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Going Plaid

Integrating Diversity into Business Strategy, Structure and Systems

By Deborah Plummer
and C. Greer Jordan

In the verse, *The Blind Men and the Elephant*, John Godfrey Saxe describes six men from Indostan who are eager to learn about the physical nature of the elephant but must rely on their power of observations because they are all blind. They engage in robust dialogue yet because they lack collaborative problem-solving skills, never achieve a useful analysis of the whole concept and leave the experience with only partial truth.

At this critical stage in the life cycle of the work of diversity in organizations, our approach to managing diversity resembles the blind men from Indostan. Static models and step-by-step approaches to diversity have provided organizations with descriptions of interventions and action items, but have left organizations without a manual for how these interventions can be integrated to effect culture change and achieve business objectives. Thus, organizations are not able to realize the full potential of diversity beyond the value proposition of endorsing it as a good initiative.

For most organizations it is relatively easy to tie diversity to the value component because organizations are made up of people and diversity represents the people value. Likewise, it is relatively easy to tie diversity to the mission of the organization, for consumers, clients, and constituents all represent our increasingly multicultural, multiracial society. In addition, the business case for managing diversity proposes that diversity minimizes legal risks and protects the organization from lurking lawsuits. Data comparing diversity

practices and policies with legal costs associated with lawsuits demonstrates that this is true. Outside of the costs associated with reduced legal risks, it presents a challenge for most organizations to make the data to dollars conversion for increased profits. Progressive organizations have taken heed that diversity needs to be woven into the overall business strategy and integrated into every aspect of the organization very much like producing a vibrant plaid fabric. Yet, most organizations are clueless as to how to make it happen.

This article offers some clues for how to integrate diversity into business strategy, structure and systems. The authors propose that diversity is not a business condition that we must adopt and manage, but rather a dynamic process by which we input the perspectives and worldviews of a diverse workforce into existing strategies, structures and systems in order to maintain a sustainable source of competitive advantage. In other words, we *go plaid* with diversity by creating the organizational conditions that are sustainable beyond changes in senior leadership, downsizing, financial variability, or other organizational changes.

We have identified four business conditions into which diversity must be integrated for sustainable competitive advantage—talent acquisition and talent management; contemporary work design; leadership performance; and globalization. It is our hope that this examination will encourage more OD practitioners to engage in diversity work to support the advancement of this field.

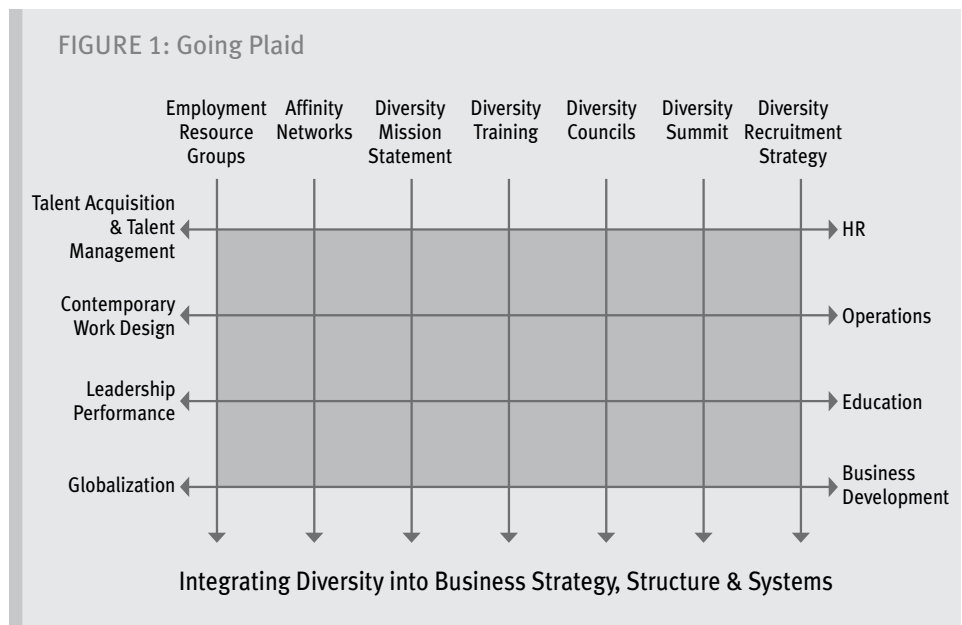
Talent Acquisition and Talent Management

