

WORKFORCE DIVERSITY

A Business Case for Diversity

Paul L. Gerhardt

Learning Outcomes

- Examine latest data, resources, and theorists suggesting a new landscape of workforce faces in America
- Acknowledge business implications for organizations to take advantage of the changing landscape
- Provide a model to develop a business case for diversity programs

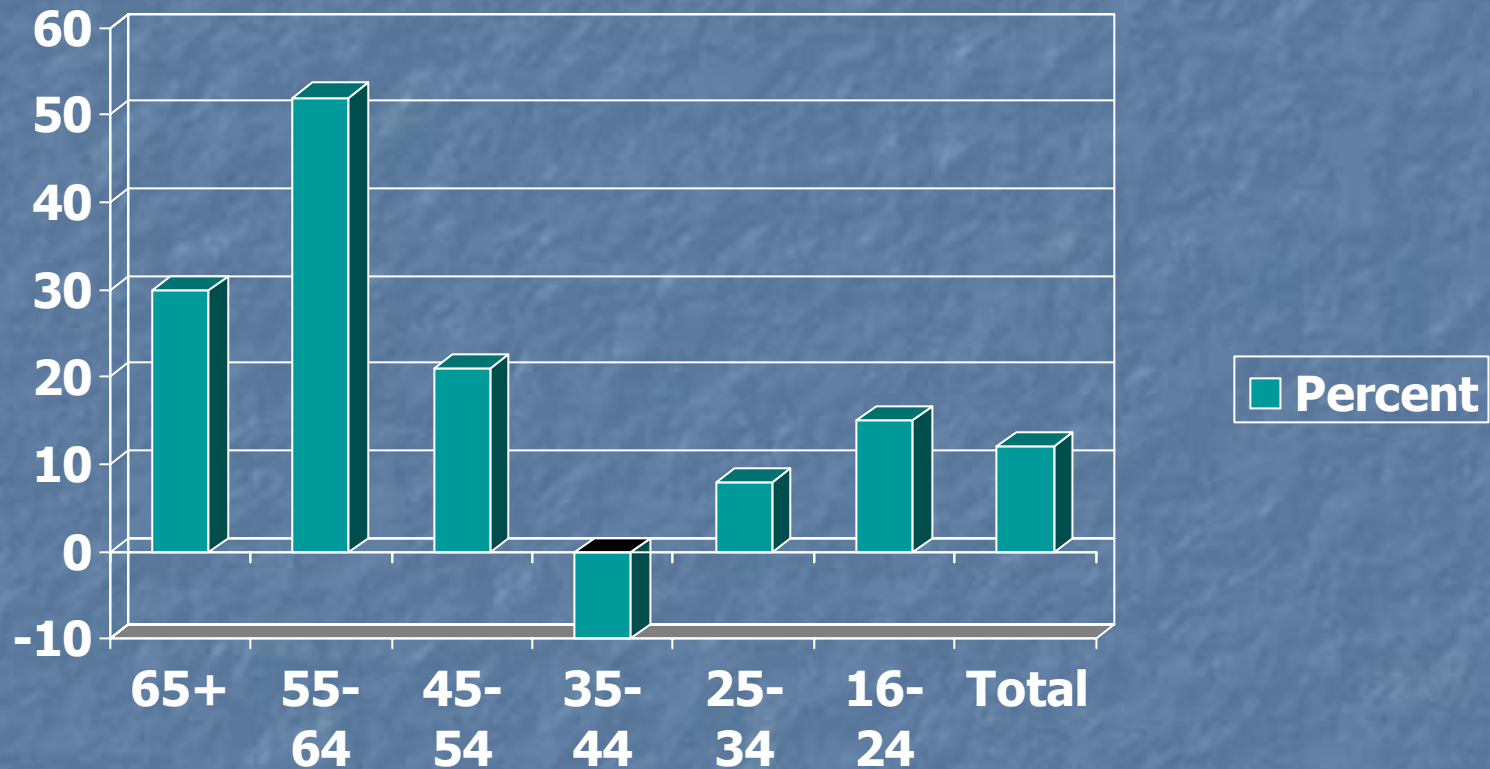
Diversity vs. Affirmative Action

- Affirmative Action – grounded in moral and social responsibility. Legal obligations based on numerical measures to increase representation of minorities and women in underrepresented vocations.
- Managing Diversity – Based on cultural change BUT is a pragmatic business strategy that focuses on maximizing the productivity, creativity, and commitment of the workforce while meeting the needs of the diverse consumer groups.

