Book Profiting from Diversity

The Business Advantages and the Obstacles to Achieving Diversity

Gloria Moss
Palgrave Macmillan, 2010
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Recommendation

Editor and compiler Gloria Moss, a leader in the diversity field, chose this collection of highly readable, scholarly articles on the theme of diversity. Her choices showcase few of the precooked lists and callouts that mark most business books. If you're prepared to stretch your reading muscles, few topics deserve more careful attention than diversity. The articles have a European slant, but points that are widely applicable emerge, among them: Companies that don't foster an open, diverse work environment fail to generate the best ideas or earn as much money as they could. Thus what's good for humankind is also good for business. When firms try to make everyone conform to the dominant culture, they lose competitive advantages. *BooksInShort* recommends this book to human resources professionals who are bringing diversity into their firms and to executives looking to model mind-sets that enable diversity to flourish.

Take-Aways

- True diversity can help your business internally and externally.
- Diversity means honoring difference and allowing it to flourish.
- Diversity and equality are not synonymous.
- As a leader, you have to push to improve your diversity numbers.
- Nurture your new diverse workforce by shifting the perceptions of your old workforce.
- Minorities who join your firm often will adapt to the majority's norms.
- Adding diversity to your design aesthetic can help your products reach a diverse market.
- "Diversity specialists" face many obstacles; they need support from top leaders.
- To gain access to stable older workers, avoid ageism. For instance, strip age indicators out of your application process.
- Disabled workers can also add to your workforce. Help them find tasks they are passionate about, and work to overcome other workers' preconceived notions.

Summary

Why Diversity? The Business Case

Research is beginning to confirm that diversity yields direct "business benefits." Yet the approaches firms use to promote diversity often hinder the reaping of those benefits. For example, the equal opportunities policies introduced in the US in the '60s and '70s led to the inclusion of more minorities in work cultures, which then insisted that those minorities "adopt the norms and practices of the majority."

"Managing diversity should not be seen as separate from the learning organization and should...refresh such approaches with principles of diversity by adopting a complimentary approach."

Those in privileged positions often define traits such as "best," "brightest" and "merit." If you want to maximize your employees' strengths, think more broadly about individuals and their abilities. Talking about differences and "the features that characterize certain diverse groups" could be good business. Having a diverse set of employees will inevitably help improve or maintain your workforce's quality, enhance your "market understanding," and increase creativity, innovative thinking, and "problem solving" aptitude among all those in your working staff.

How Diversity Fits in Your Strategy

Markets are diverse; your customers are diverse. Your teams must shift quickly to meet client demands. Diversity can and should be more than a nod to "legal compliance"; it should feature strongly in your company's strategy. To understand the range and meaning of diversity, keep these four kinds in mind:

1. **"Workplace diversity"** – This involves such factors as gender and race.
2. **"Cognitive and behavioral diversity"** – This encompasses "work styles" and "learning styles," as well as ways of thinking.
3. **"Structural diversity"** – This occurs when departments or teams commingle or do business across internal corporate boundaries or divisions.
4. **"Business and global diversity"** – This includes variety across "markets, products" and "operating environments."

"Nearly two-thirds of change efforts fail. Equality specialists need to be resilient and persevere."

Leaders should be aware of their firms' "diversity density," which measures the presence of an organization's diversity across the institutional hierarchy. Leaders with a diversity mind-set do not relegate diversity to subordinates or the usual processes. They see diversity as a business strategy and thus their responsibility. Organizations today must learn with ease and be agile enough to apply that learning to their current environment. Learning cultures support diversity initiatives, and vice versa. Both are in the business of developing human "potential." As your staff becomes increasingly diverse, expand its "pool of potential" by reaching customers with different outlooks, interests and needs. To employ diversity as part of your strategy, attempt to move through four "quadrants," as suggested by business expert Michael L. Wheeler:

1. **"Creating"** – Build a diverse workforce.
2. **"Managing"** – As you construct it, retain "mission critical staff" and deal with any rifts that result.
3. **"Valuing"** – Go beyond mere compliance, so that your organization views diversity as a "value or mind-set."
4. **"Leveraging"** – The benefits of true diversity include enhanced relationships with "local communities" and "improved product development."

Diversity Case History: "Women Managers in Latvia"

The large number of female managers in Latvia (41% in 2006) offers a case study of how gender diversity influences companies for the better. For example, women bring more emotion to their jobs. This leads their colleagues to invest more powerfully in work and increases the "emotional engagement" of those working for female managers. Female attributes also affect:

- **"Decision making"** – Women are more likely to take a long-range approach.
- **"Results"** – Women focus more on objectives and action, while men are more interested in "process" and "power."
- **"Management style"** – Women prefer a "participative" or "democratic" management style, which allows many voices to be heard.
- **"Teamwork"** – Women managers establish more personal relationships with their employees and tend to be natural consensus builders.

"The phenomenon of recruiting in one's own image is not unusual."

These attributes point to a "transformational" style of leadership. However, these characteristics often disappear when only a few women lead. Under those conditions, women tend to adapt to the majority's masculine and more "transactional" style of leadership, potentially burying a valuable, results-oriented method. "It could be said that women will always be more concerned about others due to their role within the family, whereas men may place a higher value on power."

"The Obstacles Faced by Equality and Diversity Specialists"

Equality and diversity HR specialists often approach their work from the point of view of "fairness" or from a belief that a diverse workforce is good for business. Yet regarding everyone equally is not the same as valuing diversity, wherein you celebrate and make room for the ways in which people differ.

"Discussion of 'merit' and of the 'brightest' people rising to the top are often problematic given that these terms assume a common norm and there is no questioning as to whether the norm is that of a particular group."

