

Diversity Strategy in the Workforce

*“Public jobs are public resources, to which everyone has a potential claim.”
—Hays, 1998 (as cited in Kellough, 2003)*

The current face of the American workforce is changing rapidly to coincide with demographic changes in the general population. As the population of ethnic and racial minorities has increased, so have the numbers of minorities entering the workforce in nonprofits and in the public sector. Such burgeoning expansion of diversity has resulted in new challenges in managing and dealing with varying cultural values, languages, and ideology. However, a more heterogeneous workforce prescribes the necessity to incorporate a broader diversity “strategy” that will encompass Human Resource Management (HRM) issues as well as recruitment and strategic workforce plans to include diversity in all aspects of operations. With an increased understanding and sensitivity of different cultures and groups, organizations’ efforts will enhance employee and customer interests, improving group performance and customer relations (Thomas, 2004).

Diversity Strategy Definition

Managing diversity has been a major focus within the public discourse about decreasing homogeneity within the workplace. Oftentimes this entails superficial means of integration through social equity policies directed towards employees—escalating recruitment efforts of varying ethnic groups, retention of current minority

employees and diversity trainings (White, 1999). Merely maintaining a numerical status quo, however, fails to address complex group dynamics when people with heterogeneous experiences and backgrounds are placed together. Another level of management requires effectively dealing with varying cultural dimensions. Cultural norms, values and experiences influence inter-group relationships and even power dynamics, changing the way people work with each other (Kellough, 2003).

As a human resource issue, diversity amongst personnel requires an increasing need to comply with legislation. As Naff notes, in 1996 the United States Department of Justice set forth guidelines for employment affirmative action that became a major impetus of change (Naff, 2001). The DOJ stated that it is unlawful to hire a person based on their race, ethnicity or color. Following in the footsteps of Civil Rights era legislation, diversity is a tense forefront issue that human resource departments must aid organizations to not only seamlessly adapt, but to fully utilize as well.

According to Charles (2003), companies are recognizing that the scope of current diversity management is limited. Incorporating differences to achieve a broad spectrum of diversity is essential for competing in today's international marketplace and requires an encompassing diversity strategy. Such strategy includes examining not only the employees' needs, but also the clients' needs as well. This requires placing the value of diversity at all levels of operations and within the mindsets of everyone in the company—including having executives who model diversity approaches, adopting appropriate management practices, having support from employees, and incorporating diversity within business plans (Thomas, 2004).

Objectives of Diversity Strategy

The shift towards a pluralist society and a resultant heterogeneous workforce has often led towards placing sub-groups of people into socially constructed categories. As Yanow (1996) points out, these categories tend to oversimplify the similarities and differences between these groups and conceal certain demographic characteristics. Yet an extensive diversity strategy requires dealing with groups of people beyond the basic classifications of race, ethnicity and gender (Naff & Kellough, 2001).

The motivation for espousing a broader sense of diversity within an organization is twofold: enhancing workgroup performance and legitimizing an organization's constituents (Foldy, 2004). As the workforce changes, so does the public and clientele. A disparate staff is positioned better to understand the varying cultural perspectives, needs, and customs of the public. In addition, power dynamics within groups can be further equalized and improved through acceptance of diverse opinions, improving the way people work and allowing for innovative ideas and new viewpoints to be voiced. With pervasive diversity policies in effect, groups can ideally work more productively and efficiently. Yet, simply hiring employees of different cultural backgrounds is insufficient. Procedures and changes in overall systems are necessary to enhance relations of different demographic groups and bring competitive equity within the labor force. The human resource department is responsible for laying the foundation of such

regulations and ensuring implementation will be achieved throughout the organization.

However, procedures and policies can only be effectual with an emphasis on longevity and a voluntary basis. A diversity strategy embraces diversity on all levels and is inclusive of everyone (Naff & Kellough, 2001). This strategy translates to incorporating and establishing the importance of diversity in all manners of operation creates buy-in at all levels—from management to clients—that enable a broad strategy to succeed. In essence, a diversity strategy is also a business approach that is beyond simple affirmative action. It takes advantage of the unique qualities of individuals and group characteristics to allow disparate employees to work just more effectively and efficiently.

Implementation Issues

The actual implementation and use of the diversity qualities, however, is left to the individual organizations needs and capabilities. Each organization will be able to sustain differing levels of diversity and incorporate it differently (no two models may look the same). However, as is, most of today's diversity programs are insufficient and are "having minimal effects on increasing sensitivity to differences, developing the ability and willingness to accept and value diversity, minimizing patterns of inequality, stereotyping and prejudice, improving cross-cultural interactions, and modifying organizational leadership practices" (Soni, 2000). Human resource departments are charged with developing a broader scope of policies to increase the effectiveness of diversity.

Ultimately, the goal of a diversity strategy is to focus on utilizing differences to enhance work efficiency and innovation. However, implementation is easier said than done. Even though homogenous groups can often outperform heterogeneous groups, new ideas and innovation can spur productivity in other ways to compensate for the performance discrepancies. Concentrating on individuals, rather than groups helps divert issues of alienating other groups, a problem typically associated with traditional affirmative action policies. Successfully understanding and utilizing differences are fundamental to managing diversity and induce what Charles (2003) calls an “atmosphere of inclusion” that appeases constituents and employees alike.