The 1997 and 2000 McKinsey study reported the “war for talent” was well underway. It is no longer the sole responsibility of human resources to recruit and retain the best talent. Senior leaders, particularly, are charged with creating a work environment that keeps people excited about being at work and wanting to use their talent for the good of the organization. In their study they identified that superior talent was the key to distinguishing great organizations from good organizations. Reviewing what characterized superior talent revealed a striking similarity to what are defined as diversity competencies:

- » Solve problems collaboratively
- » Communicate across differences
- » Exhibit emotional intelligence
- » Practice conflict management
- » Execute change management
- » Incorporate systems thinking
- » Comprehend group dynamics
- » Cooperatively utilize power and influencing skills
- » Practice cross-culture adaptability skills
- » Develop and incorporate assessment, measurement and evaluation skills

As we enter the battlefield for talent, we know that these skill sets are represented across a wide array of diverse people and are not the sole proprietorship of one cultural group. Acting on that principle, we make assumptions that our policies, recruitment and search processes are fair, equitable and transparent. Yet, in practice we find that our policies are historically gendered masculine and our recruitment processes are inherently biased toward those who attend the same schools, possess the same fund of knowledge and exhibit the same patterns of thought.

In *Blink*, Malcolm Gladwell records the history of hiring practices for women violinists in the world’s most renowned orchestras. Not until the orchestra instituted blind auditions did the number of women increase. Similarly, if most organizations were to chronicle their history of hiring practices—usually done



by employee surveys or cultural audits—a pattern similar to the history of women violinist in orchestras would be replicated.

Minimum and preferred qualifications, as well as evaluation criteria must be carefully unbundled for the social loadings that have led only certain groups and individuals to be considered *more qualified*. At a recent Diversity Retreat for a civic leadership program of emerging leaders in a metropolitan city, a robust dialogue ensued over the meaning of “more qualified.” One of the participants reported that twice she was denied a position and told that she was the *more qualified candidate* but that the position had to go to a minority. She wanted to know what her African American counterparts thought about positions going to those who were less qualified and how they might feel if they were the recipient of such a position that was awarded on that basis.

Key ideas that surfaced during the dialogue focused on:

1. The meaning of *more qualified* often used as code words for *someone I am more comfortable with* or someone considered to possess the qualities for a potentially better team player. It could also mean someone who went to the same schools that are typically represented in the system or someone with the same background—educational or otherwise.
2. The potential lack of candor of the hiring manager. Assuming the mandate for hiring more minorities is true, this phrase can be a cop-out for an inability

to say, “We believe you could do a great job, but there are others we believe would be equally competent and who would add value to our organization in other ways.” Or it could possibly be that the hiring manager just does not know how to reject candidates without making up excuses that allow him and the candidate to feel good.

3. The examination of the assumption that minority candidates are not qualified or could not be comparatively equal or better qualified than majority candidates. Even the most liberal affirmative action policies do not support hiring minorities who are unqualified for a position. Qualified is qualified is qualified.

Although no quick resolution was made of this dilemma, there was clearly movement in attitudes and perspectives on both sides for these Generation X and Y adults. As they listened for understanding and not rebuttal and released the need to be right in the conversation, they were able to stay engaged and begin to explore and redefine the assessment processes and talent acquisition management for a new generation of workers.

Without the diversity competency of being able to communicate across differences these insights would never have been realized. By one intense dialogue, carefully facilitated by a seasoned OD practitioner, participants were moved to action around this hiring practice. White participants now pledged that if confronted

with such feedback from a job interview, they would push back for more detailed information and applaud the value-added dimension of diversity as a component of *more qualified*.

Contemporary Work Design

Two apparently opposing trends present challenges to leaders and managers who must design the social and technical aspects of contemporary work. In a far cry from the utopian dreams of technology that would shorten the workweek, the workweek around the world has increased. Highly educated and skilled professionals have not been immune from these trends. For professionals in fields from medicine to business, the 70-hour workweek of what Hewlett and Luce termed “Extreme Jobs” is dispelling notions of the 40-hour workweek as full-time. The global economy and global competition for work is also influencing longer workweeks in western countries. Even France is under intense pressure to revise its 36-hour full-time workweek laws in order to maintain a competitive work force.

