

Feature articles

Workplace diversity: developing a win-win-win strategy

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Diversity as a topic earns more attention today than it has ever received before, and the reasons are easily understandable: global migration is increasing, the internet is enabling communication on a worldwide scale, and business leaders are continuously in search for less expensive resources and lower wages to pay. All these trends result in progressively diversified workforces locally and internationally.

Increasingly, companies allocate special room for diversity practices on their web sites. Yet, there are some interesting observations that may not necessarily be new, but should nevertheless regularly be brought to the attention of business leaders. Why? So that they can keep track of the best way to develop and implement diversity in their organizations.

Let us briefly look at the right reasons and the right way, beginning with the right reasons.

The right reasons

Often, organizations pride themselves in implementing diversity in order to accommodate customers. But there is only limited reason to be proud of this way of bringing diversity to the workplace. What these companies overlook is that they apply diversity only as a means toward an end, not as an end in itself:

- They apply diversity with the primary mindset of profits. They reach out to their customers, but do not necessarily believe in diversity as the morally proper thing to do. Their main concern is that customers feel at ease in the store by recognizing salespeople on the floor who come from the same background or racial group as theirs.

Engaging in the right reasons would entail applying diversity in the first place because it is morally correct. The world consists of human beings that are equal to one another, even if they differ in color, shape, size, age, ability, preferences, or gender. If this mindset can become part of the nature of the organization, performance as a whole will augment and profits will consequently increase.

- The diversity in their organizations does not reach higher echelons. It is predominantly applied at the lower levels where workers meet customers but hardly or not in executive ranks. By doing so, these organizations keep the controlling mechanisms in the hands of a homogeneous group that is unable to make decisions with the depth that a diverse team would display.

Engaging in the right reasons would entail granting all members of the diverse workforce of the organization the same opportunities to advance. Variety in race, gender, education, age, or cultural background will result in greater insights and creativity at all levels.

- When operating on a global scale, some organizations apply diversity to accommodate customers in the countries where they operate, but they refrain from enabling their employees from various geographical areas to learn from one another. They do not shift

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workers throughout the organization, and the knowledge of properly accommodating certain groups of customers remains confined within local borders. The outcome of the story is, that the deeper advantages of diversity – mutual learning, mindset expansion, greater acceptance and enhanced insights – remain uncultivated.

Engaging in the right reasons would entail that globally operating organizations ensure optimal internal, integrated, and external learning for all employees. Employee exchange programs should be created and inter-organizational travel across geographically dispersed locations should be highly encouraged, so that multi-applicability and rich learning can occur.

The right way

Now, let us look at the second point of interest in developing diversity: the right way. First of all, every organization has to realize that diversity can cut both ways. You can make more profits by applying it and do the morally right thing at the same time, hence, a win-win combination. However, when your organization hires people on basis of their qualities while keeping in mind that every organization on the globe should represent the globe itself, it elevates diversity into a win-win-win strategy:

1. Your organization wins because it harbors a workforce that possesses the capacity to reinvent itself multiple times due to the wide variety of mindsets available at all levels. If you want to see a great example at work, check out the turnaround, which Advantica Restaurant Group, Inc. brought about in the Denny's Restaurant chain, one of their daughter corporations in the USA. After being slammed with massive lawsuits in the beginning of the 1990s, Advantica hired a new CEO, who implemented rigorous changes, starting with hiring a chief diversity officer (CDO), establishing diversity at all levels, up till the company's board of directors, and setting up massive and mandatory racial sensitivity training sessions throughout the organization. Result: in 2000, Advantica ranked No. 1 in "America's 50 Best Companies for Minorities" survey by *Fortune* magazine.
2. Your most important stakeholders win:
 - Customers, because they can better identify with your workforce. They feel more comfortable and less alienated in an environment where at least one face resembles theirs.
 - Employees, because they learn from each other and, hence, expand their overall human qualities. They feel recognized, particularly if they know that the diversity in the organization is not limited to lower levels and they will be more loyal because they know that advancement opportunities are not limited to members of certain groups.
3. Humanity as a whole wins, because you are representing the world in your workplace. The corporate headquarters of Starbucks have developed attractive purchasing agreements with coffee growers in South America and other parts of the world. Not only do they guarantee the supply of a great product in their stores, but they also ensure survival of these small entrepreneurs and their families, thereby ensuring better quality of life within various global communities.

