

*Diversity Symposium*  
An Effective Culture Change Agent: Using a Business Case  
Approach to Organizational Diversity

By Richard S. Gaskins

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Many companies have been laboring over diversity programs with limited results to show. These companies have been sincere in their efforts and have applied resources focused on implementing diversity as the right/moral thing to do, which is in alignment with company values and objectives.

Today's business environment is driven by results. These results are primarily reflected by metrics. Business initiatives demonstrate their value by their contributions to the bottom line and are supported/perpetuated as critical to the business successes. The challenge for diversity practitioners is to demonstrate the value of diversity in a business format that the organization/business can relate to.

The sporadic minimal progress, often reflected by the starting and restarting of diversity initiatives, suggest companies need to be more strategic as they introduce their initiatives. Specifically they should consider the level of readiness of their company to embrace changes necessary and adjust their diversity initiative intervention accordingly. In this paper I submit that a more effective approach to successfully implementing diversity initiatives is through an explicit tie in to the business case, thereby enhancing efforts as a priority for the perpetuation and expansion of the business.

## **Hypothesis**

Centric individual and organizational mechanisms work against effective implementation of diversity initiatives. Educating leaders on their centrism, appropriate behavioral modifications and demonstrating the value of diversity will accelerate implementation and embracement of diversity initiatives.

## **Background**

Centric mechanism is defined as any principle or practice that is based on the values and beliefs of the people in power within an organization. Examples of centric mechanisms are: Leadership having ethics conflict in values and beliefs that are different than theirs; Performance behavioral factors aligned with majority group culture; Tendency to maintain status quo; Short term business perspectives; Non mainstream employees lower expectations of recognition of their efforts.

These centric mechanisms go into play when diversity initiatives, which represent change, are activated. They contain and restrict effective diversity initiative implementation, preventing incorporation of more inclusive processes and procedures designed to enhance the workplace environment.

In addition the environment under which most diversity initiatives are introduced contain situations that work against effective introduction. Elements such as leaders believing that they already have too much on their plate and cannot take on anything extra: Leaders, who have in the past tried to implement diversity initiatives now are gun shy because of the realized complexity, fear of litigation and limited resources.

Also there is a general disposition of leaders and employees needing to be convinced that diversity initiatives are worth the effort. This makes sense since numbers drive most companies and diversity efforts have yet to be effectively measured to demonstrate value to the bottom line, causing many to question the value of the effort.

### **Strategic framework for effective diversity initiatives**

I submit to you that there is an effective framework for implementation of effective diversity programs. I present this framework based on my empirical experience of many attempts to engage management in embracing diversity initiatives. Inherent in this framework is a motivating force for the participants to adapt their behavior in order to implement the diversity initiative. The framework is based on four key elements; (1) Initial diversity efforts are focused on business case; (2) Obtaining volunteer leaders for business diversity initiatives; (3) Providing diversity skill training to select leaders; (4) Requiring explicit diversity plans with metrics and accountability; (5) Communicating accomplishments throughout business

unit and company and (6) Transference of learning's into other business operational processes.

This framework should not be a surprise. It relates diversity initiatives to the bottom line, supported by specialized training and communication of successes/learning's throughout the company to demonstrate the value of diversity.

There are several recent models of companies that have focused their diversity initiatives based on the business case. Quaker Oats, with a comprehensive diversity outcome metric system, Kraft Foods with Effective Diversity Management as a core leadership competency and business priority, Steelcase Inc., linking organizational diversity to business performance, and Harvard Pilgrim Health Care in its executive accountability program. Their diversity initiatives are explicitly linked to business goals. Results of these efforts are still forthcoming.

### **Strategic Framework for American Express Financial Advisors**

In this paper I will discuss my experiences with American Express Financial Advisors where I, as the VP of Diversity led a team who successfully implemented a diversity initiative primarily based on the business case.

The business case initiative was developed as the result of historical fragmented diversity efforts, not producing tangible results in the company and the challenge the Human Resource group was experiencing in managing individual/organizational environmental changes. Utilizing the business case became a strategic tactic for creating credibility for diversity initiatives and practitioners, which hopefully would lead to more inclusive sustainable organizational changes.

Aggressive plans for business growth were announced for the company, which included expansion of markets and doubling the sales force. This surfaced as a perfect opportunity to insert a diversity business case initiative related to understanding diverse prospect/customer market and discovering effective techniques for increasing business in those markets for the expanding sales force.

Key tactics for this framework are (1) Establishing Diversity Learning Labs in Sales as a tool to demonstrate the value of leveraging diversity expertise for business success (2) Require cultural pattern training for participants in the Diversity Learning Labs and (4) Require each Lab to commit to increased revenue and new diverse client goals (5) Collection of learning's for transference throughout the company and (6) Incorporating learning's into the normal sales processes.