Meantime, the composition of the global work force is changing. These workforce shifts have been well documented and are regularly reported in any article about diversity. In short the emerging workforce is more educated, more female, younger and more racially, ethnically and religiously diverse than any of the technological era. This emerging workforce consists of more dual-career households, more single parents, more individuals whose cultural upbringing draws them to serve their communities, and more individuals who adhere to strict religious practices.

The aging of the baby boomers will also place new demands on households in which two working adults are required to make ends meet. Work, or a career, is not the only important pursuit and responsibility of individuals in the emerging workforce, and the profile of the “organizational man” whose ideal made the job or career the number one priority of life at all times is changing. This new workforce will continue to challenge

traditional notions of a career, including how and when work is done.

In order to harness these two opposing trends and blend them into opportunities in the 21st century, work designs from the 19th and 20th century must be redesigned for flexibility, effectiveness and sustainability. By work design, we are referring specifically to work inputs, processes, practices and outcomes that comprise any job. In the closing decades of the 20th century, policy was the key tool used to achieve access to a job and the

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advancement of women and minorities in the workforce. However, it has become clear to organization scholars and interveners that organizational culture is able to smother any policy initiative.

In addition, the contribution of these policies to strategic organizational outcomes was not always clear or tangible to a manager’s daily work. The design of work is where the rubber of culture meets the road toward work outcomes. Work design, or tacit assumptions about it, have been found to play a key role in who has access to certain types of work and how they can be effective (Meyerson & Fletcher, 2000). Thus, work design is an important area of intervention in diversity culture change efforts.

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life is in. Contemporary work design focuses on flexibility such that the variability of individuals performing the work can be incorporated. Flexibility is usually associated with such programs as flex-time, or part-time work programs. However, flexibility also comes into play by promoting different approaches to the work.

The final element of work design for work force effectiveness is sustainability. It is noted that increasing the number of working hours in order to increase

productivity is neither sustainable nor effective in the long term. Already, highly skilled workers are taking extensive leave from high demand jobs when they have a family or elder care responsibilities. Consistent with data from the smaller sample of emerging professionals we have coached, Hewlett and Luce (2006) report that young people, both male and female, acknowledge that they doubted they could maintain these work hours over the course of a career. Imposing contemporary life and work demands on 50 to 100 year-old work designs is most likely unsustainable in the long run.

In other words, the key to integrating and sustaining a diverse workforce is to strive for effectiveness, equity and opportunity in work design for all employees. This is not a new goal, but a diverse workforce makes organizations weak in effective work design more susceptible to work force problems than in the days when work force homogeneity and a norm of assimilation and emphasis on comfort level with others, pushed

ineffectiveness under the table or allowed it up the ladder.

Both employees and management are responsible for effective work outcomes through work design. Employees are responsible in terms of understanding that flexibility is not a right or a part of their benefits package, but a tool earned by their effectiveness on the job. Managers have to communicate clear outcomes, provide tools and other supports needed to get

the larger social fabric can no longer be ignored or simply become a hoped-for by product of the initiatives the organization develops to survive. The definition of leadership performance can no longer be narrowly focused on improving shareholder value or soliciting large donations to a non-profit. Successful 21st century leaders need to be skilled in managing the triple bottom-line—profit, people, and the planet—and are

believe that capabilities and performance should be the basis of status, rewards and advancement within the organization, and that it is the capabilities and performance of the workforce that drive organizational results, this form of diversity dynamic must be addressed.

Addressing these or any other type of workforce diversity dynamics begins with leaders who have confronted their other preferences toward comfort with an individual performance based on the likeness to their own style and outcome. Leading diversity scholar, R. Roosevelt Thomas, notes that this is one of the major obstacles in creating and leveraging a diverse workforce. Organizations that have achieved some measure of success in creating an effective diverse workforce compel leaders in the organization to confront their preferences by focusing attention on qualified candidates who are unlike the dominant leadership group in terms of evaluation, development planning, and work assignments. Performance metrics in terms of a leader's success in developing and promoting capable, qualified diverse candidates are tracked. Leaders can create inclusive, effective work environments by developing open information networks, transparent decision-making processes and creating both relational and task activities that cross diverse social or functional identities. Key to making any of these approaches work is the leader's diversity competencies of communicating across differences, recognizing differences and facilitating win-win outcomes.