Figure 1 depicts the contradiction between applying workplace diversity for solely profit-related purposes and implementing diversity in the right way.

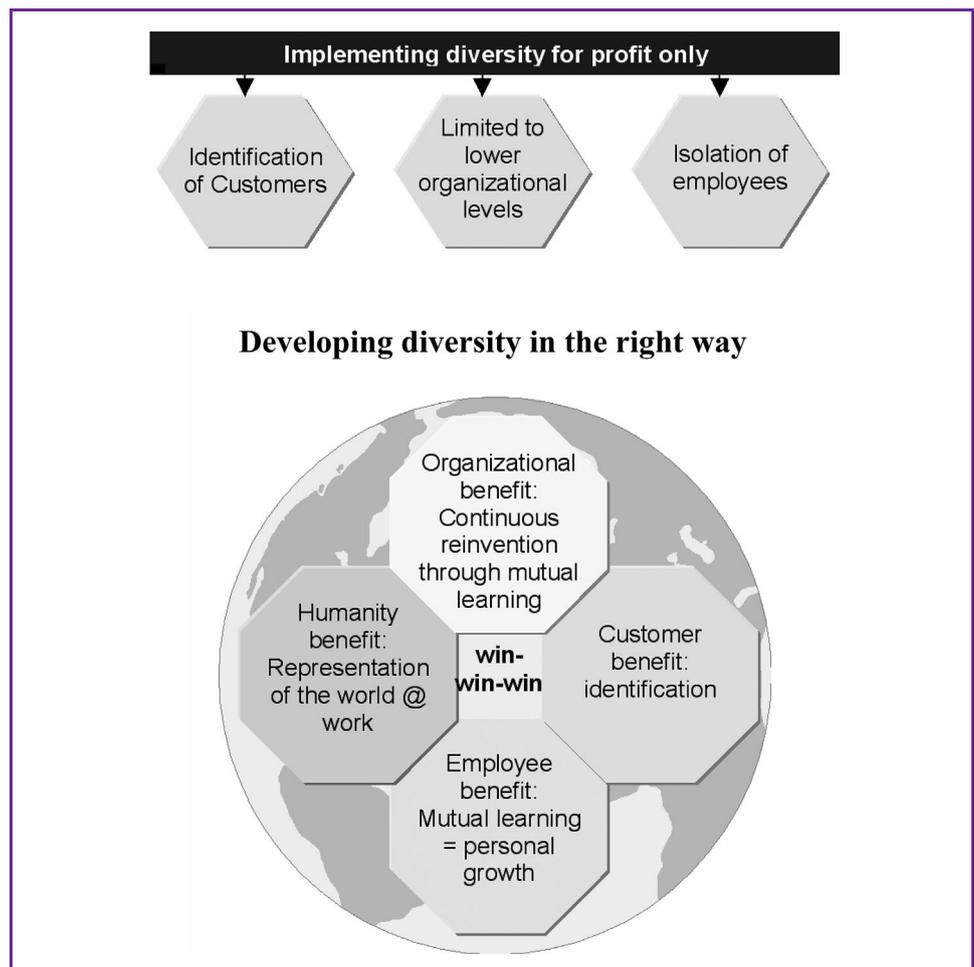
As Figure 1 illustrates, the workforce of such an organization will:

- Reflect our world rather than a small segment, which ensures larger and more lasting crowds of customers.
- Ensure continuous reinvention through mutual learning, because employees from all parts of the world learn from each other and in turn share their renewed insights with others at the home base.
- Enjoy a happier customer base where no one feels alienated, as the workforce represents an array of ages, races, cultures, educational levels, and skills.
- Enjoy a more stable workforce with fewer turnovers. Workers do not have the tendency to leave a place where they can learn, grow, and feel valued.

Final note

Workforce diversity, although sometimes still applied with hesitation, is gaining ground, and that is wonderful. What is more pleasing is that, in these days, even the more conventional organizations are starting to apply diversity in their business strategies and customer approaches: they target their advertisements more than ever toward ethnic-, gender- and

Figure 1



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age-diverse groups, as well as members of the gays, lesbians, bisexuals and transgender (GLBT), but too often they only do so because of the recent disclosures of the higher degree of disposable income of these groups and not because they feel that it is the right thing to do. And that remains regrettable.

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