

# How Can Effective Diversity Management Skills Help You Seize Opportunities Towards Greater Productivity and Profitability?

**By: Joe Santana**

Walk into any office, airport or other heavily populated business environment in North America today and you will immediately see a diverse mosaic of people fleeing about with briefcases and laptops to and from their business appointments. In his most recent book, author Guy Garcia, former *Time* magazine staff writer, refers to this growing multicultural majority that we see all around us as “the new mainstream.” For business leaders and managers, this growing diversity represents a huge opportunity to tap into an expanding resource pool that has always been and continues to be the driving force behind successful innovation and growth.

Companies like Siemens that recognize the importance and value of diversity have long provided strong visible support and activities designed to promote an inclusive culture that values and reflects the communities and markets they serve. For example, take the Siemens Power Generation facility in Orlando, Florida. In this company, as in other Siemens operations, forward thinking CEOs like Randy Zwirn, President and CEO of Siemens Power Generation, Inc., and their top management teams provide the fuel behind these important efforts to tap into the power of this “new mainstream.” Just walk into their main lobby and you can immediately see and feel how this company lives and breathes its inclusiveness.

This increasing “inclusivity,” however, also presents a set of ongoing and evolving challenges to leaders and managers as well as individual contributors in today’s organizations. That’s why despite all of their successes in developing an inclusive environment, savvy senior HR leaders like Randy Scheff, Vice President of Human Resources for Siemens Power Generation, says, “Diversity is an ongoing journey . . . a cultural transformation without end. We will continue to focus on diversity and modify our processes, if necessary, to ensure success. This is absolutely critical for our business.” As we look at the impact of the increase in organizational diversity what do we see as some of the challenges that HR leaders like Scheff allude to as requiring us to continue to “modify our processes . . . to ensure success?”

To appreciate these challenges better, let’s start by looking at a simple example of what can happen when we put together three highly intelligent and diverse people on an important project. One person based on their background and upbringing is aggressive and wants to move forward quickly. The other is an equally aggressive individual, but prefers a slower more careful pace. The third is a subject matter expert whose personal background has resulted in a very quiet and retreating approach. The manager of this group of people, may note with frustration, that their project seems to be stalled as the two more aggressive members of the team struggle for control over the pace and direction and the subject matter expert seems to be sitting on the sidelines watching everything unfold. Not exactly what was expected from a self-directed team of smart people? So, what is happening here? Simply stated, this is a failure to effectively manage the rich potential of diversity. Multiply this by the millions of possible team combinations that can result in any company at any given time in our ever more diverse companies and society, and we can begin to see how this can become quite costly to organizations.

## **The Hidden Cost of Ignoring The Challenge**

When most organizations think of the cost of not managing diversity, the first thing that often comes to mind is the cost associated with recruiting and turnover. Some, of the biggest costs of ignoring the need for effective diversity management skills, however, cannot be seen in a company’s recruiting, retention or turnover numbers. The costs referred to here result from the loss of productivity due to the

less visible yet equally, if not more costly loss of employee engagement. Let's take a closer look at engagement.

Engaged employees are your people who are in a state of full-strength, enthusiastic, passionate dedication to their work and their jobs. Statistical research, by organizations such as Gallup, show that in places including the United States, which has a rich multi-cultural society, less than one-fourth of employees are actually considered to be engaged in their jobs. These studies also show that the cost of the 75 percent plus that are not fully engaged is high. Here in the US, one of Gallup's studies placed the annual cost at \$350 billion. How, however, does a lack of diversity management skills contribute to disengagement?

According to these studies, the main cause of disengagement is rooted in the lack of effectiveness of managers in providing an environment where employees perceive that they are valued and where they see themselves as successful. This in turn is achieved basically through effective and supportive work relationships built through positive communication between managers and workers, as well as between peers. Consider for a moment now, your sense of the levels of engagement of the three people in our example. We can only imagine how two are locked in frustrated battle, the third feels shut-out, while they all wait for the manager to do something. Not exactly an environment of effective and supportive work relationships between peers and managers that is geared toward producing winning results for the company and its employees.

The bottom line is that people in increasingly diverse and complex organizations now more than ever need to have the awareness and skills needed to be more effective in diverse environments, otherwise their organizations are at risk of something worse than having people leave. They are at risk of having people physically stay whose passions are not engaged by the company and whose disengagement represents a very real, yet hard to specifically measure drain on profitability.

So what can HR professionals do to help leaders, managers and individual contributors to become more effective in providing an environment that fosters greater engagement in these heterogeneous environments for top company and personnel benefits? The answer is to help your team to look at diversity through a new lens and provide them with the tools they need to manage what they see through this new lens.

### **Another Way to Look at Diversity**

I recently had the pleasure of speaking with Dr. R. Roosevelt Thomas, one of the most recognized experts and seminal thinkers on diversity as well as author of four great books on the topic including the recently released [\*Building on The Promise of Diversity\*](#). According to Thomas "many leaders, managers and individuals fail to see the opportunities for effectively managing diversity because they are looking at diversity through a lens that does not give them a clear understanding of what diversity is and how to manage it."

