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Managing the New Global Workforce: Fostering Diversity, Forging Consistency

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As a result of rapid foreign investment, many multinational firms now have workforces that are spread across continents and countries, and that include an increasingly complex blend of cultures and nationalities. Their challenge is to capture the benefits of a diverse workforce while also forging necessary consistency around the world. This article explores the concepts of diversity and consistency as they apply to multinational firms, and draws on examples from several leading multinationals to suggest how firms can better manage their global workforces. © 1998 Published by Elsevier Science Ltd. All rights reserved

Introduction

The explosion of foreign direct investment is one of the most important economic trends of the past decade. As recently as 1985, foreign direct investment (FDI) totalled $60 billion per year. Today, FDI is seven times as large, reaching $350 billion in 1995 alone. Just as important, the mix of foreign investment has changed. A decade ago, more than 80 per cent took place among the major industrialized regions of Europe, North America, and Japan. Today, FDI increasingly includes emerging markets of Asia, Latin America, and Central and Eastern Europe. Foreign investment of all kinds is up: greenfield factories and design centers, cross-border acquisitions, joint ventures, and expansion of existing activities.

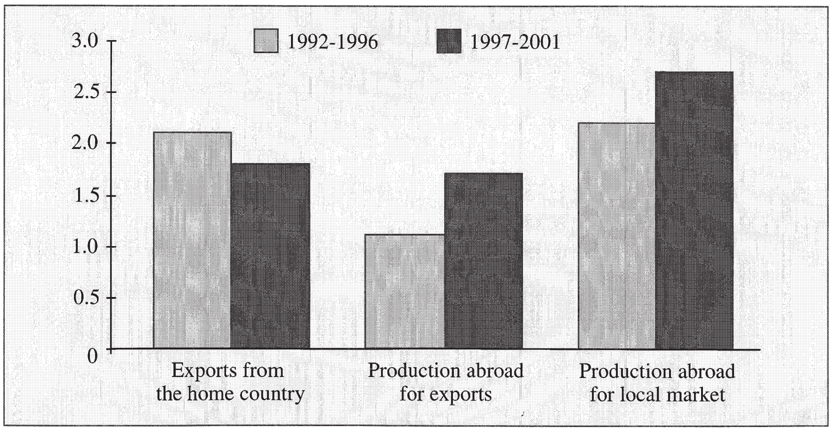
As a result, many companies have an increasing share of their sales and assets spread around the world. But another effect is less understood. Thanks to rapid foreign investment, many companies now have a much greater proportion of their workforce outside the home country. No longer are the great majority of employees located in the country of origin, or even in major industrialized countries. Increasingly they are spread broadly across the globe, and include a broad mix of nationalities, languages, and cultures.

Let's take a few examples. In 1991, ABB had 195,000 employees, with the greatest number in Switzerland, Sweden, Germany, and the United States. Just five years later, employment had declined in each of those countries, but had almost doubled in Asia, Africa, and the Middle East, going from 24,000 to 43,000. In late 1997, ABB announced 10,000 further job reductions in Europe and the United States, while planning further expansion in Asia. Once heavily centered in Europe, ABB's workforce is now spread broadly around the world.

The same trends hold for major American firms. In the last decade, General Electric has expanded rapidly in Europe, Latin America, and Asia, setting up new factories and design centers. Between 1993 and 1997, while GE's US workforce edged upwards from 157,000 to 165,000, its workforce overseas almost doubled, from 59,000 to 111,000. And that's only the beginning. GE plans to invest an additional $40 billion in Asia from 1998 to 2002. America's premier industrial firm enters the 21st century with a global position and a global workforce.

Asian firms are no exception. In 1986, Matsushita Electric had 138,000 employees in Japan and 44,000 abroad. Ten years later, Japanese employment had risen 14% to 158,000, while foreign employment was up *245%* to 108,000. Today, Matsushita has more than 40% of its employees outside Japan, spread across dozens of foreign countries from Southeast Asia to Europe to the Americas.