In the short-term, incorporating diversity into an organization is not always a successful venture. In fact, as Kossek, E., Markel, K. & HcHugh, P. note, the addition of minorities into a group actually increases tensions that the workgroup level (Kossek et. al., 2003). There tends to be disagreement “as subgroups [sort] out shifting and socially ambiguous power relationships within work units.” In essence, the power shifts necessitate increased team-building exercise and workgroup focused plans to “support organizational level diversity strategies” (Kossek et. al., 2003). Widespread resentment can often be the result if management and employee buy-in is not established before new broad diversity programs are instituted. Beforehand, employees need to be informed on the benefits and purpose of increased diversity (Soni, 2000). In addition, it is important that all employees agree to cooperate with diversity initiatives and have a full understanding and mutual perception of how a diversity strategy is achieved.

History of Diversity Strategy

According to White (1999), traditional efforts to contend with diversity have concentrated significantly on effecting social equity policies. Such social justice is exacted through straightforward affirmative action rules and newly enacted legislation helped enforce the reduction of employment discrimination. Early efforts to incorporate diversity were devoted to eliminating discrimination—first and foremost through the Civil Rights Act of 1964 which made discrimination illegal (Kellough, 2003). Continued methods of affirmative action came along with the “Philadelphia Plan” of 1967, which was an early attempt by the government to incorporate affirmative action.

Other policies include the Age Discrimination Act of 1967 (which prohibits discrimination based on age) and the Rehabilitation Act of 1973 (which prohibits discrimination of people with disabilities). These policies constitute the typical diversity management model, dealing primarily with providing diversity trainings, targeting specific ethnic/racial groups in recruiting and retention, and following compliance with discrimination legislation. Typically, for Human Resource Management, this translates to determining staffing needs, implementing an affirmative action plan and changing recruitment methods (Daley, 2002).

Diversity management has done its share to ensure a more heterogeneous workforce. However, increased numbers of historically underrepresented people (including women, minorities, and people of varying sexual orientation) have changed work group dynamics and the results have not always been positive.

As Ely and Thomas (2001) note, varying groups may feel threatened and wary of working in a heterogeneous environment. Simply diversifying groups does not automatically result in effective group performance. Miscommunication and misunderstandings can hinder relations within groups under certain circumstances. Beyond broadening recruitment efforts, a necessity arose for training courses in dealing with heterogeneity and managing diverse groups. On a smaller scale, these efforts work to some degree, yet fail to realize the full potential of effectively using multiplicity and diversity.

Private Sector Example—IBM

There is recognition of a need to redirect overall organizational behavior needs in order to manage diverse groups on a larger scale (White, 1999). As a private sector example, one company sought a new initiative towards using diversity as a means for a pervasive business strategy. In 1995, the company decided it was necessary to approach managing diversity from a different perspective. IBM felt its customer and employee market-base was largely underutilized. They endeavored to tap those markets and built “diversity task forces” to explore the role and significance of diversity in work relations internally (between work groups) and externally (with clients). Each task force included 15-20 employees cutting across all demographic constituents. The task forces consisted of senior managers or mid-level managers (if not enough seniors), an executive manager sponsor, and a lawyer for legal guidance. Each task force was charged with exploring issues regarding one particular constituent (i.e. women’s or Asian’s) and examining the challenges, strengths and weaknesses of a diverse work group.

Thomas (2004) noted the task forces' findings "made it clear that workforce diversity was the bridge between the workplace and the marketplace.... [Thus] a focus on diversity was, in short, a major business opportunity" (p. 102). IBM found that increased workforce diversity allowed for closer relations and connections with clients. Their clients felt the company was more in tune with their needs and more understanding. In fact, the task forces proved so successful that even though IBM only sought to establish the task forces for six months, the task forces continue to exist through today. IBM initially found some resistance to the new diversity initiatives, yet overall, their new diversity goals have proved to be extremely positive and embraced by employees, management and clients alike.

Public Sector Example—National Institute of Health (NIH)

The private sector is not alone in exploring a broader diversity strategy. The National Institute of Health (NIH) is an example of a public sector organization making strides towards better utilization of diversity. In 1995, NIH began a Workforce Diversity Initiative (WDI). The NIH understood from private sector that managing diversity is a better business model for improving the workplace environment. Coinciding with the changing ideology was the issuance of U.S. DOJ guidelines in 1996 for the end of employment affirmative action (Naff, 2001). This became a great opportunity to assert the NIH's mission on diversity: "It is the policy of the National Institutes of Health to manage the diversity of our employees by building an inclusive workforce, fostering an environment that respects the individual, and offering opportunities for all persons to develop to their full potential in support of science."

The WDI became the NIH's organization wide mandate to utilize diversity. Incorporating diversity was enacted through a widespread process and implemented locally at each of the NIH's centers. The number of trainings was increased and each center designated a diversity manager that was essentially a "diversity catalyst" to spread information and help implement policies. A "Diversity Council" was established that consisted of high-level managers who volunteered for the position and the diversity managers as well. The Diversity Council was responsible for directing and changing diversity policies and regulations. Many informal guidelines were encouraged as well, including supporting employees to call teams 'people' instead of 'guys' or 'girls' and encouraging employees to study another language.

