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Managing Diversity for Success

By Elizabeth K. McArthur

Businesses that fail to successfully manage diversity will suffer economic and social consequences. A workplace culture that allows low morale, employee turnover, harassment, discrimination, absenteeism, and disruption to work teams results in a loss of productivity. When individuals are marginalized or isolated by their co-workers and/or managers because of cultural differences, the outcome is a loss of productivity, business opportunities and the potential for charges of harassment and discrimination.

Businesses with an effective diversity strategy will have a leading edge in employee productivity and retention. At a time when the pending retirement of the baby boomers will strip the workforce of massive numbers of skilled workers, businesses will experience a shortage of workers to replace retirees. An inclusive work environment is simply good business. The loss of one employee due to poor management practices is too many!

Managing Diversity for Success™ is a strategy that goes far beyond valuing individual differences or developing human resources policies. It takes into account the globalization of the world economy, as well as changes to the domestic demographic characteristics of the population (diversity). Business leaders that recognize these changes as a business and social opportunity to increase productivity and growth will invest the time and money needed to develop, implement, monitor, and review a diversity strategy that will have a positive effect on business, employees, suppliers, customers, products, and services. Businesses taking a strategic approach for Managing Diversity for Success will be in a position to gain a competitive advantage.

Managing Diversity for Success is a four-step process:
1. Recognizing the economic consequences to the business.
2. Developing an effective strategy for managing diversity.
3. Implementing an action plan for organizational change.
4. Evaluating the diversity strategy.

Step 1 - Recognizing the economic consequences to

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the business

Businesses that do not have an effective strategy for managing diversity will likely experience all or some of the following consequences: loss of productivity, employee turnover, lost opportunities, and potential employment law mistakes. To avoid these consequences, decision makers need to recognize this deficiency as a business problem and acknowledge the need to develop an effective strategy for Managing Diversity for Success.

Step 2 - Developing an effective strategy for Managing Diversity for Success

i. Communicating with employees

Communicating with employees begins when management commits to the four-step process for Managing Diversity for Success. The method used to communicate will vary depending on the number of employees and locations. Informing employees of the diversity efforts the business will undertake will position the MDS process as an opportunity to enhance productivity and growth. As well, communicating with employees at this step of the process will prevent or lessen opportunities for the circulation of misinformation and rumours that could undermine the MDS process.

ii. Assigning responsibility

It is the responsibility of management to develop, implement, monitor, and review the organization's diversity efforts. Significant consideration is required in the selection of the individual who will lead the strategy for Managing Diversity for Success. When selecting the individual to lead this process, be sure that the person is a respected employee who consistently demonstrates a commitment to the principles of inclusion, and that the person is a decision maker with the authority to lead and act on recommendations.

iii. Allocating financial resources

There are costs to implementing the four-step process for Managing Diversity for Success. Demonstrating a commitment to this process requires management to allocate a budget in order to ensure that the diversity action plans are not subject to shifting priorities and efforts. Allocating a diversity budget sends a clear message to employees, suppliers, and customers that management is serious about bringing about changes to enhance productivity and opportunities for growth. Costs can include the diversity council, communication, diversity assessment, and employee training.

iv. Establishing a diversity council/task force

Does the organization require a diversity council or task force? Generally, a task force is time and task specific, ending with a report of the findings prepared for

management. The diversity council is an integral business partner in the development, implementation, monitoring, and review of the action plan. Establishing a diversity council is an opportunity to directly involve employees who often are the company's "diversity champions." Many factors need to be considered when selecting committee members and determining the committee's goals.

v. Building accountability

Building accountability into the organization's diversity efforts begins with a clear statement from the CEO stating his/her expectations and outcomes for the diversity strategy. A business leader that sets standards and leads by example in organizational and personal actions demonstrates commitment to employees, suppliers, and customers about the importance of diverse ideas, opinions, knowledge, and skills. Although achieving diversity business success is the responsibility of all employees, long-term sustainability is achieved by holding management accountable for integrating diversity within all business functions, and by evaluating managers based on their ability to achieve diversity goals.

Step 3 - Implementing an action plan for organizational change

i. Communicating the action plan

The components of an organization's diversity action plan will vary depending on corporate strategic goals, size of the organization, time for committee work, and human and financial resources. One of the key components for success is communicating with employees throughout the Managing Diversity for Success process to deliver a clear message: MDS is an ongoing process, not a quick fix program. The goal is to bring about real organizational change to benefit the business, employees, suppliers, and customers.

As the business moves to the implementation of the diversity action plan, responsibility for MDS is shifting from a top-down to circular approach that involves all business functions and organizational levels. The process utilizes the diverse knowledge, thinking, and talent of employees and community alliances to meet business diversity goals. Be aware that the organization is now potentially exposed for its shortcomings; it is time to walk the walk. If senior management, advisory boards, and directors do not reflect the diversity of society, change is required, or very quickly employees and the public will know that there is no commitment or action for real organizational change.

ii. Conducting the initial diversity assessment

Now that employees are informed about the MDS process, it is time to conduct an organizational diversity assessment. The diversity assessment results will give insight into the perceptions of employees relating to the workplace environment, management's contribution to

creating a harmonious and productive workplace, and employee working relationships.

Including all employees in the diversity assessment provides information about the organization as a whole as well as its employee groups, i.e., position, age, gender, years of service, race, sexual orientation, etc. The diversity assessment results provide a baseline of information to measure future progress. Utilizing the diversity assessment results to plan future initiatives ensures the organization's diversity efforts are developed based on a solid foundation of information.

iii. Setting diversity business goals

Achieving diversity means a shift from a non-diverse business (workforce, suppliers, products, customers) to one that reflects the demographic characteristics of the population within all functions and organizational levels. Achieving diversity requires management to set specific, measurable, achievable, and realistic goals based on business needs and by selecting key areas where diversity can help move the business forward.

iv. Providing employee training and development

Memos and team discussions clearly state that achieving diversity is the responsibility of all employees. Opportunities for diversity training must be provided for employees to further develop their understanding of diversity and to learn the necessary skills to achieve diversity business goals. Good diversity training gives employees the skills that they can use to deal with workplace diversity, its implications and effects. Begin with awareness building to ensure that all employees understand the business and ethical reasons for implementing a diversity strategy. A second-stage diversity program should further develop employees' skills and knowledge to contribute to business success in a meaningful way.Step 4 - Evaluating the diversity strategy

To restate, Managing Diversity for Success is an ongoing process, not a program. The goal for MDS is to establish diversity as an organizational and business value. To achieve MDS, it is imperative that management evaluates each component of the diversity strategy to determine successes, setbacks, and new opportunities in order to revise the diversity strategy.

Communicating the outcomes and future goals of the diversity strategy should be expanded beyond employee groups to include additional stakeholders and the public. The purpose of your communication strategy at this point is to talk about business goals and achievements relating to the diversity strategy for Managing Diversity for Success. The goal is to be recognized by employees, suppliers, customers, and the public as an inclusive organization that places a high value on diversity that is reflected in the business products and services.

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