Table 1A Projected Exports and Production Abroad, 1992–1996 and 1997–2001



Source: UNCTAD, Invest in France Mission and Arthur Andersen, in collaboration with DATAR (1997).
Note: Average of response, where 0 = not used and 4 = frequently used.

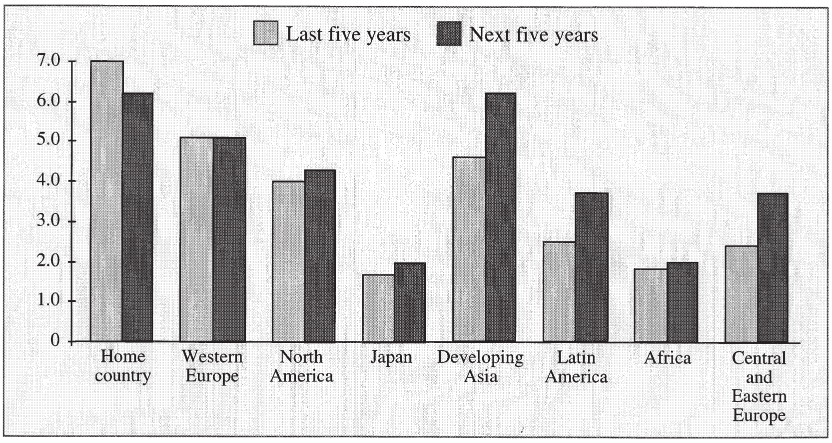
These firms and many others, small as well as large, service as well as manufacturing, have workforces that are distributed broadly across continents, and increasingly in emerging markets of the world. They include people from many countries and cultures, speaking many languages and educated in very different systems, and the trend continues. As estimated by the United Nations, shown in Tables 1 and 2, many firms will continue to favor foreign investment over domestic investment over the next years, and much of this investment will be in emerging markets.

How are companies responding to the changing shape of their workforce? Many have emphasized the need to manage *diversity*. Their newly diverse workforce should be, they maintain, a source of strength, not a weakness. Some issue statements saying that 'Our diversity is an opportunity.' They look for ways that diversity can be used for competitive advantage. These efforts are well-intended, but they don't capture the full challenge. Why? Because in the face of accelerating international growth, companies have to do more than capture the benefits of workforce diversity. They also need its opposite: *consistency*. As companies expand into new markets, one of their greatest challenges has to do with hiring a local workforce and bringing about needed consistency in the performance of key tasks, the delivery of products and services, and the ways employees all over the world can work together.

In brief, the challenge facing multinational firms today is to *forge consistency* in a global workforce while also *fostering diversity*. It is a complex challenge, and requires a delicate blending of opposing forces, yet it is of fundamental importance.

In the rest of this article, I examine the concepts of diversity and consistency in multinational firms. I explore the concepts separately, then together. I also provide some specific steps, supported by examples

Table 1B Investment Priorities, by Area, 1992–1996 and 1997–2001



Source: UNCTAD, Invest in France Mission and Arthur Andersen, in collaboration with DATAR (1997).
Note: Average of response, where 0 = not used and 4 = frequently used.

from leading firms, for capturing the benefits of both consistency and diversity in a global workforce.

What Do We Mean by 'Diversity'?

'Diversity' can refer to many things. When it comes to workforce management, it commonly has two meanings, one having to do with numerical composition, and one having to do with inclusive behavior.

Diversity as Numerical Composition

Most frequently workforce diversity is thought of in terms of numerical composition. A 'diverse workforce' is one that reflects the many different kinds of people in the community or society, usually meaning people of different ethnic origins, men and women, educational experiences, professional backgrounds, and so forth. When a firm says it must increase its workforce diversity, it usually means hiring more women and ethnic minorities, or citizens of different countries, and promoting them more fully into all levels of the company. The emphasis is on numbers.

