2012 Reflections on the Business Case for Diversity and Inclusion

By Dr. Sandra Casey Buford

“Mirror, mirror on the wall. Who has the most diverse organization of them all?” And the mirror’s reflection replied….. “All organizations are diverse! But most organizations have much work to do to leverage Diversity and Inclusion for business success.”

Does this tale have a familiar ring? Of course, it is just a tale, but is there some truth in the mirror’s reflection? Based on my experience, there is. In fact, if you look a little deeper into the mirror’s reflection as told in this tale, there is much to be learned about the business case for diversity and inclusion.

The reality is that after working in a number of companies in several major industries, including transportation, high technology, healthcare, and academia, I have concluded that diversity is omnipresent and all-pervasive in organizations, regardless of the industry or business. I also found that there is a definite connection between diversity and inclusion and organization’s business, thus the business case for Diversity and Inclusion (D&I). My conclusions are fortified by research, readings, studies, and on-going interactions with a vast array of dedicated diversity and inclusion colleagues and professionals.

The following is a compilation of my reflections on the business case for Diversity and Inclusion:

A common belief is that diversity automatically refers to race and gender; however when defining diversity it is important for an organization to acknowledge that there are many dimensions of diversity:

D&I professionals are frequently asked how to define diversity, and there are, indeed, many definitions in play. Organizations also tend to develop and create a definition of Diversity that reflects their particular organizational demographics, culture, and business factors. There are actually some very excellent definitions of Diversity that have been developed by companies; however most organizations struggle, at least, initially. Most professionals will agree, however, that definitions of diversity are more effective when the terms used reflect the unique assets of the organization. The following is one of many definitions that can be used as a foundation discussion:

“Diversity is the mosaic of people who bring a mixture of backgrounds, styles, perspectives, values, and beliefs as assets to the groups and organizations with which they interact.”
The following are some key descriptive words represent some of the many dimensions of diversity:

- More than race and gender
- Inclusion
- Generational
- Differences in thought
- Variances in organizational function and responsibility
- Background and cultural differences
- Ethnicity
- Religion
- Social class
- Sexual identity
- Language variances and immigrant status
- Geography and location
- Specialty Knowledge, Education
- Personal Experiences

The above list of variables indicates on a small scale that diversity is not limited to race and gender and requires much more expanded thinking. The possibilities continue to expand as the world continues to change and we become more aware of the various differences that people bring to organizations and groups.

**However, despite a broader definition of diversity, there is still a prominent need for D&I professionals and practitioners to address the specific needs of underrepresented groups in society and organizations. These underrepresented groups include African Americans, Hispanics, immigrants, and women in certain industries, jobs, and boards.**

Concerning minorities, early indicators from the 2010 US Census reveal that the number of minorities have increased in most major cities, and in some states in the U.S. For example, the early indicators show that Hispanics are the fastest growing minority group, followed by Asians and Blacks in the state of Massachusetts. Also early indicators show that Boston, a major city in the northeast, is predominately minority. This trend is being reported across the US in major cities. Yet, a look inside organizations, companies, agencies still finds that minorities are underrepresented in the management ranks and on boards of directors.

Likewise, small and disadvantaged businesses are still fighting for opportunities on the supplier diversity side, as well as, the construction side of business. This, despite the release of federal funds slated to fuel the economy.
D&I professionals and practitioners are fully charged with finding ways to build a business case for organizations to expand and focus to include more minorities and women in the pool for job and business opportunities. Further, once minorities enter the workplace or the business arena, the charge is to ensure that they succeed, develop, and grow.

**Selecting and hiring a Diversity and Inclusion leader should be approached with the same diligence and care that is associated with hiring a senior manager to lead other strategic functions such as the sales and marketing VP, CFO or COO:**

When an organization decides to address diversity, it is not enough to simply hang a diversity sign on a wall or a door, and go about choosing a person to oversee the function without approaching it as a business issue. For example, selecting and hiring a diversity leader should be approached with the same diligence and care that is typically associated with hiring a senior manager to lead other strategic functions such as the sales and marketing VP, CFO or COO. In addition, there are a number of “must haves” that a potential candidate should possess in their portfolio of credentials. For example, candidates for the position of diversity leader must have strong relationship building skills and abilities in anticipation of serving as a strategic partner with business leaders, department heads and key staff. In addition, to carry out the work of diversity, the D&I leader must have knowledge of diversity theory, practices and methods, along with business acumen and leadership skills, knowledge of change management methodology, and both written and verbal communication skills. The D&I leader must also be self actualized (confident), a strategic thinker, resilient, and persuasive. The most effective diversity leaders tend to be entrepreneurial, resourceful, and well networked internally and externally.

