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THE RIPPLE EFFECT: HR'S ROLE IN INFLUENCING DIVERSITY MANAGEMENT PRACTICES

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Organizations approach workforce diversity in different ways, and organizational diversity management practices have shifted over time. This evolution has been propelled in part by the history of related federal and state laws, the increasing diversity of the U.S. workforce, and research that has explored the effects of diversity management practices on workplace functioning.

When effectively managed, research shows that a diverse workforce can increase employee innovation and creativity, cooperative behavior and feelings of being valued and respected; can improve organizational performance and decision making; and can serve as a competitive advantage. Further, many studies suggest that an organization's leadership and human resources diversity management practices play an important role in how a diverse workforce ultimately impacts organizational outcomes.

Within this context, chief human resources officers (CHROs) have an opportunity to influence how their organizations respond to workforce diversity and, specifically, what diversity management practices are put in place.

Diversity Management Practices

Much research has been conducted to explore the wide set of diversity management practices and programs that make up organizational strategy aimed at supporting a diverse and inclusive work climate. Simply stated, a diverse and inclusive work climate is one in which all members feel a sense of inclusion and belonging and are treated fairly. From a legal context, this means having systems and structures in place that ensure equal opportunity and non-discrimination compliance.

From a broader workplace climate perspective, this means establishing diversity management practices that foster a sense of fairness and belonging and that can help an organization leverage the positive effects of workforce diversity. Explored in this way, diversity management practices are the structural aspects of an organization's diversity management efforts, are subject to influence from leadership, and have the potential to vary across organizations.

To conceive a comprehensive range of diversity management practices, we start with a recognized framework developed by Kalev, Kelly and Dobbin in a study published in 2006 that identifies three broad categories: structures that establish clear responsibility for and oversight of diversity management, programs to mitigate the effects of bias and stereotyping on organizational decision-making, and programs to reduce social isolation of female employees and employees of color.

Structures That Establish Clear Responsibility for and Oversight of Organizational Diversity Management

Organizations must assign specific responsibility for diversity goals or risk a decoupling of goals from actual employee behavior. This approach can take various forms. For example, many organizations have established positions and/or offices specifically charged with developing and overseeing diversity management. Many organizations have also incorporated diversity and inclusion as an explicit component of their mission and strategic planning and have structured employee involvement through

diversity task forces, advisory committees and councils. Organizations have maintained oversight through mechanisms to assess the effectiveness of their diversity management efforts, including organizational climate surveys.

Programs to Mitigate the Effects of Bias and Stereotyping in Organizational Decision-Making

Research scholars apply social categorization and implicit bias concepts to illuminate the potential for pervasive undesirable effects of biases and stereotypes on diversity management efforts. A basic premise of social-categorization theory is that everyone holds a set of stereotypes and biases that they attribute to people whom they categorize as different from themselves, which are informed by the learned assumptions and socially constructed definitions and beliefs about the group to which the others belong.

To counter this propensity, many organizations have established diversity training and education programs, with particular attention paid to providing training for managers and supervisors who have the potential, through their managerial discretion and decision-making, to adversely impact subordinate employees. Many organizations have also established performance management processes that provide managers with feedback on their diversity performance and instill accountability.

Programs to Reduce Social Isolation of Female Employees and Employees of Color

This third broad category of diversity management practices relies on the notion that social networks influence job advancement. For instance, we know that having effective networks is an important resource and provides access to information, support and career coaching. Networking and mentoring opportunities can foster a more inclusive and welcoming work environment, but women and people of color historically have not had beneficial social networks to the same extent as White men. Recognizing this, many organizations have established formal networking and mentoring

programs as part of their diversity management efforts.

Chief HR Officer Role

Recent studies have documented the elevation of chief human resources officers to membership on the senior leadership team in many organizations and the important role that HR management plays in developing strategy for competitive advantage and organizational success.

In a recent survey we administered to chief HR officers at 193 higher education institutions across the nation, 53 percent reported that their position is a member of their university's senior leadership team. Thirty percent indicated that they report directly to the president or chancellor, 68 percent report to a chief financial and/or administrative officer, and 2 percent have a joint reporting relationship to the president and chief financial officer.

Distinct from whether CHROs are formal members of the senior leadership team or not, 74 percent reported that they meet regularly with their organization's senior leaders. This disconnect between formal and informal status is consistent with other research findings that show that the senior status of the CHRO position, apart from formal senior leadership status, can permit channels of influence on organizational strategy. This suggests that CHROs, regardless of where their "seat at the table" is, have an opportunity to influence organizational decisions. This then raises the question of how CHROs go about exerting this influence.

Transformational Leadership as Influence

The concept of transformational leadership was introduced nearly 40 years ago and is commonly defined as a leadership style in which leaders encourage, inspire and motivate employees to innovate and create change that will help grow and shape future success. Transformational leadership behaviors, as compared with transactional leadership behaviors, are those that have a focus on relationships rather than transactions and are conceptualized as a driver of organizational change.

Transformational leadership incorporates two dimensions of behaviors used by leaders to exert influence: collective-focused and individual-focused.

HR leaders have an opportunity to influence how their organizations respond to workforce diversity and what diversity management practices are put in place.