Why is diverse composition of the workforce important? One reason has to do with legal compliance. In some countries, workforce diversity is mandated by law. Another reason is a sense of fairness—to many managers, it seems equitable and just to compose a workforce broadly. Much of the writing about diversity comes from the United States, where a diverse workforce commonly refers to racial and gender composition, and can also refer to age, sexual orientation, physical abilities, and religion. Many US firms make a deliberate effort to recruit and promote women and ethnic minorities. For example, the largest American automakers—Chrysler, Ford, and General Motors—present in their annual reports the gender and racial composition of their workforces, showing the change from one year to the next. These firms and others find it important to show that their workforce reflects the broad diversity of American society.

Diversity in numerical composition is also important for access to specific market segments. For example, many companies have learned to put women into positions that interface with female clients, and similarly many companies in the US hire Hispanic–Americans to reach the rapidly growing Hispanic community. The emphasis is still on numerical composition, but more for instrumental reasons than legal compliance or a sense of fairness.

Diversity as Inclusive Behavior

Diversity means more than just numerical composition—it also has to do with behavior. It suggests an attitude that respects individual differences, that values all employees, and that fosters an environment where all employees can succeed.

Why is it important to encourage and support diversity of behavior? First, so that all employees feel part of the firm and empowered to develop themselves fully. Intel Corporation is one firm that has defined diversity in this way. Its statement, 'Workplace of Choice,' explains:

> We strive to be a workplace of choice in which people of diverse backgrounds are valued, challenged, acknowledged, and rewarded, leading to increasingly higher levels of fulfilment and productivity.[1]

A workplace that respects diverse behavior may bring the best out of each individual. But the benefits don't stop there. The combination of people from different backgrounds and with different ideas can lead to better overall performance. Groups consisting of people with different world views and experiences can share ideas and perspectives, inspiring new solutions to problems. To some observers, the greatest benefit to diversity has to do with sharing ideas and increasing organizational effectiveness. According to this view, capturing the full benefit of diversity means creating a whole that is more than the sum of its parts.

Diversity in numerical composition and *diversity in behavior* are of course related. It is hard to have one without the other. Diversity in composition is needed to achieve diversity in behavior—it's hard to get breadth of experience and perspective if employees are overwhelmingly of the same race, gender, education, and professional background. At the same time, diversity in behavior creates an inclusive work environment which can attract and retain a broad cross-section of employees, leading to diversity in numerical composition. Each reinforces the other.

Not surprisingly, many companies naturally think of 'diversity' as a broad term that encompasses both numerical composition and information sharing. At Coopers & Lybrand, for example, gender diversity has been a major priority. Why the importance placed on women in partner positions? One executive put it this way: 'The face of our buyer is changing and they expect people who serve them to represent them. And real diversity brings more creative solutions to our clients.' To Coopers & Lybrand, the benefits of diversity are clear: diversity in composition helps mirror the client base, and diversity in behavior leads to improved decisions.[2]

Diversity in Multinational Firms

Diversity is important in all firms, but takes on particular importance in multinationals. As we saw above, the surge in FDI has created a new global workforce, with a more complex set of nationalities, cultures, and educational backgrounds. In terms of sheer numbers, workforces are already more diverse. But having a diverse workforce is one thing; capturing the full benefits of diversity is something else. In fact, it is more imperative than ever for multinational firms to think clearly about the nature of diversity, and to take steps to make the most of diversity.

Diversity in numerical composition is critical for multinational firms for several reasons. Again, a first reason is legal. Many countries impose limits on the number or the proportion of expatriates. For example, Colombian law stipulates that the subsidiary of a foreign company must be 90 per cent composed of Colombians. Just as importantly, operating successfully in national markets calls for a workforce that speaks the local language, understands traditions and rules of behavior, and interacts effectively with local customers, public officials, and other stakeholders. Expatriates may be helpful in getting a new subsidiary established and transferring practices to the local operation, but over time it is important to bring local managers into key decision-making roles. At Gillette, diversity among its top managers is a high priority. Gillette's president, Michael C. Hawley, explained: 'I don't think you can be a global company and say you have Americans running it'.[3] Two of Gillette's four executive vice presidents are Europeans. Its business in the former Soviet Union, to offer just one example, is headed by a Frenchman, supported by an Egyptian controller, an English sales director, and officers from Pakistan and Ireland.

