

GUIDE: Importance of leadership in cultural diversity

This guide explains why leadership is a key factor in successful cultural diversity planning and outcomes. Leaders set the tone of an organisation or department. This suite of tools focuses on supporting multicultural planners to access and influence leadership thinking and ensure leaders can be supported to be more informed and understand the realities of cultural diversity.

Why leadership matters

Without leadership buy-in and commitment, servicing culturally diverse communities is perceived as 'nice to have' but not part of core business. The capacity of leaders to understand why cultural diversity is important depends on their own cultural capability and competence.

Evidence shows there is more cultural diversity at the frontline and service delivery levels of Australian organisations than at the leadership or executive level. The people who are making significant decisions regarding resource allocation, strategy and service delivery risk being out of touch with the realities of their organisation's context and the communities they serve.

Leaders need to tap into the capacity of their diverse staff, and to know how and where to access more information from the community. This will help to influence decision-making and deliver high-quality, appropriate services.

Multicultural planning is not just about an external focus; the culture of your organisation should also reflect the community. Cultural capability must be effectively supported, accessed and leveraged internally through the cultural diversity of your staff.

By supporting increased diversity and cultural capability within your organisation, leaders can achieve:

- improved organisational performance
- cost savings
- better staff retention



- lower absenteeism
- increased creativity and innovation
- higher-quality problem-solving
- increased understanding of client groups
- enhanced organisational flexibility.

A challenge for leaders is to guide service delivery through complex change, to ensure organisational alignment and employee engagement. It is rarely possible for busy leaders to 'be across' all elements of their operations at the micro-level, so knowing what to ask, who to ask, and where to get advice is critical.

Refer to the Tools below in the **Leadership** pillar for assistance:

- [Championing cultural diversity](#)
- [Culturally capable leadership assessment](#)

Reference

AHRC USyd *Beyond the Pale: Cultural Diversity on ASX 100 Boards*, Deloitte
McKinsey 2015/2018