Some argue that humans naturally regard anything different as "suspicious." If so, then equality and diversity specialists have their work cut out for them. They might struggle against a prevalent organizational culture that submerges individuals in the collective. Embedding diversity takes great care and effort. Promulgating a set of regulations can be counterproductive. People need to contribute to and understand new policy before they can perceive what they might gain from it. They also need to see top managers taking part. Without participation and support from higher executives, equality and diversity specialists are spinning their wheels.

"The literature on 'diversity' and the 'learning organization'...both aim to release the potential of employees for the benefit of the organization, and both rely on a supportive culture and supportive infrastructure."

Ironically, diversity specialists face problems resulting from legislation generated by society's attempts to "impose equality on itself." Such legislation can anger workers, making equality and diversity seem like "unnecessary political correctness and a cause for increased workload." Legislation can lead to a surface-oriented diversity, wherein the numbers look good on a report, but the culture remains unchanged.

"Conflict is not necessarily a bad thing since conflict can lead to creative solutions."

In such an environment, the only change takes place within the minority individuals, who may likely "adopt the behavior and attitudes of the existing organizational culture." Improving diversity "in a statistically objective sense" matters, but leaders must also elevate an organization's internal "perception of diversity."

"Design Diversity: The Organizational Obstacles"

A product that customers consider to be "a vehicle of self-expression" tends to succeed in the marketplace. Going deeper, products that reflect more innate preferences (based on, say, gender) also can win consumer loyalty. Current research calls for increased attention to diversity when designing products. This attention drives companies to offer designs to "demographic groupings" or to "reflect the designs that are typically produced by that grouping."

"The dominant male model prevalent in organizations makes it difficult to hire staff whose perceptions and preferences are at odds with those of the male model."

Those who generate change inside your company may not be aligned with outside forces that affect the organization. If, for example, "men outnumber women in...the design disciplines," research suggests that congruence between consumer desires and "those creating designs and advertising" suffers. To overcome such subtle issues in design production, groups must work against their "natural preferences."

"It may be possible to train a man to think like a woman, and vice versa, but targeted and repeated training is likely to be necessary."

This argues for hiring employees unlike the staff members you already have – and that can lead to bumps in the road. "Diversity can create conflicts, and in fact frequently does, which in many cases leads managers to resist allowing diversity." People (in the case of this research, men) tend to hire and promote employees similar to themselves. Your firm can combat this tendency – known as the "homogeneity principle" – through innovative recruitment that attracts a more mixed sample of potential employees.

"For many people, ageist attitudes are in-built, and age stereotyping and age discrimination are institutionalized."

A growing body of research suggests that "congruence," or "shaping products around customer preference," allows latent value in your design and marketing activities to connect to "segmented values" in the market. Evidence suggests, for example, that both males and females prefer visual templates created by designers of their own gender. Thus, understanding your customers' preferences becomes crucial to profitability. How do they see themselves? What is their "self-concept?" If you answer these questions, and are willing to experiment with design diversity, you may find new ways to profit.

"Tackling Ageism" in Employment

Ageism affects all workers, not only the old. It can affect anyone of any age, because it typecasts people "based solely on their date of birth." Ageism can cause discrimination within your organization – for example, in the hiring process. And you must address it.

"Ageism in employment is not only socially unjust but also counterproductive economically."

As with other equality issues, your company cannot cure ageism by simply "rewriting all policies." People need to change how they view age. On the practical level, age need not be a reason to hire, promote or fire someone. If you stay focused on factors, such as "competence or ability," you can make choices that nourish your workforce and organization. Additionally, an "age diverse workforce" conveys many benefits, including a decrease in "short-term absences," a rich palette of knowledge and abilities, and "access to a wider customer base." If your company follows ageist practices, it sends a message to all workers about a rigid, externally imposed limit on their usefulness.

"Despite being at or near retirement, many older employees want to carry on making contributions at work, even if they are less interested in career development opportunities."

On the HR front, consider removing criteria that address age from your recruiting materials. Take a look at your brand. Does it present the company as open? Would it be attractive to a range of people? And does your workforce reflect the brand?

When hiring, stick to "objective, criteria-based assessment." Avoid creating a bias by never focusing on the age of the candidate. In the earliest stages of recruitment, eliminate age altogether by processing candidates in online or telephone forums. Once you make an offer, focus on "the value of the individual's contribution," not on his or her age.

"[The] alignment of diversity with business initiatives guarantees a more coherent and integrated approach to diversity."

To retain employees, consider flexibility in multiple areas. Do people have opportunities to experience "stretch assignments"? Do you reward them beyond payment? For example, do you promote a healthy balance between work and life, or find ways to make it easier for them to leave employment and retire? All workers have different "needs and preferences." Your reward system should take that into account – especially with a diverse workforce.

Disabled People and Employment

Like other minorities, disabled people face numerous complexities when getting a job and rising through the ranks. Technology allows disabled people to do work that they might not be able to do without it. But not all technology "is accessible and designed and implemented to promote inclusion."

"The essential arguments for promoting equality and diversity in employment are social justice for individuals, penalty avoidance by employers and human capital optimization for society."

People with disabilities must also overcome a stereotyped "cultural and social context." Co-workers often view them negatively. Many companies make demands for flexibility and an on-call mentality. Within this context, disabled people are easily painted into a corner as "unproductive and expensive." Disabled people also have trouble finding work that is compelling and that connects to what they enjoy. Instead of trying to change viewpoints and existing structures, many organizations consider "special schemes" for employing disabled individuals.

Finding ways to employ disabled people can serve a dual function for your company – helping those in this minority and giving your organization access to the widest possible range of employees with the broadest possible skills and perspectives.

About the Author

Gloria Moss has worked in HR and has written more than 30 peer-reviewed articles. She is a senior lecturer at Buckinghamshire New University, UK.