Just as important for multinationals is diversity in behavior. A first priority, critical to hiring and retaining employees, is creating an inclusive work environment. In rapidly growing markets, such as China and central and eastern Europe, competition for local talent is intense. Offering a higher salary is not enough—employees who are attracted by a high salary might one day leave for more money elsewhere. Providing opportunities for development and career advancement is a better bet to attract the best new talent. Firms that value and reward diversity will retain key employees, reducing costs associated with new hiring and training.

Diversity of behavior is also vital to stimulate creativity and innovation. Because it brings together people of different experiences, perspectives, and backgrounds, a diverse workforce has the potential to achieve higher performance than a homogenous workforce. Many multinationals recognize that the cultural diversity of their workforce is a major asset, bringing a wealth of viewpoints, traditions, and ways of solving problems. By leveraging diverse viewpoints and experiences, individuals can learn from each other and the company can increase effectiveness. One multinational that has thought explicitly about the benefits of diversity is the consulting firm, Cap Gemini. Its CEO, Geoff Unwin, noted: 'Diversity brings a lot to the company…. When people think differently, it puts a different perspective on problems. We exploit that.' (Financial Times, 1998)

The Limits of Diversity

For all the reasons listed above, many multinational firms agree that diversity—both in numerical composition and in behavior—is a high priority. Yet in practice, benefiting from diversity has proven quite difficult. Why should this be so? One reason is that diversity in multinational firms is much more complex than in primarily domestic firms. In the United States, for example, a workforce may be diverse in race and gender but is still very homogenous along a number of other dimensions: use of language, assumptions about the economic system, educational background, and in some basic cultural values. By contrast, multinationals confront diversity on a great many dimensions. For starters, they contend with differences in language-communication at its most basic level among employees which may be problematic. They also face differences in culture, manifested in styles of management, attitudes toward hierarchy, approaches to teamwork, ways of expressing agreement and disagreement, participation in decision making, and so forth. Moreover, employees in different countries may operate in markedly different economic systems, legal systems, educational systems, and labor markets.

These many dimensions present the multinational firm with a bewildering problem. Is diversity on *all* of these dimensions expected to be a source of advantage? Can they really imagine that more diversity on all these dimensions will be helpful? Or might differences on some dimensions be a source of fragmentation and conflict? Of the many dimensions we can identify, which are most worthy of attention—language, culture, education, race, gender, age, religion, or some others?

Whereas many US firms begin at a point of relative employee homogeneity, and try to promote greater diversity in racial and gender representation, the multinational firm begins from a point of relative heterogeneity. Given this starting point, multinational firms cannot push only for diversity; they must also try to establish and maintain some measure of consistency and cohesion among disparate parts. As they expand around the world, bringing local citizens into their workforce, they face an opposite and equally important challenge: how to forge consistency.

What Do We Mean by 'Consistency'?

There are two elements of consistency: consistency of output, and consistency of behavior. Consistency of output refers to the nature of goods and services provided to customers and stakeholders: quality, reliability, service delivery, and so forth. Achieving consistency in output is a basic requirement for any high performing firm.

How do companies achieve consistency in output? By emphasizing consistency in behavior. By training employees in specific ways. By forging shared values and establishing common ways of communicating. By developing processes and practices that are used effectively throughout the organization, allowing employees to interact efficiently.

