



Celebrating Diversity

DIVERSITY 101: Companies Must Reflect the World They Serve

By Dave Turner
For Celebrating Diversity

A diverse work force has become a significant and growing priority for corporate America, mainly for the same reason anything becomes important to corporate America – it's good for business.

That's not to say there aren't many other powerful reasons to promote diversity, such as the fairness of equal opportunity, the pursuit of an impartial egalitarian society, and the personal enrichment that comes from daily interaction and collaboration among people of different races, genders and backgrounds. It's just that the positive impact diversity has on businesses' bottom lines is giving it the critical mass needed to proliferate.

ON THE VERGE

"Most companies are at a crossroads," said Sharon S. Hall, office manager and leader of the Diversity Practice for Spencer Stuart in Atlanta. The firm provides senior-level executive search services, merger and acquisition services, recruitment advertising and Internet recruitment for companies in 25 countries.

"Most corporations have been working at the diversity agenda for five to eight years," Hall said. "They are on the verge of significant impact, favorable for those companies whose strategies have gotten traction and unfavorable for those companies whose efforts have not been as strategic."

One reason diversity has become a bottom-line issue for companies is that demographics are changing within the pool of job candidates. According to the Bureau of Labor Statistics, members of minority groups will make up 41.5 percent of all people entering the U.S. work force measured between 1998 and 2008.

The Hudson Institute's Workforce 2020 report said all minorities across both genders will comprise 51 percent of the new entrants into the work force measured between 1994-2005. The report also predicted women across all ethnic groups will represent 62 percent of new entrants into the work force during the same period, while white non-Hispanics across both genders will make up 49 percent.

Earl Hill, a senior lecturer on organization and management at Emory University's Goizueta Business School, said it is estimated that 70 percent of the U.S. work force will be women and members of minority groups by 2040.

RICHER SOLUTIONS

The trends mean the most qualified candidates for a given position aren't always mainstream males.

"The top five candidates may be three women and two men from all different ethnicities," Hall said. But she said the advantages of having a diverse team become manifest after the hiring is done.

"When you have eight people with the same demographics around the table, there are commonalities in their thinking, so solutions are limited to those boundaries," she said. "When you have a variety of demographics at the table, you tend to have a broader range of options to consider, which generally provides a richer decision or solution." For example, Hall said, a given company might have a 3 percent growth rate across the board. But that growth rate could get a boost from the insights of people whose ethnic backgrounds enable them to recognize untapped markets or see problems from new perspectives.

What's more, human resource-based advantages such as a broader range of ideas are becoming more critical because many other competitive factors have become less distinguishable company-to-company. Products, services and pricing are similar in many sectors and technology is enhancing efficiencies. For many companies, the quality and diversity of the work force provides most of the competitive advantage.

Aside from work force demographics, Corporate America and government entities are responding to other factors in making diversity a higher priority. For some, diversity has been required to do business, such as when workers must serve people who do not speak English.

Hill said generational differences between baby boomers and generation Xers also have helped change the face of the U.S. work force, as has the global economy.

"The neighborhood where business is done is the entire world," he said. "Therefore, it's essential that a company's work force look like the world in all of its variety." Responsive organizations retain their employees. Hall said when Spencer Stuart makes recruitment calls, they find that candidates who work for employers with a broad base of diversity often say they don't want to jump ship.

But, like the people who comprise them, no two organizations are alike, nor should they measure their diversity needs and benefits in the same way.

"Each company should establish its own metrics, depending on its priorities," Hill said

Measures that many organizations find useful, Hill said, are to evaluate the organization's progress in diversity representation at all levels, including the board. Percentage increases in minority vendors and suppliers are also important. Further, he recommends examining participation in outreach programs, initiatives on work-life balance and diversity training for managers and employees.

ENTIRE SPECTRUM

Hill said the level of commitment to diversity runs the entire spectrum. "Some companies have a high level and are very proactive, others are lagging far behind," he said, adding that a good barometer is Fortune magazine's annual "Best Companies for Minorities" ranking.

His advice for Atlanta businesses going forward is to be pragmatic. "Companies must go about managing diversity in the same businesslike manner they would go about an expansion, a merger, a new product launch or anything else," he said. The idea is to make diversity a part of the overall business strategy and allocation of resources.