Developing their own and others' diversity competencies is a challenge to all 21st century leaders of diverse workforces. Many leaders would credit themselves with having matured in their diversity competence such that they would not engage in openly derogatory remarks about women, racial or ethnic groups. However, while "political correctness" provides the basic ground of respect necessary to build relationships across differences, it is not a diversity competency. Diversity competence requires emotional intelligence plus the ability to detect potential or occurring diversity fault lines and the communication

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work done, hold employees accountable for outcomes and monitor how their own behavior supports or undermines work processes. Programs and initiatives for creating an inclusive workplace must move from the HR section of the glossy recruiting brochure to functional and line manager's plans for supporting the workforce in producing effective, value-added outcomes.

Leadership Performance and Diversity

Leaders of contemporary organizations face flatter organizations due to restructuring, constant pressure for cost reductions and the challenge of achieving value-added contributions from the workforce. They also face higher costs in healthcare, materials, and costs associated with environmental compliance. The old carrot and stick approaches to motivating and retaining a functional workforce will likely be less effective with Generation X and Generation Y than it was with Baby Boomers and Veterans.

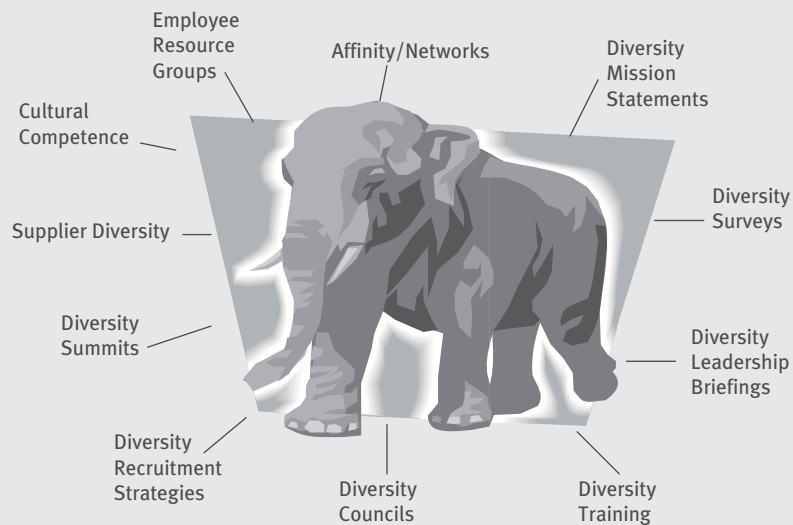
In contemporary life, for-profit and not-for-profit organizations have such a prevalent influence on the lives of individuals that their contribution to

responsible for the social performance of their organizations.

In order to lead organizations to respond in this changing environment, the keys to effective performance of contemporary leaders depends on their ability to apprehend the diversity dynamics of their environment and create intelligent responses inside of their organizations.

For example, while flattened structures were supposed to weaken traditional power structures that tended to exclude, researchers suggest that in practice, they can have the opposite effect as formal authority is replaced with informal relationships. These informal relationships can involve exchange of information, as well as material and emotional resources that benefit those in the circle. Informal relationships can create group-think around what is acceptable appearance, behavior and speech that has a marginal effect on work processes and outcomes. It is a natural human tendency to believe that those who think like we do, and act like we behave are wonderful human beings! Leaders must break out of their own culturally myopic thinking and ethnocentrism to make quality decisions in the midst of diversity complexity. If leaders

FIGURE 2: Diversity Elephant



skills, commitment and courage to address them. While for many this commitment may stem from a belief in doing “the right thing”, we assert that diversity competence is as important to the bottom-line as is on-time delivery.

Political correctness can hamper communication around requirements to do the work effectively and prevent the building of trusting relationships required for teams to recognize, work through and employ differences that improve performance. Political correctness can also veil diversity conflicts and impede organizational members from engaging in constructive conflict. To accomplish this, organizations must begin to incorporate diversity competency training into leadership development programs. However, training only introduces the concepts, like any learned behavior, leaders need others who support their learning and development. Leaders need to develop mentoring skills and support relationships for the development of diversity competencies just as the networks they develop for other aspects of their leadership development. This requires crafting and articulating clear performance standards, and many times, providing leaders with appropriate coaching or counseling to help capable leaders achieve those goals.

