

Deloitte has revealed that one in three of its staff has an Asian background, but far fewer of them are breaking through to the top ranks of the accounting firm, with its partnership remaining overwhelmingly from an English, Irish and Scottish background.

The breakdown, from an internal study that analysed names and classified partners and staff into one of seven cultural or racial groups, shows 30 per cent of Deloitte staff are Asian, while making up less than 10 per cent of the partnership. This means the firm has three times as many Asian staff as the adult Australian population, but that Asians are slightly under-represented at the partner level compared with the wider community.

The revelation is part of a push to promote an open discussion about cultural diversity within the firm. The partner in charge of the project, Leon Doyle, said the firm has not set targets for cultural diversity but has goals such as having all partners practise "inclusive leadership". "Right now my aim is to make sure all of our talented people have every opportunity to make it to the partnership,"



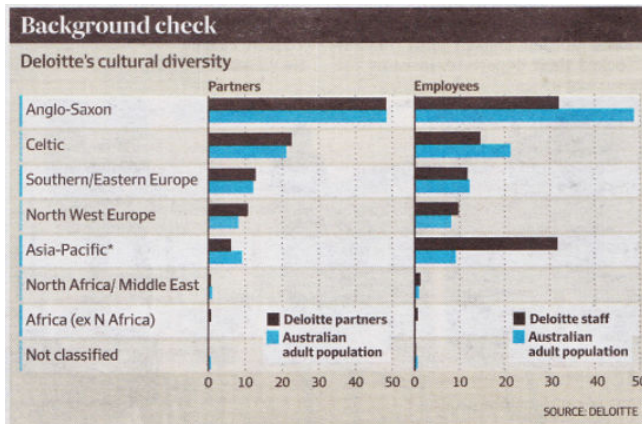
Deloitte's Andy Lim, left, and Leon Doyle, who led the internal study of workforce diversity. PHOTO: DANIEL MUNOZ

Mr Doyle said. 'I believe that setting targets based on cultural backgrounds is not effective because, how do you pick the goal? It's different to gender where the goal is to be proportionate.'

Deloitte's data aims to look at an individual's background, which is around the cultural grouping an individual identifies with, as opposed to race, which is related to the physical ancestry of a person, Mr Doyle said. "It's definitely not about race," he said. "This is about trying to understand the broad cultural diversity of Deloitte in order to help us determine how best to enable our workforce, all cultures, to tap into their full potential."

The area is tricky to measure, with each method, including names, country of birth, language, religion, ancestry and self-identification, having its own specific accuracy issues. Deloitte has taken the approach of using an external data analysis company to compare partner and staff names against a database of about 1.2 billion names and about 250 cultures globally to classify cultural background. The firm usually uses the technique to segment customers for marketing purposes and also calculates the cultural mix of the wider Australian population.

This approach has an accuracy rating of 86.5 per cent, with people who take on a married name from another culture and those who have changed their names among cases it has trouble classifying. The system does not take into account maiden names.



"We know the name-matching isn't perfect," Mr Doyle said. "For example, 'Leon Doyle' codes as Celtic despite having been born in Singapore to Chinese parents. That said, 'Doyle' is from my stepfather who is English/Irish and I would argue strongly that my values and norms strongly reflect those of someone who is from a UK background."

In contrast, EY conducts a census, while KPMG and PWC use surveys to measure cultural background. This has its own problems as staff cannot be compelled to fill out surveys and how an individual culturally identifies may be a difficult question for many to answer.

Only PWC has set targets for the cultural diversity for new partner admissions. In 2016 the target was 20 per cent of new partners to come from diverse cultural background, rising to 30 per cent in 2020. EY and KPMG, like Deloitte, does not have specific diversity targets.

Mr Doyle said the high proportion of Asian staff across its business was due to the growing number of applicants from that background. The research also found that promotions and turnover within the firm were "culture blind", with the firm assessing there was no statistical difference on either metric for European and non-European staff.

About 30 per cent of non-European staff were promoted over the study period compared with 23 per cent for European staff. Turnover at the firm was 40 per cent for non-European staff and 37 per cent for European staff.

Article by Edmund Tadros