What Tomorrow’s Workplace Will Look Like: A Case for Workplace Diversity

BY JAN ALEXANDER | NOVEMBER 2011

“Any number of studies has found this to be the case, although it isn’t necessarily a cause-effect relationship. It might be that the most forward-thinking companies are diverse,” says Bernardo Ferdman, a professor of organizational psychology programs at the Marshall Goldsmith School of Management at Alliant International University.

Roger Crandall, CEO of Massachusetts Mutual Life Insurance Company (MassMutual), says diversity is one of the most powerful factors in shaping the future of America. “For MassMutual, it’s changing the way we think about our products, our services and our overall business model,” says Crandall.

Demographic surveys show that corporations have an increasingly diverse base of potential customers and employees. In fact, the 2010 Census finds that more than nine million Americans identify themselves as belonging to two or more race groups, while a May 2011 report from the Pew Research Group shows minority groups account for almost 92 percent of U.S. population growth.

And ethnic diversity is only part of the picture. The changing face of society includes different generational groups — GenY vs. Boomers, sexual orientations, educational backgrounds, career paths, and different family structures — multi-generational households, for example.

“We see a diverse pool of people within all of our stakeholder groups, including customers, investors, communities and public officials,” says Effenus Henderson, Chief Diversity Officer at the forestry products company Weyerhauser, a recognized diversity leader. “With a diverse staff we’re able to reach out and make sure all of those stakeholders feel that people in the company are listening to them and respecting their views.”

But many U.S. corporations could do a better job of understanding these multicultural markets, says Ferdman. “For example, I see a tendency to look at diverse markets and see them in a simplistic way, for example as an English speaking market versus a Spanish speaking market,” he says. “In reality all of these markets are highly segmented.”

Recruiting and hiring practices have to be backed up across the organization — by retention and development efforts, education and training and service and marketing practices, just to start.

The food services company Sodexo, Inc. and the tax and advisory services firm Ernst & Young have programs that match non-traditional employees with senior-level managers who will commit to serving as mentors. Merck Research Laboratories runs a training program to teach “soft skills” such as communication style to help non-traditional employees get ahead.

Edward Hubbard, president of the consulting corporation Hubbard & Hubbard, specializes in analytical tools that measure what he calls a diversity return on investment (DROI). In the March/April 2011 issue of Diversity Executive magazine, for example, Hubbard reported on how Nextel Communications developed diversity training to improve employee retention, satisfaction and productivity, and ultimately found that for every dollar spent on diversity training the company had a $1.63 net benefit.

Programs such as these, however, require ongoing support. Ferdman recommends setting up a dedicated diversity division. “It should be everyone’s job to provide an inclusive environment, but someone has to provide the tools,” he says.

The truly diverse organization achieves more than a diverse workforce, better engagement and the ability to further attract and retain high-caliber talent.

Frans Johansson, author of “The Medici Effect: Breakthrough Insights at the Intersection of Ideas, Concepts and Cultures,” which has been named one of the top 10 best business books by Amazon, says the business world requires new thinking, big ideas and collaboration; in short, innovation, which he says is powered by diversity.

Ultimately, increased focus on diversity and inclusion impacts the bottom line, drives profits, and may better position the organization for future success, which is good for all stakeholders.

What do you think?
Commentary

What Tomorrow’s Workplace Will Look Like

A friend of mine used to say some folks change when they see the light. I say most folks change when they feel the heat.

But when it comes to diversity, companies that see the light now will be ahead of the game, while those that don’t will be watching from the sidelines.

The face of the customer is changing faster than anyone anticipated. You must ask: “How do you tie the shifting demographics to the things you do every single day? What is the opportunity for us in the organization?”

At MassMutual, programs are developed to further our strategy and to inspire the entire company so that diversity and inclusion are an integral part of our makeup and culture. We regularly ask: “Have we been able to move the diversity needle?”

As examples, we develop and nurture employee resource groups that not only serve as places where employees from diverse backgrounds can network, but also act as valuable business resources to the company for recruiting and market strategy development. We’ve instituted a job candidate-slaleting process to ensure diversity in recruitment. We’ve recruited and continue to recruit diverse producers and to build diverse field leadership. We’ve piloted two successful mentoring programs. And we tie diversity goals to each business unit and corresponding action plans.

But we know we cannot stop here.

The key to sustainability is when all organizational departments embody diversity without a program or an office of inclusion.

Companies that understand and work toward this reality today not only see the light, they shine it.

Competition beware.