Our Belief

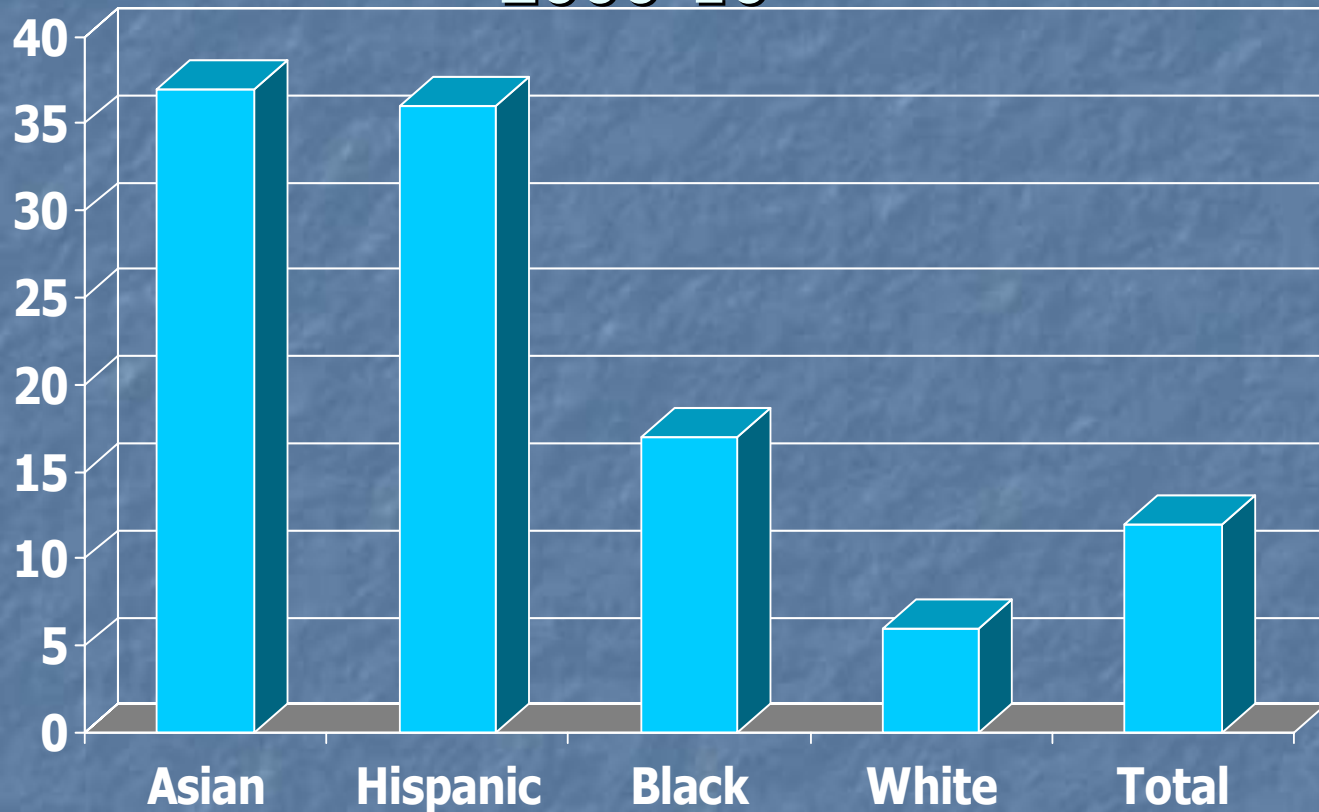
- There is value investing in a Diversity Program
- There is no value investing in a Diversity Program

Labor Force Change by age, projected 2000-10



The number of labor force participants aged 65 and older is expected to increase more than twice as fast as the total labor force. The 55 to 64 group will grow even faster as the boomers Age, and the 35-44 years olds will decline.

Percentage Labor Force growth by race, projected 2000-10



Asian and other groups will increase its presence faster than any other group. Hispanic workers will increase nearly as fast, while those of black, non Hispanic origin will increase less quickly. The white group, which makes up the largest share of the labor force, is expected to have the slowest growth.

Workforce Projections

- Despite accounting for fewer than 2.5 million new members of the labor force, the number of workers of Asian and other races and ethnic origins except Hispanic is expected to grow faster – 37% - than any other group in the labor force. Workers of Hispanic origin will increase their numbers in the labor force nearly as fast, at 36%; those of black, non-Hispanic origin will increase by 17%. The number of workers of white, non Hispanic origin – who make up the largest share of the labor force, is expected to grow about 6%.

What is the Business Case?

- Competitive Advantage – Capitalize on new markets
 - Combined African-American, Hispanic-American, and Asian American buy power >\$750 BILLION
 - Women are the primary investors in more than half of U.S. household.
 - Greater Productivity
- Positive Environment yields results – employees feel included and valued
 - Greater commitment
 - Increased motivation
 - Fewer resources spent on employee relations issues

What is the Business Case?

- Diversity initiatives and diversity results will attract the best and the brightest employees
 - Organizations future depends on the quality employee today
 - Diverse organizations attract diverse applicants
 - Help litigious situations
- Increase Creativity
 - America's energy and inventiveness brought by immigrants
 - Diverse populations can challenge accepted views
 - Diverse populations increase the synergy to create new business opportunities

What is the Business Case?

