ardern to cut the ribbon on Auckland's new central business district epicentre, the \$1b Commercial Bay development.

Scott grew up in a working class family on the Hibiscus Coast. His mum worked at New World for 35 years, and his dad was a builder. Scott competed in Surf Lifesaving: "Surf Lifesaving is a community and a sport. One weekend you will be competing against others and putting everything on the line to win, and the next weekend you'll be standing shoulder-to-shoulder patrolling a beach and giving back to the community".

Scott still surfs today, and finds it a great leveller: "As a CEO, people will usually listen to what I say. But I'll paddle out on weekends, and you have to earn people's respect. Whether you're 10 years old or a 50 year old veteran, you're on the same field. There are rules and etiquette in the water, and they have to be followed".

Scott strives to ensure that **Precinct has an inclusive and diverse culture**: "For me personally, and for our business, we embrace it. We want to try and create the most inclusive environment possible. You'll only get that when you express an interest, understand a background, and then recognise and respect it. So those are principles we have really stood by".

Sustainability is obviously a key focus for Precinct, but "engaging our **cultural capacity** and actually utilising it as a strength for business" is where Scott sees **huge potential**.

CQ is important for the internal dynamics of the company: "If I surrounded myself with people that thought like me, we would be nowhere near where we are as a business. My strong view is that you've got to surround yourself with people that challenge your thinking and give you a diverse state of mind that opens you to a different lens from a cultural perspective".

CQ is also critical to managing relationships with business partners: "Precinct owns and manages property. Our tenants are often large banks and law firms. But we also develop property. Our suppliers are large construction companies, and they have incredibly diverse workforces that we need to be able to work with successfully".

And CQ is essential to enable Precinct to engage effectively with a diverse community: "When I think about the real estate we have, it's got to represent the community it exists in. If you ignore big parts of it then they will ignore you, you'll lose relevance and the strategic goal of being where we want to be. I feel really strongly about having an integration of a range of cultures within your business driving the outcome for your workforce and stakeholders".

For Scott, **CQ is about respect**: "I like to think I treat everyone with the same amount of respect, whether they are a CEO or someone who has to clean the building after hours. In our business we rely on a lot of people. For example, 10,000 people worked on Commercial Bay – from a huge range of different cultures. I've always found that if you treat people with respect, understand their values, and what drives them, you will get more out of it, on both a personal and professional level".

"The important thing is **not being afraid to ask questions** when you don't know something. In almost every respect I will get advice and get people around me who will guide me in the right direction. I'll ask and ask and ask".

Scott acknowledges the **help from others on his CQ journey**: "I am very fortunate to have friends with strong connections to Auckland iwi, like Ngāti Whātua Ōrākei, and Te Ao Māori. One of the biggest issues around cultural intelligence is the fear of embarrassing yourself or doing something inappropriate. I have a handful of good friends that I can turn to and ask for guidance".

Scott has helped Precinct to develop a strategic framework that supports the growth of CQ within the company. Precinct has identified diversity as one of eight <u>material ESG issues</u> for the business. It has a <u>Diversity and Inclusion Policy</u>, setting out key management practices and measurable objectives. The management practices include:

- Ensuring recruitment and selection practices are appropriately structured so that a diverse range of candidates are considered for each role.
- Ensuring all staff operate in accordance with a *Culture Charter* which promotes collaboration, inclusion, diversity and mutual respect.
- Making inclusion a key competency in the performance review process against which all staff are measured.
- Offering flexible working hours and the ability to work remotely to assist employees of all genders to meet their domestic responsibilities.
- Providing a generous parental leave entitlement over and above the legal requirement for both primary and secondary caregivers.
- Undertaking annual surveys on diversity and inclusion in the workplace.
- Undertaking annual remuneration equality studies.
- Helping employees express their individuality and identity, including through a 'Dress for your Day' Policy.
- Being a member of Diversity Works (the Equal Employment Opportunities Trust) and working with other organisations and projects that can assist to further the policy's objectives.

Precinct's Board monitors the following diversity measures:

- Gender across the whole company, by position, and Board composition,
- Age across the whole company,
- Ethnicity across the whole company, and
- Statistics on flexible working arrangements and parental leave by gender.

At the moment, Precinct only reports on gender diversity targets – the 2022 targets are 30% women on the Board, 20% in senior leadership, and 40% across all employees. But Scott acknowledges that "we need to do more in terms of setting targets and reporting on culture, including ethnicity".