Consistency in Multinationals

Forging consistency for any company is a challenge, but for multinationals, with operations spread across the world, it is a monumental challenge. Take Heineken, the world's leading international beer. Heineken is brewed and bottled at more than 120 sites worldwide, from Singapore to Capetown to its largest brewery in Zoeterwoude, outside of Amsterdam. The quality of its beer has to be absolutely consistent, batch after batch, year after year, no matter the continent or culture. Brewery workers, scientists, technicians—Heineken's workforce has to do things the same way everywhere.

Consistency of output is also critical in multinational service firms. The customers at Accor's leading hotel brands, Sofitel and Novotel, are globally mobile. They expect the same level of service whether in France, in Brazil, or in Korea. Yet Sofitel and Novotel operate in more than 35 countries and on six continents. Other leading multinationals, like Andersen Consulting, J.P. Morgan, and SAP, all have multinational firms as their clients. Excellent service on a consistent basis is essential.

How do these far-flung multinationals bring about consistency of output? By focusing on consistency of behavior. They all pay close attention to employee selection and place great emphasis on training. Heineken brings key employees to Zoeterwoude for technical training. Accor also relies on careful selection and offers extensive training, both at its Academie Accor in France and on-site at thousands of hotels around the world. The goal: to make sure that everywhere in the world, key tasks are performed in a similar manner.

Achieving Consistency *and* Diversity

Any company seeks the benefits of diversity while also bringing about consistency in output and behavior. But for multinationals, with workforces increasingly dispersed around the world, the challenge is even greater. Greater geographic dispersion means a greater need to respect differences, to make use of divergent ideas, to attract and retain a wide variety of employees. At the same time, the broadly dispersed nature of the global workforce means that achieving consistency is more important than ever.

How well have multinationals adjusted to the new global workforce? The record so far is decidedly mixed. A few multinationals have expanded so quickly, and so dramatically, that they haven't been able to forge coherence and consistency among employees around the world. The result is erratic product quality or customer service, and poor international communications for the lack of clear processes and shared ways of making decisions. But even more common are multinationals so concerned with maintaining consistency, especially as they contend with geographic complexity, that they overlook the need for diversity. They train local employees according to the established ways of doing things, but miss opportunities to use new ideas. They find it hard to attract outstanding talent into their organization—after all, why would a talented local manager want to join a company that doesn't foster diversity? In either event, these firms may design brilliant global strategies but cannot fully implement them since they have not developed a workforce capable of achieving high consistency while also benefiting from diversity.

Recommendations for Multinationals

How can multinationals foster diversity in their global workforce while also forging consistency? There are no easy answers, but the experiences of several successful firms offer some practical guidelines:

Recognize that Diversity and Consistency are Two Sides of One Coin

For starters, multinationals must recognize that diversity and consistency are both essential for high performance. The challenge is not to promote diversity alone, for that could suggest that 'anything goes' or that 'all differences are good'; nor is it to insist upon rigid conformity of behavior around the world, which negates the benefits of diversity. Rather, it is to identify the key elements of consistency needed to succeed, and to make the most of diversity in other dimensions.

The place to begin is with a discussion of consistency. What, a company should ask, are the qualities of conduct and the elements of behavior that we all should share? What should all members of our firm have in common? This exercise can help clarify where consistency is important and where it is not. The point is to identify the common spine that holds the organization together. Of course, what also becomes clear is that most of these qualities have little to do with many dimensions of diversity, including national origin, religion, gender, or race.

One company that has explicitly identified a set of basic behavioral norms is Nestlé. The world's largest food company, Nestlé has 459 factories and 200,000 employees spread over the world. Given this broad dispersion of activities, the firm takes several measures to forge consistency. It describes clearly the qualities of a 'Nestlé Manager,' applicable the world over. It articulates its principles of organization. It states explicitly the 'Basics of the Nestlé Culture,' including a shared commitment to pragmatism, personal modesty, and product quality.