Collective-focused behaviors are displayed when the leader envisions a desirable future, articulates how it can be reached, sets an example to be followed, sets high standards of performance, and shows determination and confidence, presumably inspiring a collective vision of the future. Individual-focused behaviors are leader behaviors that differentiate among individuals, focusing more on individual empowerment and self-efficacy than collective interests, encouraging individuals to become more innovative and to challenge the status quo, and recognizing that individual differences require different approaches.

In the context of our research on this topic, we examined CHRO use of these two sets of transformational leadership behaviors toward senior leadership team members, speculating that this is how CHROs ultimately influence the establishment of diversity management practices at their institution. Our study showed that CHROs appear to be more influential with senior leadership team members through their use of individual-focused transformational leadership behaviors. This finding supports our prediction that CHROs, regardless of their formal status on the senior leadership team, exert what research labels both "upward" and "lateral" influence. However, findings from our study show a greater potential for this form of influence when a CHRO has formal senior leadership team status in addition to CHRO status.

Cultural Intelligence as Competency

Cultural intelligence is defined as a person's capability to function effectively in situations characterized by cultural diversity. In our study, CHRO cultural intelligence was assessed using established survey items to capture the four aspects that holistically form cultural intelligence: self-awareness, knowledge, motivation and behavioral capability. We know from previous research that a leader's beliefs about the value of workforce diversity influence organizational strategic decision-making related to diversity and inclusion practices.

Research further shows that leaders' ability to manage a diverse workforce improves if they develop their awareness of their perceptions and beliefs about people who are different from themselves. In line with this, social categorization theory explains that all people hold a set of stereotypes and biases based on dimensions of human difference about themselves and about other groups of people whom they regard as different from themselves. These perceptions and beliefs about others influence how leaders behave, how they perceive workplace roles and how they make decisions. From this, it seems that CHRO cultural intelligence may influence their attention to and efforts toward establishing diversity management practices.

Cultural intelligence in an HR leader matters and can influence an organization's overall diversity management strategy.

One could argue that simply having the functional expertise of a CHRO on the senior leadership team should have a positive impact on the existence of diversity management practices. However, while the existence of a CHRO position within an organization's senior leadership team may be one way for CHROs to influence diversity management,

research suggests it is likely an insufficient condition for the broad-based development of diversity management practices.

Taken all together, a comprehensive path emerges with cultural intelligence as a possible factor beyond functional HR expertise that contributes to individual CHRO ability and motivation to establish diversity management practices, and transformational leadership as the set of behaviors used by CHROs to influence other senior leaders toward the establishment of these practices.

Putting It All Together

Findings from our study showed a significant and positive relationship between CHRO cultural intelligence and transformational leadership, particularly between CHRO use of individual-focused transformational leadership behaviors toward senior leadership team members and the number of diversity management practices in place. These findings support our predictions that CHROs are more likely to see individual-focused transformational leadership behaviors as their go-to strategy for garnering support from the senior leadership team in establishing diversity management practices on campus.

Our findings also show that cultural intelligence in a CHRO matters and can influence an organization's overall diversity management strategy. These findings are particularly relevant for higher education institutions that strive to increase the diversity of both prospective and enrolled students and their workforce and timely given the significant uptick in the level of student activism on college and university campuses. Students are calling for college and university leaders to increase their focus on and commitment to campus diversity and inclusion and issues of social justice more broadly. These calls to action require broad-based stakeholder engagement, suggesting that developing the cultural intelligence of leaders more broadly may be a fruitful investment.

At a more granular level, our study findings show that an organization's status as a federal contractor, (i.e., required to have an affirmative action plan),

the size of its budget, and the CHRO's length of service in the position and membership on the organization's senior leadership team also have a positive influence on the number of diversity management practices reported to be in place. Of note is that these organizational-level control variables, while explaining a significant portion of the variance in the number of diversity management structures in place, do not explain as much of the variance in the number of programs aimed at mitigating bias and reducing social isolation. This raises the interesting possibility that an organization's attempt to remain federally compliant may more likely take the form of diversity management structures, rather than the more subjective and difficult-to-measure programs that reduce bias and social isolation.

Our findings suggest that elevating the role of human resources to the organization's strategic leadership-level is helpful, but not sufficient. It is the placement in the organization's senior team coupled with having a CHRO with high cultural intelligence that appears to most affect establishment of organizational diversity management initiatives. Our findings also highlight the potential value of an organizational investment in professional development in the areas of diversity and inclusion specifically aimed at increasing cultural awareness and capability in leaders. Cultural intelligence is a dynamic construct and can be developed over time as an individual is exposed to new information.

Further, following theory and research that draw attention to a composite of organizational senior leadership team leaders, cultural intelligence is a quality to develop and recruit beyond the CHRO position and should include other senior leadership team members and even board members. Results of our study show that only one-quarter of the 193 respondents reported providing training in diversity management for members of their board of trustees or board of regents. When organizations in general do address diversity management at the board level, it is commonly by adding a diverse board member rather than implementing training.

By showing the relevance of cultural intelligence to establishment of diversity management practices, our findings suggest there is value in extending related developmental opportunities to the very top of the organization's hierarchy — and who better to champion this diversity management practice than the chief HR officer.

Going Forward

The role of the chief HR officer has increased in strategic importance, yet still has room to grow its influence on diversity management. Clear ways forward include membership on the top management team, development of cultural intelligence, and use of influential leadership behaviors. These steps may well distinguish whether diversity management practices are treated simply as a duty of the HR function or embraced as an institutional priority. The diversity landscape is too impactful and too complex to be anything but the latter.

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