The Business Case for Diversity

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Introduction – Total Engagement Consulting by Kimer

• Formed in 2010 by Stan C. Kimer after 31-year IBM career
  • Included executive role of overseeing career development for IBM’s 3000 Sales Operations personnel around the world
  • Career included stints in sales, marketing, finance and human resources (IBM’s GLBT Diversity Manager)

• Current consulting offerings include:
  • Diversity management with a specialization in LGBT
  • “Total Engagement Career Mapping” Services – an innovative methodology for engaging employees in longer range career management
  • Organizational effectiveness and project management

• Outside community involvement
  • National SHRM member, local: Raleigh-Wake and Triangle, NC SHRM chapters
  • TODN – Triangle Organization Development Network
  • Member, Greater Raleigh Chamber of Commerce
  • Treasurer, Raleigh Business and Professional Network
Agenda

• What is diversity? The many dimensions of diversity
• Why is diversity important – the rationale and business case
• Current hot new topics in diversity
  • Generational
  • Global / Cultural
  • LGBT (Lesbian, Gay, Bisexual and Transgender)
  • Veterans
  • Diversity of thought
• Key executional components of a holistic diversity strategy
• Diversity and Sensitivity Training
  • Do’s and don’t’s of interacting with people different than you
• Summary and Closing – and then Qs and As and a drawing

Total Engagement Consulting by Kimer
Raised by penguins, Domino was always a little "different".
What is diversity?

Primary and Secondary Dimensions of Diversity

Diversity: The condition of being different or having differences.

Different: Partly or totally unlike in nature, form or quality.

Diversity in and of itself is neither bad nor good

Loden and Rosener, Workforce America/1991
Two diversity models: Melting Pot / Salad Bowl

**Monoculturalism**
Melting Pot, Assimilation, Exclusion
Rejection of difference and a belief in the superiority of the dominant group

**Pluralism**
Salad Bowl / Fruit Bowl, Diversity, Inclusion
Acceptance, appreciation, utilization and celebration of similarities and differences.

From VISIONS, Inc.
IBM Workforce Diversity – the bridge between the workplace and the marketplace.
The Business Rationale for Diversity

Diversity in your organization matters for:

1) Recruiting  
2) Retention & Performance  
3) Diversity of Ideas & Talent  
4) Social Responsibility & Community Reputation  
5) Marketing / Sales / Customer Services

Diversity – the bridge between the workplace and the marketplace
The buying power (disposable spending power) of various diversity constituencies

- Asian: $254 Billion
- Native Americans: $35 Billion
- Black: $572 Billion
- Hispanic: $452 Billion
- Gay/Lesbian: $450 Billion
- Mature: $1,600 Billion
- Disabilities: $461 Billion
- Women: $1,096 Billion

Sources: Selig Center for Economic Growth, WE Magazine, HRC, AARP, NFWBO
Sample Business Case
(this methodology can be applied to any diversity dimension)

Sample estimated return on implementing a comprehensive “People of Color” diversity initiative (for example: 2000 person business, average annual salary $40,000, $150M annual revenue)

- If 25% of your employees are Black, Hispanic, Asian ... and the initiatives make them 2% more productive: **Productivity gain: $400,000** (2000 x .25 x .02 x $40,000)

- If 25% of your employees are Black, Hispanic, Asian and the initiative can keep 5% of them from departing, the savings in recruiting / training new employees (assume cost is 80% year of salary): **Potential savings: $800,000** (2000 x .25 x .05 x $40,000 x .8)

- If 15% of your sales revenue comes for the Black, Hispanic and Asian constituencies and these efforts can drive just a 5% increase in sales to those segments: **Potential additional revenue: $1,125,000** ($150,000,000 x .15 x .05)

In addition, there are various “soft benefits”
- Higher employee morale
- Easier to recruit top talent – word spreads, become the “employer of choice.”
- Community good will
The Diversity Field Continues to Evolve

• Diversity continues to evolve and means so much more than gender and race.

• Current hot new topics in diversity
  • Generational
  • Global / Cultural
  • LGBT (Lesbian, Gay, Bisexual and Transgender)
  • Veterans
  • Diversity of thought

• Also – the diversity discussion is moving beyond the point of recognizing and affirming diversity in our enterprises, but to how diversity and inclusion can be a strategic competitive advantage
HOT NEW TOPIC: Generational Diversity

**Traditionalists (1927-1945)**
- Disciplined, diplomatic
- Good manners are important
- Respect authority

**Baby Boomers (1946-1964)**
- Somewhat skeptical
- More money motivated
- Ethics and values are important
- May become “workaholics”

**The Gen X’rs (1965-1981)**
- Sense of independence
- Distrust of older generation
- Creative, entrepreneurial
- Technologically savvy
- Comfortable with change

- Most adult-supervised kids in history
- Respect authority
- Need constant affirmation
- Close to parents
- Compassionate, global perspective
- Priorities outside of work
KEY: provide training to all employees across all generations so they can better understand each other and ......

Move from Collision..................
Managers must be trained to be able to use different styles of management with employees of various generations.
HOT NEW TOPIC: Global / Cultural Diversity

Single Location Teams ➔ Global Teams

When I started my IBM career, all members of my department were in the same building with me. 30 years later when I retired, I had spent the last 5 years managing departments where every single person was remote from me.

The white male American workforce ➔ Diverse multi-national teams

FACT: Non-white entrants into the US workforce is growing from 24% in 1995 up to 31% in 2020.