But Nestlé is not concerned solely with forging consistency. As a vast and decentralized organization, whose products must conform to local tastes, and where innovation is essential, it must encourage local decision making. In formulating beverages, in devising advertising campaigns for confectionery products, and in countless other cases, employees have to take account of local conditions. The nature of Nestlé's industry makes local initiative all the more important. Because food products are closely linked to local eating and social habits, they have to be tailored to each locale. Diversity is therefore an explicit policy:

> Nestlé makes an effort to integrate itself as much as possible into the cultures and traditions of the different countries where it operates. Nestlé, therefore, accepts cultural and social diversity and does not discriminate on ethnic, religious, or any other basis.[4]

For Nestlé, the emphasis on consistency in some things while supporting diversity in others is not a contradiction, but a pragmatic way to bring about coherence on a core of values as well as creativity and responsiveness on a range of issues.

Allow Greater Importance for Either Diversity or Consistency, Depending on Strategic Imperative

Although diversity and consistency are both important, at any given time one or the other may be more important. After all, firms are not monolithic. They are composed of many subsidiaries and business units, at different stages of evolution and facing different challenges. Depending on the circumstances, greater emphasis may be given to diversity or consistency.

Take initial entry to a new market. For many firms, the immediate priority is to forge consistency—that is, to make sure that local employees are trained on key tasks, that they comply with safety standards, and are able to deliver needed output. As we saw above, Heineken operates 120 breweries in 84 countries, some of which it owns fully, some owned partially, and others which it runs under licence. The need for workforce consistency at Heineken is obvious. Not surprisingly, when starting a new brewery the primary emphasis is on forging consistency. Sharing new ideas and making the most of diversity is less important, at the outset, than ensuring consistent output. As an example, Heineken created a joint venture in Vietnam in 1991, and over the next 18 months hired more than 200 people, most of whom had never worked in a private company, much less a brewery. Heineken's single most important task was to train these new employees so that rigorous global quality standards would be met. Forging consistency took precedence.

Allow Local Units to Identify Their Most Important Dimensions of Diversity

After forging initial consistency, fostering diversity may become more of a priority. But again, various divisions or countries may have different needs regarding diversity. While corporate headquarters may be tempted to define the key issues, some multinationals take a different approach, asking local business units to define the key dimensions of diversity for themselves. These units may be asked: *Where could active sharing of information and ideas be most fruitful*? and: *Where are relations among our employees most problematic*? Once local units define their most important dimensions of diversity, they may take steps to address misunderstandings and misperceptions, and thereby benefit not only their local unit but the broader multinational.

One leading firm with a strong commitment to making the most of employee diversity is British Petroleum. Rather than taking a centrally-driven approach, BP has encouraged several local units to define for themselves their most pressing concerns about diversity. For one unit, the interaction between local nationals and expatriates was identified as an area for improvement. In another, gender relations was the key topic. For still another unit, the challenge of managing diversity involved the ethnic diversity of the local workforce. Each unit could then take steps to improve diversity—both in terms of numerical composition and also building an inclusive work environment—adhering to one overarching view of diversity, but allowing local adaptation. The result was not only a more fine-grained approach, sensitive to the needs of particular units, but also helped create a sense of confidence, as each unit could define its own priorities.

Emphasize Joint Problem Solving and Collaboration

One of the most important benefits of diversity in a multinational firm is the promise of collaboration and joint problem solving among units around the world.

Getting employees from different nationalities and traditions to work well together sounds easy—but actual examples are not abundant. The need for consistency often results in a single approach, usually reflecting the dominant home country culture, applied everywhere in the world. Consistency is achieved, but there is a corresponding failure to capture the benefits of local experience and insight.