Organizations are often at a loss as to how to search for a D&I leader. In their search, some organizations have consulted university professors, human resources and organizational development professionals, and specialized consulting and recruiting firms, to name just some options. Usually a first step in the process involves sorting out the organization’s vision for diversity, as well as identifying their objectives. Consideration should be given to their particular industry, strategic goals and objectives, short and long term business initiatives, geography, organizational structure, employee and management population, succession planning process, etc. CEOs are typically surprised to learn that, as supported by the theme that diversity is more than race and gender, the diversity leader does not necessarily have to be a specific race or gender. They must, however, be well qualified and possess the attributes discussed above.
A successful Diversity and Inclusion leader must be strategically placed, highly visible, and directly aligned to the most powerful decision-maker in the organization:

A successful diversity leader must be strategically placed, highly visible, and directly aligned to the most powerful decision-maker in the organization such as a CEO, Board Director, Executive Director, or other senior manager. Therefore, it also matters where the diversity leader appears on the organizational chart. I’ve observed that diversity is most effective when the diversity leader has a solid line to the CEO, as do other core business functions such as sales, marketing, or information technology. When the diversity leader reports somewhere else in the organization such as HR, Finance, or Legal, the diversity leader will be less empowered, if at all. Ultimately, most opportunities to leverage diversity as a business imperative will be missed if the diversity leader does not have full access to key decision-makers in the organization.

There are many advantages to having the Diversity and Inclusion leader serve as a member of the senior management team:

There are many advantages to having the diversity leader serve as a member of the senior management team. As a regular member and participant, a diversity leader will have more direct opportunities to be included in strategic business discussions, decision-making sessions, and policy-making sessions. To illustrate, several years ago I worked in an organization as a diversity leader reporting directly the CEO and a member of the senior management team. During the organization’s business planning process, I became aware of a strategic business goal of expanding business into global markets, including Japan and China. Having this information and being a part of the process, I was positioned to seize an opportunity to contribute to the achievement of this strategic goal by providing a diversity experience for the senior managers and key staff. I leveraged my relationship with the president of a local business college who worked with me to arrange a first-hand opportunity for the senior managers of my organization to interact with 30 CEOs who were visiting the US from China’s Shangdong Province.

The meeting was well planned and executed as a business initiative for global expansion in line with the organization’s strategic business goal. Leading up to the meeting with the Chinese CEOs I provided the managers with detailed reports, facts and statistics on each CEO’s company, industry, and geographical location in China. The senior managers were also briefed on the cultural nuances and expectations of Chinese business professionals; as well as typical greetings, welcoming gestures, and business card exchange. This unique meeting provided a real-time opportunity for the CEOs to discover what it is like to do business with CEOs from another culture. By getting involved in the achievement of a strategic business goal, the
connection between diversity and business clear, and was viewed by the managers as a value-added experience.

**A strategic diversity model is an effective tool to help a diversity leader explain “how” diversity work is accomplished:**

A strategic Diversity and Inclusion strategic model serves as a road map and visual tool to help a diversity leader explain how diversity work can be implemented in an organization. A diversity model should be referred to as a “working model” that can be expanded and adapted along the way, based on the individual cultural characteristics of the organization. The following is a basic D&I model that I developed for an organization, and can be used as a foundation:

![Diversity Model Diagram]

Much more can be said about the importance of utilizing a strategic diversity model. It is an essential tool for Diversity leaders.