The framework is built around the implementation of a Diversity Learning Lab that is focused on discovering new sales techniques to select diverse segments, while increasing revenue/client acquisition and cascading diversity learning's throughout the business. The management of a sales site self select to become a Diversity Learning Lab based demographic research and their belief that they have a good business opportunity to expand their client base. Sales people from those sites that also believe there is an opportunity in the selected diverse segment for them to increase their client base and therefore their revenue agree to participate on the Lab team. Each member of the team participates in Intercultural Training focused on relevant cultural patterns of the diverse segment targeted, which are juxtaposition to Anglo cultural patterns and the related behavior modifications needed for effective communications. After the training participants are required as a group to develop a marketing business plan, outlining lead generation events with revenue and client goals. During the implementation of the business plan, participants are required to document learning's as well as results.

### **Key Results Using Framework**

Sales site leaders speak well of their Diversity Learning Lab experience and recommend it as an effective method of appreciating, understanding cultural differences while increasing their marketing universe, revenue and new clients. Documented results reflect incremental increase in revenue and new clients for 18 out of twenty Diversity Learning Labs. In addition, key learning's surfaced such as: (1) Diversity teams value cultural pattern training; (2) Participants move to a more multicultural perspective in understanding & communication in sales and work environment – they're more willing to adjust their communication style; (3) Participants became more curious about developing their personal intercultural/gender

competence to the point of soliciting resource information; (4) We learned multicultural/gender mix teaming requires special attention and patience; (5) The evolutionary process of individuals/business units embracing diversity aligns with Bennett's model of Intercultural Sensitivity.

### **Diversity Buy in Expansion Strategy**

Within the Diversity Learning Lab business environment, after continued successful initiatives there is increased buy in by management on diversity as a key to company success and growth. This buy in was reflected when the Diversity Learning Labs graduated and corporate funding was no longer available that the management team provided the funding to keep the effort going. There is a clear belief that understanding the nuances of the diverse market and making appropriate adjustments to the marketing and sales approach is very effective and enhances the opportunity for success. This belief enables leaders and diversity practitioners address the centric mechanisms that constrict progress of diversity initiatives. In this particular case it answers the question, "What's in it for me?" and with that answer the participants are willing to modify their behavior in order to meet their business goal.

The new diversity mindset of leveraging diversity to meet daily business objectives must be expanded. This can be accomplished by communicating the positive impact of diversity initiatives strategically throughout the company. This must also be reinforced by sharing implementation learning's and delivering workshops that demonstrate potential impact in other functional areas other than sales i.e.: Management Leadership Training, Multicultural Interview and Selection, and Multicultural conflict resolution. In addition the business must establish internal mechanisms to create leadership responsibility/accountability for diversity initiatives. This can be done through the establishment of Corporate Diversity Councils, Department Diversity Teams and including diversity effectiveness as a performance factor on the appraisal system.

## **Conclusion and Dilemmas**

Management as a “makes sense” approach easily embraces the framework of wrapping diversity initiatives around the business case. The resulting increased revenue and client acquisition reinforces the effectiveness of the approach and the communication of the successes and learning’s is easily cascaded through leadership ranks.

However, as one works to focus their company diversity efforts from a business case approach, consider the implementation dilemmas I experienced and will continue to experience using this approach. In order to be effective in this effort, specifically using Diversity Learning Labs, made up of diverse teams; one must be prepared for the intercultural conflict that surface when you form a multicultural team. This conflict is the normal storming and norming but is complicated by intercultural conflict, which requires special and long-term attention. In addition there is the desire that will surface from many members of the diversity team, that the company should go beyond cultural learning’s/applications and move to a more change orientation such as dealing with the “oppressive” mechanisms the target population is facing.

There is also the question that surfaces in the mind of many diversity team members - Is it ethical to use intercultural knowledge to increase business? This was answered with the understanding that the effort is intended to offer our services to a wider population, thereby giving them an opportunity to be more successful. But the question continues to surface.

Although the business approach to diversity does not effectively address ethics and societal issues it does engage the larger business population. Management is more willing to embrace the efforts and diversity implementers can get some traction on this important effort. Linkage of diversity initiatives with leaders daily business objectives emphasizes the value of diversity and gets a larger buy-in for organizational change.

There are several questions the reader should consider.

Does economics overweigh other considerations as you try to implement a diversity initiative?

Is it fair to ask management to embrace diversity from an intrinsic perspective when their hands are full just keeping up with their daily responsibilities?

Does the teaching of cognitive process /cultural patterns of specific diverse segments as a business initiative reinforce stereotypes and hamper diversity progress long term?

Richard Gaskins's background:

Vice President of Diversity for American Home Products a Pharmaceutical company and previously Vice President of Diversity for American Express Financial Advisors.