Scott describes **diversity as one of Precinct's key strengths**: "Auckland is this melting pot of diverse thought and you walk into our office and that's what you'll find - it's fantastic. Giving yourself the opportunity to harness it and recognising the benefits of it, sitting and listening for long periods of time is one of the most powerful things you can do. So many people have so much to offer".

Precinct's **small size** makes it easier for Scott to get to know his staff: "We are lucky, we have a workforce of around 100. I know everyone by their name, their background, their culture, and how they identify themselves. That allows you to have more meaningful conversations with people. In fact, you've got

to have them, you can't just stick your head in the sand. It's not lost on me that when you're managing 10,000 people vs 100 people that's a lot harder to do".

Scott has fostered the growth of CQ within his organisation by participating in the <u>Rainbow Tick</u> accreditation process. Of that process, Scott says "It allowed us to have safe and meaningful conversations about some things that not everyone feels comfortable talking about. The business moved forward through that whole process, which was invaluable".

Māori cultural competency training for staff has also been a key focus recently. "It helped a number of our staff to explore their Māori cultural connections. Even for staff who didn't have those connections, it was still really meaningful for them as Kiwis, because of the significance of Te Ao Māori principles and values in New Zealand".

Scott aims to see **culture respected and reflected across Precinct's portfolio**, as demonstrated by its flagship development at Commercial Bay.

Precinct engaged with 19 local iwi and hapū in the design and development of Commercial Bay: "They got to put their fingerprints on it. They helped name the spaces and design the artwork. For me, that's something I look back and think was really pleasing".

In February 2022, Commercial Bay celebrated the Auckland Pride Festival in collaboration with local LGBTQI+ artist, curator, and activist Shannon Novak. This took the form of a multi-site art project, which included bright, bold, colourful installations in public spaces with input from the local LGBTQI+ community. The project was titled *Bridge Between Worlds*, and aimed to positively connect different communities in Tāmaki Makaurau and beyond.

In June-July 2022, Commercial Bay celebrated Matariki in collaboration with visual artist Jade Townsend (Ngāti Kahungunu, Te Ātihaunui-a-Pāpārangi). This took the form of an exhibition titled *Whānau Mārama*, showcasing the work of more than 16 Māori artists and creatives representing different perspectives on Matariki.

It also included a pop-up space – *Maharatia* – overseen by tā moko artist Graham Tipene and other Ngāti Whātua artists, and involving demonstrations of traditional Māori tattoo and weaving. The purpose was to encourage dialogue between the public and the Ngāti Whātua artists, and to represent Toi Māori, Whakaaro Māori and Te Ao Māori.

Scott says "We see Commercial Bay as a canvas for us to represent different cultures and communities. I want Aucklanders and New Zealanders to be part of it and proud of it".

Angela Lim

CEO and Co-Founder of Clearhead

Angela is the CEO and co-founder of <u>Clearhead</u> – an innovative digital platform providing mental health and wellbeing support for workplaces and individuals, now available free to 7 per cent of all working age New Zealanders under funding agreements with employers, insurers and the Government.

Clearhead takes an integrated approach involving:

 Digital self-help – A digital wellbeing assistant provides mental health support and a nonjudgemental space for employees to discuss



what they're going through, and recommends digital self-help tools designed by psychologists.

- **Therapy** An online booking system allows employees to book counselling sessions with more than 300+ registered mental health professionals.
- Employee data analytics Anonymised and aggregated employee wellbeing analytics provide insight over key areas of concern within the workplace, and mental wellbeing experts help to deliver initiatives targeted at addressing the root causes of poor employee wellbeing and improving the organisation's culture.

As a migrant to New Zealand, Angela understands **the importance and impact** of culture. She came to New Zealand from Malaysia at the age of 14 to study. "It was culturally different, in terms of what Kiwis valued compared with the values in an Asian culture. My focus as a teen in Malaysia was on study, and in New Zealand it was a more holistic view – sports, hobbies, social connections – where education was only one aspect. Having to really flesh out the other parts of me as a person, at that much older age, was an adjustment".

"Being a migrant allows you to take a step back and see things more objectively. A fish might not know it's swimming in water, but if you come from outside that environment, you can see the water. **As a migrant you can see things that aren't visible to others**".

"Then having to assimilate in some ways into the new environment means that you have to learn what other people consider 'normal' or 'positive'. So instead of it being much more subconscious, it is a much more **deliberate way of understanding the cultural environment** that you are operating in; deliberately making sure that you have values that resonate in that cultural environment. I think that's how my cultural leadership has developed". As a Doctor, Angela brought the clinical background to Clearhead, while her Co-Founder, Software Designer Michael Connolly, brought the technical background.