It is now important to provide training on global cultural competence
• The demise of “Don’t Ask, Don’t Tell” (US Armed Forces)
• Inclusive Hate Crimes bills is passed at National Level
• What will be passed next? Passing a US ENDA? (Employment Non-Discrimination Act)
• Gender transition of Chas Bono, Caitlyn Jenner
• Same gender marriage now available in Virginia (can your business capitalize on this? Impact on benefits?)
• Last year’s Supreme Court ruling – California Prop 8 and constitutionality of DOMA; upcoming ruling later this month
• President Obama’s executive order protecting LGBT employees and contractors (could impact you if you have federal contracts)

Gay bullying often leads to isolation and in many cases suicide

In December, 2010, President Obama signs the bill that ends “Don’t Ask, Don’t Tell”
Can you be fired for being LGBT?

**FACT:** 61% heterosexual & 29% LGBT not aware that there are no federal protections protecting LGBT employment – 2008 Out & Equal Workplace Survey
Virginia has a high number of military bases compared with other states. With more troops coming home from overseas deployment, more talent is available.

**Human Resources:**
- Identifies candidates
- Reviews qualifications
- Screens applications
- Selects for interviews
- Coordinates interviews
- Participates in interviews
- Reference checks

**Strategic Leadership:**
- Sets strategic vision
- Establishes organizational goals
- Develops organization’s initiatives
- Ensures successful results

**Veterans Offer many skills companies require:**
- Communication skills
- Teamwork
- Planning / Organizing
- Executing for results
- Leading Teams
- Coaching / Developing Others
- Analysis / Prob Solving

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• Many aspects of diversity (race, gender, sexual orientation, disabilities, economic, cultural, family upbringing....) lead us all to approach challenges in different ways.

• Diverse teams can drive creativity and innovation
  • Why build a team of people who think exactly like you?
  • Studies in this area confirm that diverse teams come up with better solutions in the long run
  • Diverse, creative teams can develop better products and provide better customer support

• Actions to take:
  • Set a direction and commit – especially being open to people with different perspectives and way of thinking
  • Be creative in recruiting and look outside the typical places for team members
  • Build a culture that encourages and rewards creative thinking. “No” or “that is a dumb idea” or “that can’t work here” is the quickest way to shut down creativity.
The steps to full inclusive diversity

- Community Commitment
- Equal Policies & Benefits
- Advocacy & Corporate Responsibility
- Talent Management & Professional Development
- Workplace Climate / Training
- Talent Management & Professional Development
Key executional items for holistic diversity

- Support diverse orgs
- Support diversity events
- Targeted diversity marketing
- Diverse images in mainstream advertising
- Supplier Diversity Program

- Sharing best practices
- Advocating for good legislation
- Leading voice on corporate diversity

The steps to full inclusive diversity

- Inclusive EEO Policies
- Parity in major benefits
- Equivalency in all benefits
- Expanding EEO globally

- Inclusive diversity training to all employees
- Climate / engagement surveys with diversity parameters
- Diversity objectives in senior / middle mgt measurements

- Employee Resource Groups
- Targeted recruiting
- Diverse employee development opportunities
- Recruiting and development metrics
Important Components of Diversity Training

Heart and Mind: It needs to start with the executive leadership . . . They need to want to do this and also understand the compelling logic

- HR can drive, but executive team and line management must own it
- The training needs to support organizational value and goals
- Everyone must see direct tie to organizational success and their jobs
- Include a good mix of teaching content and interactive exercises / cases studies
Diversity Training – WHO? (everyone!)

How much impact does the following have on your work environment as an LGBT employee?

- Co-workers
- Direct Supervisor
- Senior Mgt
- Other LGBT employees
- Customers / Clients
- Subordinates
- Human Resources

This shows the importance of cultivating an entire corporate culture from top to bottom that values openness and diversity.
5 minute sensitivity training

In terms of interacting with people different from you..... DO:

• Treat each person as an individual, not a member of a group
• Take responsibility to learn about a group’s culture, history and struggles as told by them
• Do make sure the context welcomes everyone ... and listen
• Do appreciate efforts to point out mistakes- be open to learning!
• Do keep in mind the many dimensions of accessibility: money, space, transportation, language, etc.
• Do expect discomfort when relating to people different than yourself. It’s natural!
• Do regard people as whole human beings with families, interests and ideas
• Do name dominating or discriminating behavior when you see it
• Do understand individuals in the context of their social history
• Do ask questions, take risks, trust others
• Treat others as you would like to be treated
5 minute sensitivity training

In terms of interacting with people different from you..... DON’T:

- Don’t assume all people from a particular group look or think alike
- Don’t assume or say that someone is “exceptional” compared to others in that group
- Don’t interrupt. Let people explain themselves
- Don’t patronize. Don’t assume you are more capable
- Don’t trivialize the experience of others
- Don’t take responsibility for or speak for others
- Don’t ask others to explain, prove or justify themselves
- Don’t mimic other cultural traditions to try to “be like them”
- Don’t flaunt how you are different or more accepting than others in your group
- Don’t ignore or minimize differences by over-emphasizing similarities
- Don’t take anything personally!
- Don’t expect to be trusted quickly – building relationships takes time
Summary

• There are many dimensions of diversity – and diversity continues to grow in our everyday world

• Diversity and inclusion should be a key strategic initiative of any enterprise
  • Employee effectiveness and productivity
  • Market Share / Client Service
  • A compelling “dollars and cents” business care can be generated

• Diversity initiatives and diversity/sensitivity training needs to include everyone and start at the top

• We can all continue to grow in learn in terms of effectively communicating and building relationships with the diverse people around us
Now Time for a drawing and Your Qs and As!!!