The NIH's endeavors are an early attempt to implement Diversity Strategy at an organization level. Their model is moving towards a comprehensive Diversity Strategy model—yet still has not fully utilized the merits of diversity. Yet, the NIH should be praised for its efforts to instill the importance of embracing differences. Even more laudable is the encouraging (not mandating) of its employees to implement non-discriminatory practices and to be more aware of their own actions.

Implications of Diversity for Human Resources and the Public

The implications of such for the field of human resources and public administration are far reaching. Diversity has become inseparable from work functions by means of learning. Learning has become the framework under which work groups can function, producing a variety of thoughts and viewpoints (Foldy,

2004). The scaffolding of learning support helps frame group behaviors and allows them to take advantage of diversity. For the public, a diversity strategy provides additional opportunities for employment equity. In addition, inventive group thinking will give “out-of-the-box” solutions and better competition results in superior quality products and services.

Diversity Perspectives

For Human Resource Management, obvious consequences are redirecting viewpoints, changing implementation of diversity policies, incorporating an inclusive atmosphere, and ensuring adherence to discrimination legislation. Administrators are faced with the challenge of “diversity perspectives”—culturally based beliefs and viewpoints that affect how people within a group interact with each other (Ely & Thomas, 2001). In doing so, HRM can also fulfill their accountability for American democratic values of liberty, effectiveness and equality. Social justice and affecting a “difference” in society is often a cornerstone of civil service and as part of HR staff, enacting a diversity strategy assists the pursuit of this goal (Daley, 2002).

Yet, controlling the menagerie of people’s diversity perspectives is a difficult task, but requires attention to recruitment, retention of diverse peoples, providing access to different viewpoints, legitimizing cultural differences, and rethinking ways of learning. Not all attempts at increasing diversity will be successful or even salient for all organizations. It is imperative to understand first that an organization’s current diversity climate and receptiveness towards multiplicity (Soni, 2000). Varying levels of people and groups will have different attitudes and values

regarding diversity and it are important to recognize that and deal with it appropriately.

A primary caveat of incorporating diversity results in dilution of workgroup demographics. It is a possibility that diversity would not be integrated sufficiently into a workforce and simply spreads a minority group even more thinly. This often diminishes what constitutes a “critical mass” that can “tip” the scales towards equity for minority groups (Kossek, et. al., 2003). If efforts are not significant enough, minority groups may remain a “minority” and further increase tensions and resentment amongst employees. This is an example of sustaining caution throughout the implementation process of a diversity strategy. HRM needs to be careful in safeguarding and meeting all employees’ needs to avoid as many tribulations as possible.

Diversity Strategy as a Component of Strategic Planning

Fortunately, for HRM, undertaking a diversity strategy does not immediately render an impossible situation for organizations. A diversity strategy conveniently coincides with strategic planning, which organizations can use to focus on a realistic organizational strategy (Daley, 2002). Strategic planning entails determining goals, gathering information on an organization’s capabilities, strengths, and weaknesses, and finally evaluation of those aspects. Components of a broad diversity strategy neatly dovetail with parts of a strategic plan—such as developing realistic goals of diversity , how it can realistically achieve them, and how that interconnects with an organization’s overall future goals. Attaining those goals aids an organization in realizing its future role.

Future of Diversity Strategy

The utilization of a diversity strategy has increasing relevance to today's international marketplace. Heavy emphasis on globalization and technology has reduced many barriers between peoples and allowed for greater connectivity. This has increased the influx of contact with disparate clients and employees, which necessitates systemic changes in procedures to meet new clients' needs. Furthermore, in contending with disparate workforces, an organization must continue to communicate with its employees and improve "perceptions of discrimination and exclusion" on minority groups that fosters mutual understanding between all employees (Soni, 2000).

If anything, it will be more important in the future for organizations to increase their responsiveness and accountability. To achieve this, they need to have a diversity strategy in place to deal with continuing change and increased competition. We should take advantage of people's strengths, instead of suppressing differences. In spite of inherent difficulties in meshing dissimilar groups of people, the advantage of innovation and business opportunities outweigh the struggles. Diversity strategies will have continued impact five years down the road and beyond.

Conclusion

Investing in a broad and encompassing diversity strategy is an important process for organizations to undertake. It is impractical to ignore the increased diversification of the public workforce and thus, efforts should be undertaken to

enact strategic planning that consider diversity at a deeper level. The issue of multiplicity needs to be ingrained at all levels of operations and staffing, which should be committed on a voluntary basis ensuring the longevity and success of diversity strategy.

However, a certain level of vigilance must be kept to avoid potential downfalls of dilution of workgroup efforts or increased workforce resentment and ambivalence. With increased attention to emphasizing strengths from differences, an organization can improve work group relations, increase responsiveness and understanding towards its constituents, and build inventive work solutions. Diversity strategy makes sense as a business opportunity that profits not only the organization, but also the public benefit as well.

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