An example of this kind of leadership development initiative is the Diversity Learning Partners Luncheon where senior leaders and employees are matched through a computer-based survey as

learning partners. Together they attend a luncheon with a diversity speaker and after the presentation, share their reactions and learn from each other. Partners hold each other accountable for the impact of their behavior on others and the culture of the organization.

Globalization

The effect of globalization on how diversity is conceptualized and managed is apparent. We now navigate not only a multicultural but a flat world, as Thomas Friedman illustrates in his best-selling book. The demographic change from monoracial and monolithic to a multiracial and multicultural, the interdependence of the world’s markets and businesses, technological advances, growth of the internet, shifting employment practices, challenges in our educational system that have inner city school systems recruiting math and science teachers from India, and the ability to purchase sushi at Wal-Mart, are all evidence that *we are not in Kansas anymore*. In this flat world, if we always do what we always did, we will no longer get what we always got. For individuals it demands cultural competence—gaining those skill sets that support us to successfully navigate this increasing diverse world. For organizations it requires cultural competence—creating conditions by which a diverse workforce can learn from differences and leveraging the differences to achieve business outcomes.

As a result of globalization, diversity management has increased in complexity. The work of diversity in organizations is extremely customized to fit the needs, mission and values of each organization. Successful diversity and inclusion initiatives cannot be exported to other countries, nor do they necessarily meet the needs of a global workforce. Globalization intensifies the need for diversity to “go plaid” in organizations. Due to the hybrid nature of the field organizational development, OD practitioners are particularly suited to manage this process.

The Role of OD Practitioners in Diversity Work

Most OD practitioners doing the work of diversity in organizations, recognize the broad and expansive nature of the required skill sets necessary to manage it—a reason why so few people enter into this arena. From the early stages of diversity management, diversity practitioners grounded in organizational development theories realized that diversity and organizational change are interdependent. A changing market, changing workforce demographics and global imperatives have reinforced that diversity in organizations is the most complex human resource challenge of our time. Diversity, defined through its multiple lenses of representation, inclusion, equity, and economic empowerment, permeates every aspect of an organization’s internal and external environment.

Process, systems and structure are inherent core values of the field of organizational development. Doing diversity work requires process skills to discern the conditions for sustainable competitive advantage, the influencing skills necessary to educate senior leaders on these conditions, analytical skills to explore the assumptions underlying the current reality, and critical thinking to be able to determine the strategy for execution. OD practitioners are especially positioned to drive this process.

It is far harder to educate an employee base and to create a learning organization characterized by cultural competency than it is to have a mandated system-wide, one-day diversity training session, the results of which are never evaluated or integrated into the work life experience.

What's Easy and What's Not

As an agent of change, the OD practitioner must focus on system readiness, generating buy-in and identifying those sustainable conditions for the system, rather than merely executing interventions and establishing programs based on the principles of diversity. Often, it is easier to get leadership to endorse the business case for diversity and sign on to honoring the values of diversity. Since, for most people to do so would not be espousing those values of good corporate citizenship.

It is far harder to hire for diversity of thought and expression than to hire a person of color—the assumption being that a person of color would espouse differing viewpoints; however, contemporary theories on racial identity development prove otherwise.

It is far harder to change practices and create a mindset for supplier diversity than to simply mandate a percentage of spend for minority and female-owned businesses.

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It is far harder to create an inclusive culture through transparent communication agendas, reward driven business objectives, and fair and unbiased performance appraisals than it is to set up affinity networks as employee resource groups that simply report out what the organization knows or wants to hear.

It is far harder to restructure the design of how work gets done to create family-friendly work environments than to simply grant women flex-time. In other words, easy is characterized

as performance management, hard is characterized by systems integration.

Going Plaid

The six men from Indostan, each being partially right but all being wrong, needed the knowledge base of each individual to fully comprehend the nature of the elephant. Diversity has become the elephant of organization development. OD practitioners are needed to advance diversity beyond awareness and competency training to systems integration.

Partnering with diversity practitioners who enter the work from other disciplines (education, psychology, social work) or shadow consulting on diversity projects would support diversity practitioners with where to best place their energy and how to best maximize the actual effect their work has on organizations. As a result, sustainable conditions can be created to institutionalize diversity and maximize organizational effectiveness.

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