They focused on mental health because, when they started in 2018, "it was the 'poor cousin' – it didn't get the interest or funding that other areas of health did".

"When we looked at the outcomes, we had the highest youth suicide rate in the OECD; we had very long wait times. So we thought that if we innovated in this space, it would have the biggest impact from a health perspective. Most people will have mental health challenges in their life. Not everyone will have heart failure, for example".

Angela knew the **importance of culture to good mental health and wellbeing**, and set out to provide support that could be customised to the cultural identity of Clearhead's users. "I think I was frustrated at the one size fits all approach. It was a very Pakeha way in which we expected people to ask for help in the health system. Very paternalistic and not very holistic, and very counterintuitive to non-western cohorts".

"We always start with the clinical basis when designing our mental health and wellbeing tools – making sure that what we do is evidence-based and clinically safe. The clinicians do that and the software engineers code it. Then we overlay cultural considerations. Our cultural experts – Māori, Pacifica and Asian advisors – allow us to understand what else you have to consider when you are working with these populations".

Clearhead uses basic demographic data collected from users (age, gender and ethnicity) to **customise their experience**. "Before you would get lumped into this approach of 'do you have depression' and if so 'then you just need counselling'. It's very one-dimensional and transactional, and doesn't really understand where the person is coming from, and why their cultural background affects how they interpret the situation they find themselves in".

"Being able to understand the cultural nuances that come from a particular ethnic background allows us to design our interactions in a way that is more culturally responsive. For example, it can be as simple as you want to speak to someone that sounds and looks like you. Say you are a migrant from Asia, and you want to speak to a mental health professional who understands that background because there's a lot of cultural context that comes with that, so instead of having to explain yourself to someone who is not a migrant, you can explain it to someone who understands".

In 2020, Clearhead launched its website and digital wellbeing assistant in Te Reo Māori, becoming the first digital mental health service in the world to support an indigenous language.¹⁷ Tikanga Māori is reflected in self-help tools including *Mindful Watching* – guided mindfulness sessions designed to improve people's mental and physical wellbeing by helping them reconnect with the whenua (land).

Case studies demonstrate the **difference this has made for Māori users**. As one user said: "Having Maori-friendly mental wellbeing resources ... helps us trust in the process. When reading kupu or words in Te Reo Māori I feel more comfortable in the setting. I am able to articulate my feelings in the Māori language because one word is able to encapsulate a number of my feelings or emotions. Reading in Te Reo Māori draws me in to the kōrero and helps me navigate the right pathway for me, bit like a wairua (spiritual) journey".¹⁸

Angela thinks the company has been successful, in part, because of the acknowledgement of culture. "One of the things we're very proud of is that the ethnic breakdown of our users correlates reasonably closely to the ethnic breakdown of the general population. To me that says that we have built something that has universal appeal, and that encompasses the diversity of people that exist in New Zealand".¹⁹

Angela says "our efforts have led to higher satisfaction rates". For example:20

- 81% of Clearhead users found the digital wellbeing assistant helpful,
- 98% of Clearhead users found therapy helpful (compared to therapist satisfaction rates of around 76% in the general population²¹),
- Average rating of 4.7/5 for Clearhead therapists,
- Average wait time of 3 days.

Another indicator is the rate at which users switch their chosen therapist. Based on data to date, the odds of this happening is 1 in every 900 sessions.²² Angela attributes this to Clearhead's AI (artificial intelligence) matching algorithm, plus the ability for users to choose their own therapist, leading to the best match possible for the individual. "We make sure the therapist you get is the right one for you, and you are empowered to pick the right one".

¹⁷ At the time of writing, Clearhead's Te Reo Māori website is temporarily unavailable while being redeveloped.

¹⁸ Clearhead, Māori user case studies.

¹⁹ 70.2% of the NZ population are European, 16.5% are Māori, 8.1% are Pacific peoples, 15.1% are Asian, and 2.7% are other ethnicities: *Ethnic group summaries reveal New Zealand's multicultural make-up*, 3 September 2020, <u>www.stats.govt.nz</u>. 65.49% of Clearhead users are European, 11.24% are Māori, 3.14% are Pacific peoples, 16.02% are Asian, and 4.11% are other ethnicities.

²⁰ Data supplied by Clearhead.

²¹ David Saxon, Nick Firth, and Michael Barkham "The Relationship Between Therapist Effects and Therapy Delivery Factors: Therapy Modality, Dosage, and Non-completion" (2017) 44(5) Administration and Policy in Mental Health.

²² Data supplied by Clearhead.