- Flexibility ensures survival

- Change is certain – therefore, adaptations require an organization to be flexible and well developed
- Strengthening response rate to environmental changes is a strategic imperative critical to ensuring organizational viability

Components of a Successful Diversity Model

1. Executive Commitment
2. Articulate the desired outcomes
3. Assess the climate, needs, and issues of the org.
4. Create and maintain open channels of communication at the launch and throughout
5. Consider forming a diversity taskforce to widen your support base.
6. Design relevant, interactive applicable training
7. Evaluate and measure each component of your diversity initiative
8. Ensure integration and accountability

Theory

- Multicultural Theory
- Organizational Theory
- Social Identity Theory
- Organizational Change Theory
- Leadership Theory
- Systems Theory
- Feminist Theory
- Social Justice Theory
- Social Theory
- Critical Theory
- Cultural-Historical Activity Theory

A Critical Look

- **Frederick Miller/Judith Katz:** 'In the current business climate, an organizational culture that leverages diversity and builds inclusion is essential for achieving and sustaining higher performance – and is therefore critical to an organization's long term mission success and financial gain.' *The Inclusion Breakthrough (2002)*
- **Thomas A. Kochan:** 'The diversity industry is built on sand. The business case rhetoric for diversity is simply naïve and overdone. There is no strong positive or negative effects of gender or racial diversity on business performance.' (unpublished study forthcoming in the *Human Resource Management Journal*)

Diversity Pioneers

- Elsie Y. Cross
- Roosevelt Thomas
- Kaleel Jamison
- Taylor Cox
- Julie O'Mara
- Lee Gardenswartz
- Anita Rowe
- Judith Katz
- Frederick Miller
- Thomas Kochan
- National Conference for Community and Justice
- Cornell University School of Industrial Labor Relations (ILR) recently joined establish a new initiative for Research, Scholarship, and Practice

Diversity Links

- **Philip Randolph Institute**
<http://www.aprihq.org/>

American Association of University Women
<http://www.aauw.org/home.html>

NTL Institute
<http://www.ntl.org/>

National Association of Diversity Management, NADM
<http://www.nadm.org/>

National Coalition Building Institute
<http://www.ncbi.org>

****The National Conference for Community and Justice**
<http://www.nccj.org/nccj3.nsf/?Open>

National Multicultural Institute
<http://www.nmci.org/>

National Organization on Disability
<http://www.nod.org/>

Diversity Links

- **Office of Disability Employment Policy**

<http://www.dol.gov/dol/odep>

Pride at Work

<http://www.igc.org/prideatwork/>

Program for Employment and Workplace Systems

http://www.ilr.cornell.edu/extension/institutes/home.html?dept_id=56

Program on Employment and Disability, Cornell University ILR

http://www.ilr.cornell.edu/extension/institutes/home.html?dept_id=55

The Society for Industrial and Organizational Psychology (SIOP)

<http://www.siop.org/>

**The Society for Intercultural Education, Training and Research-International (SIETAR),
SIETAR USA**

<http://www.sietarusa.org/index.html>

The Southern Poverty Law Center

<http://www.splcenter.org/>

Women's Research and Education Institute

<http://www.wrei.org/>

Work and Family Connection

<http://www.workfamily.com/>

Diversity Links

- **«Workplace Diversity Network** ←-----!!!
<http://www.ilr.cornell.edu/depts/wdn/>

Integrating Work and Life: The Wharton Resource Guide by Stewart D. Friedman, Jessica Degroot, and Perry M. Christensen

<http://www.pfeiffer.com/Corporate/Website/Objects/Products/0,9049,103674,00.html>

Diversity Activities and Training Designs by Julie O'Mara

<http://www.pfeiffer.com/Corporate/Website/Objects/Products/0,9049,103919,00.html>

The American Institute for Managing Diversity, Inc.

<http://www.aimd.org/>

American Management Association

<http://www.amanet.org/index.htm>

American Society for Training and Development

<http://www.astd.org/>

American Society on Aging

http://www.asaging.org/ASA_Home_New5.cfm

Asian Pacific American Labor Alliance

<http://www.apalanet.org/>

Aspira

<http://www.aspira.org>

Diversity Links

- **Center for Creative Leadership**
<http://www.ccl.org/>

Coalition of Black Trade Unionists, CBTU
<http://www.cbtu.org/>

Coalition of Labor Union Women, CLUW
<http://www.cluw.org/>

Equal Employment Opportunity Commission
<http://www.eeoc.gov>

Families and Work Institute
<http://www.familiesandworkinst.org/>

Institute for Community Inclusion
<http://www.childrenshospital.org/ici/>

Institute for Women and Work, Cornell University ILR
http://www.ilr.cornell.edu/extension/institutes/home.html?dept_id=120

Labor Council for Latin American Advancement, LCLAA
<http://www.lclaa.org/>

Labor Project for Working Families
<http://laborproject.berkeley.edu>

DiversityInc's Business Case for Diversity – 4th ed. www.DiversityInc.com

- This item will be released on July 1, 2003.
- A Comprehensive Look at Diversity Results: Human Assets, Marketing, Sales, Suppliers and Investors, New Population Data and Detailed Case Studies New Data on Spending Power of Ethnic Markets
- Analyzes the most recent U.S. demographic data from the U.S. Census Bureau, buying-power numbers from the Selig Center of the University of Georgia, and current best practices from this year's Top 50 Companies for Diversity. With 559 pages, 20 charts and more than 300 examples from corporate America, The Business Case for Diversity offers the most comprehensive and current analysis of the rationale for success of corporate diversity.

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