One company that has made significant strides to capture the benefits of joint problem solving is Mercedes-Benz. Consistency is critical—its automobiles have to meet the highest standard of quality. 'In Germany,' said one manager, 'we don't say we build a car. We say we build a Mercedes.' (Vlasic, 1997) Until a few years ago, Mercedes-Benz designed and built all its passenger cars in Germany. Achieving consistency was made easier by having relatively few plants, located close-by, where employees spoke German and shared a common culture. But in 1993, Mercedes-Benz announced it would build a new sports utility vehicle plant in Vance, Alabama. Whether Mercedes could maintain its quality while manufacturing in a different part of the world, with a different set of workers, was not obvious. Its challenge: to achieve consistent quality while also capturing benefits of diversity.

Over the next years, Mercedes-Benz explicitly sought to bring about consistency in workmanship and quality, while also retaining and even building upon the particular capabilities of an American workforce. Rather than impose a German approach of hierarchy and rigidity on American workers at the new sports utility vehicle plant in Vance, Alabama, Mercedes made a concerted effort to blend its traditional emphasis on quality and workmanship with distinctly American norms of informality and openness. The result has been a successful new venture that builds on the strengths of both cultures. '*Not Invented Here*' has been replaced by '*We Invented It Together*.'

Facilitate Constructive Discussions About Diversity

A diverse workforce inevitably introduces friction and misunderstanding. Even if the benefits of diversity are accepted by all, the day-to-day experience of working with people of different cultures, languages, and educational systems is often frustrating. Accordingly, multinationals must do more than assert the importance of a diverse workforce; they must take steps to facilitate communication, understanding, and exchange of ideas. One place to start is to create an environment where it is safe to discuss differences—that is, where differences may be talked about in a constructive and positive way.

One multinational that has addressed the issue of national diversity head-on is Bull, the French-based computer company that acquired a division of Honeywell in the United States in the late 1980s. Misunderstanding between French and American employees persisted for some time after the acquisition. Rather than let these problems fester, Bull conducted employee discussion groups about cultural differences, bringing together American and French employees and allowing them to express their perceptions and feelings in their own language. The discussions were videotaped, edited, and used for teaching purposes throughout the firm. The effort had several intentions: to help teach and communicate about differences; to legitimize the open discussion of differences, and to let employees see that frustration and anxiety is often normal in the discussion of differences (Intercultural Press).

Monitor Progress in Numerical Composition

I noted above that diversity in numerical composition and in behavior are both important, and in fact that each is needed for the other. But if broad numerical composition is not *sufficient* to make the most of diversity, it is to some degree *necessary*, for without a good mix of managers there can be little hope of effectively sharing knowledge. Multinational firms should therefore monitor diversity in hiring and in management development. The point is not to promote based on narrow numerical criteria, but to be alert for signs that promotions tend to favor one group—whether nationality, gender, educational degree, or some other—more than another.

At one leading European industrial firm, several efforts have been made to encourage diversity in management ranks. To identify young managers and not rely too heavily on seniority, it is requested that any short list of candidates for key management positions should include at least one person under 35 years of age. This approach forces managers to think beyond seniority and helps bring talented young managers to the attention of executives. Any short list of candidates must also include people of different nationalities. To break the continual reliance on expatriates, it is requested that at the time a manager is sent abroad, a local manager is designated as his or her successor. This way, the expatriate will not merely be replaced by another expatriate. These steps are not intended to produce a rigid quota system for managers, but to force executives to think broadly about potential candidates, and to break the mindset that the 'right' manager must fit a certain mold.

Lead from the Top: It All Starts with the CEO

Finally, strong commitment from the chief executive is essential when embarking on any effort to forge consistency and to foster diversity. Without a clear message, sent strongly and repeatedly from the top, little success can be expected.