**An organizational assessment is an essential tool and methodology for understanding an organization’s “climate” for Diversity and Inclusion:**

In addition to understanding the organization’s industry and business, creating an organizational cultural profile is a priority for a new diversity leader. Yet, obtaining this information is not a one-time effort; but should be a continuous on-going process.
Some organizations explore the subject of diversity primarily as a part of a human resources employee opinion survey in which a few diversity questions are added in. However, I encourage organizations to consider implementing a separate, targeted assessment process such as a Cultural Assessment that has the express purpose of determining the organizational climate for diversity and inclusion. A cultural assessment typically includes surveys, interviews, focus groups, and on-going communications. It may also be helpful for these methods to include other stakeholders such as customers, business partners, and members of the community. I have used data from a cultural assessment to address business issues of organizational effectiveness, customer satisfaction, product development, employee morale and others. If carried out effectively, the findings from such an assessment provides a foundation for developing and implementing a diversity and inclusion business plan based on concrete, real-time data.

**Diligent care must be taken to ensure that diversity work is defined in business terms, and carried out with deep strategic reach in organizations:**

Organizations generally do a great job of implementing diversity awareness programs and events by celebrating presidential decrees such as Black History Month, Women’s History Month, etc. Such programs are excellent ways to help create a welcoming, inclusive organizational culture; and they also provide opportunities for employee engagement. However, these celebrations are only a component of diversity work, and they should not be the sole focus. Diligent care must be taken to ensure that diversity work is defined in business terms, and carried out with deep strategic reach in organizations. This means that diversity work is should be integrated into the organization’s mission statement, strategic goals and objectives, and policies and practices. Diversity should also be factored into the organization’s performance metrics with clear accountabilities, rewards, and improvement strategies. In one organization, every business manager has a measurable diversity goal that they are accountable to achieve as a part of their performance plan.

**Although diversity must be supported from the top of the organization, line managers, recruiters, and other staff on the front line with employees and customers must also be engaged:**

Although diversity must be supported from the top levels of the organization, it is essential for managers, recruiters and other key staff who are on the front line of day to day business, to understand diversity as a business issue. Training is good, but it can actually be even more effective to create memorable learning experiences to engage front line employees and managers in experiential exercises. For example, I worked as a diversity leader in an
organization in which a group of managers had difficulty understanding how diversity involved them. Because outwardly they all looked the same, these managers were not aware that diversity had anything at all to do with them. When I held an introductory meeting with the group, I commented “this is a very diverse group.” The managers looked around with puzzled glances, wondering how in the world they could possibly be diverse, given that they all appeared to be the same. The surprising answer to their question and dilemma became clear as the I engaged them in a simple, quick moving exercise that revealed a tremendous range of differences among them as they responded to a series of questions that began with: “how many people in the room”...

- Are the first in their family to go to college?
- Were born and raised outside of Boston?
- Are first generation citizens of the US?
- Have worked in other industries?
- Other similar questions were asked, including some that were specifically job and business related, and some viewpoint questions.

The exercise had only ensued for a short time when the point became unanimously obvious to all of the participants. Despite their apparent sameness, their varying backgrounds, experiences, viewpoints and perspectives represented differences; and they quickly learned that they, in fact, are diverse. They also acknowledged, based on this experience, that the various differences that were revealed during the exercise had an impact on their thinking about diversity. Specifically, they became aware that there are many dimensions of diversity besides race and gender. Some admitted that this new learning about their own diversity could serve as a catalyst for new conversations and connections.

I concluded the exercise with a discussion on the numerous ways their new learning could be used in their jobs as they interacted with customers, workmates, and staff. The overall effects of this exercise were powerful, positive and served to launch a new way of thinking about diversity for the managers.

Concluding Thoughts:

The above compilation of reflections based on my experiences merely skims the surface of the large body of D&I work as a business imperative. The examples that are cited in this reflective summary illustrate the transformational power of diversity work and the undeniable connection between diversity and business imperatives. However, there is still much more work to be done. Future D&I work must continue to explore important emerging facets of diversity.
and inclusion such as the vital matter of D&I sustainability, dignity and respect, and global D&I. Sustaining D&I as a business imperative requires much more research, leadership and practice. While notable progress has been made in some organizations, many have just started the journey; and others have not yet begun. For minorities, and African Americans, in particular, sustaining the small increments of progress depends on strong D&I internal initiatives with full commitment from the top.

Turning attention back to the mirror’s tale at the beginning of the article, based on my experience in organizations, it turns out that the mirror’s reflection is true. Diversity is in all organizations, and if acknowledged and leveraged, it adds value to the business. There is a definite connection between diversity and business, thus, the business case for diversity.