One multinational that has been successful in forging consistency while fostering diversity is Hewlett-Packard. Consistency is seen in the set of management principles known as the *HP Way*. Employees everywhere find a commitment to openness, to respect, to informality. These are the bonds that hold HP together. Consistency is also critical in the processes used for product design and manufacturing. Global customers call for a consistent approach to service and support. In all these areas and more, HP strives for consistency in its workforce. At the same time, there is an explicit emphasis on diversity. As one company document explained:

> Diversity is much more than a program or a legal requirement at HP; it's a business priority for several compelling reasons. We sell to a diverse, global customer base. We operate in many countries and cultures, where we need to attract and retain outstanding employees and partners. In addition, a culture that fosters respect for and appreciation of differences among people clearly helps teamwork, productivity, and morale (Hewlett-Packard, 1994)

How does HP achieve both? In part through the clear leadership and relentless communication of its CEO, Lew Platt. Upon becoming CEO in 1992, Platt found that years of growth and global expansion had eroded confidence in the *HP Way*. He promptly elevated its importance and visibility, and reaffirmed it throughout the workforce. At the same time, Platt took a strong and visible role in supporting the company's efforts regarding diversity. In the 1994 and 1995 annual reports, Platt stated the importance of diversity. He outlined his commitment to the company and its stakeholders: 'Our diversity efforts are focusing on creating a work environment where all people can contribute to the company and have an opportunity to reach their personal goals.' He also participated in an executive diversity workshop in 1993, which preceded a broader Diversity Leadership Council in 1995. Platt's active participation in these efforts, rather than paying lip-service, sent a strong message company-wide about the commitment of the chief executive.

Box 1: Elements of Diversity

Diversity in numerical composition
* Numerical composition for legal compliance
* Numerical composition for market access

Diversity in behavior
* Better individual performance through inclusion
* Better group performance through knowledge exchange

Conclusion

For large multinationals like Nestlé, Heineken, Mercedes-Benz, British Petroleum, and Hewlett-Packard, the importance of forging consistency and fostering diversity has long been apparent. For other firms, only recently multinational, the need is only now becoming clear. But with recent shifts in the global workforce, more and more firms are recognizing the challenge.

A global competition centers more and more on knowledge, creativity, and human talent, multinational firms are finding it more and more important to make full use of their entire workforce, tapping the creative energy and talents of all their employees. Their task is to find ways of succeeding not *in spite* of a diverse workforce, but *because* of it. At the same time, consistency is more important than ever. The integration of activities calls for close communication and reliable interaction. The presence of global customers requires a single integrated approach to product delivery. Consistency as well as diversity is key.

Striving for consistency and fostering diversity is a continual process. There is no final resting point where a firm attains high consistency and high diversity once and for all. Managers cannot grasp consistency and diversity in a single step; they have to continually improve both, now pushing consistency and then stressing diversity, emphasizing commonality and deriving the full benefits from differences. When the multinational sets up a foreign subsidiary and hires a local workforce, it emphasizes *consistency*. When it tries to make the most of capabilities around the world, it stresses *diversity*. Sharing expertise requires a common single language or a shared information system—that brings us back to *consistency*. Integrating local nationals into important management positions means *diversity*. But a company will only feel confident putting local nationals in key positions when they have sufficient experience, and sufficient credibility, to do a good job—when they are *consistent* with managers everywhere else.

The best multinationals know that forging consistency and fostering diversity is a continuing processes. They stress consistency in some functions and emphasize diversity in others; they emphasize diversity in some areas and demand consistency in others. They understand both as a never-ending process, as means not ends. Yet thinking explicitly about consistency as well as diversity, and coming to see them as complementary, rather than as opposites to be bal-

Box 2: Elements of Consistency

Consistency in output
* Consistent product quality
* Consistent service delivery

Consistency in behavior
* Consistency in how we communicate
* Consistency in how we interact

anced, is a vital step toward successfully managing the new global workforce.

Notes

1. Intel Corporation (1997) *Annual Report*, p. 28. Also: www.intel.com/intel/community/workplace
2. Ms Iris Goldfein, Vice Chairman, National Human Resources, quoted in Financial Times (1997) May 26, p.8.
3. William C. Symonds (1998) 'Gillette's edge,' *Business Week*, January 19, p. 47.
4. *The Basic Nestle Management and Leadership Principles*, Nestle company document.

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