Some people, according to Thomas, use the word diversity as if it referred to the variety of people that are non-white or non-white males. In other words, "diversity" mistakenly becomes a synonym for people who belong to a group considered a minority. We often hear people in corporate America with this erroneous definition talk about hiring a "diverse candidate" when they mean they are hiring a woman or minority. This of course reveals an error in understanding, since based on the definition for types of diversity, everyone is a diverse candidate unless they are joining a company of clones and they themselves are one of the clones. Others with a broader, more accurate view see diversity as referring to all of us and our variety relative to gender, race, ethnicity, education, age, language, geography, occupation, marital status, and so on. People who hold this view will recognize that there is as much diversity in a group of five white males as there is in a group of African Americans, a group of Asians or a group that includes members of these and other races. Still, the problem with these lenses is that they only focus on types of diversity. The "type" lens is a good one to use when focusing on representation, but inadequate for actually managing diversity.

“In order to effectively manage diversity,” Thomas points out, “we need to move our focus away from types of diversity and instead focus on what diversity is specifically and how to manage it.” So how do we define diversity as “what-it-is” as opposed to listing out types of diversity? The answer is provided by Thomas who simply states that “diversity is comprised of the similarities, differences and tensions that exist among all people.” Elegant, simple and extremely powerful. For example, using this lens, you can see that what we as leaders, managers and individual contributors are trying to manage when we talk about managing diversity is the perceptual and behavioral outcomes that results from the various combinations of diversity types. Regardless of the type of diversity that drives these perceptual and behavioral outcomes (E.g., race, age, gender, ethnicity, etc.), it is these outcomes that create the natural tensions that need to be managed in order to leverage a team.

Let see how this works by going back to the team of three we discussed at the beginning of this article. As you may recall, there were two people that had similar levels of aggressiveness and were dissimilar relative to their sense of how quickly things should move along. Clearly, their similarity in aggressiveness might lead to tension as they both attempt to become the leader, while their differences relative to how quickly the project should move forward can also produce tension as they grapple with how fast they should be moving. Both may intellectually compete with the subject matter expert because they are all smart and they may not like the subject matter expert because they might consider this person weak. The diversity of traits possessed by these three people can also, if properly managed, produce a team that is much more effective and innovative than a more homogenous group. For example, the aggressiveness of the two can be harnessed to provide strong project leadership and our careful person can serve to make sure that hasty enthusiasm does not result in gross errors. Meanwhile, by drawing out the subject matter expert’s knowledge, the entire project can end up on a firmer foundation, resulting in a higher quality result. Again, it does not matter what gender, age, racial, ethnic, religious or other factors resulted in these similarities and differences that are producing these tensions (you can see now why I omit these factors from my example). It is, however, by effectively managing these similarities, differences and tensions that you lead this or any other team towards effectiveness and a quality result.

So at this point, we’ve established three key points.

- First, increasing diversity is a fact of life that presents companies with huge opportunities to tap into dynamic fresh perspectives and talents.
- Second, increasing diversity representation in your workforce without developing the appropriate diversity management skills in leaders, managers and individual contributors who are part of these diverse teams will not produce the high quality results you want and may in fact lead to increased disengagement and associated losses of productivity.
- Third, to effectively manage diversity, you must focus on and manage its outcomes as they present themselves as similarities, differences and tensions. The key is not to focus on managing diversity types, but rather on managing the various expressions of thought and behavior that the diversity types produce.

So now the question is . . . “After you help your leaders, managers and individual contributors to see diversity management as the management of similarities, differences and tensions, what tools can you give them to help them address this challenge?”

#### **A Diversity Management Framework**

There are many tools out there that will help you to zero in on the various traits, perceptions and behaviors that managers need to focus on in order to effectively manage their diverse teams of people.

The next big challenge is to employ a structure that enables you to do something with this information. One of the most simple and elegant structures of this type that I have seen to date is found in Thomas’ latest book. He refers to his method as a “craft” because it is essentially a learnable set of skills or techniques that anyone can master. The following is a brief overview of this simple five-step model that you and your organization can immediately put to use..

**Step 1- Start by asking the question: “What is the context?”** The context could be organizational or project goals. In the case of our three project team members, it could be the importance of the success of this project to the organization’s ability to expand its customer base and fight off competitors.

**Step 2 - Next, observe and list out the similarities and differences of the people on the team.** In the case of the three people in our example they are as follows:

**Similarities**

- Intelligent
- Two are aggressive

**Differences**

- One wants to move fast
- One wants to move slowly
- One is not outspoken

**Step 3 - Now, look at this list and ask, “What tensions are these similarities and differences producing?”** For our example, it might look like this:

**Tensions**

- Struggle for dominance
- Disputes over speed
- Frustration due to not being able to get heard
- Anxiety over the project being stuck

Etc...

**Step 4 - At this point, ask “What result do we want given these similarities, differences, tensions and context?”** For the people in our example it might be as follows:

To complete the project on time in a manner that produces the results the company wants and provides the team with an opportunity to demonstrate and develop their best talents.

**Step 5 - Finally, ask “What action will we take to effectively manage these similarities, differences and tensions towards producing the desired result?”** Again, here is the potential list of agreements for the three people in the example:

- Set a pace that will get the project done on time without sacrificing accuracy and jointly agree to it
- Draw out the shy subject matter expert in order to tap into useful knowledge.
- Let the more detail oriented and cautious person focus on looking for and correctly possible errors and show-stoppers.
- Etc . . .

And there you have it. A simple system or “craft” that anyone can quickly learn and use to manage the similarities, differences and tensions resulting from our diversity dimensions away from producing friction towards personal and business success. This in turn translates into increased productivity and employee engagement. (For more on the thinking behind this model and other related skills, I recommend you read Thomas’ book *Building on the Promise of Diversity*.)

**Parting thoughts**

As organizations continue to become more diversified, opportunities for innovation and success will also continue to increase, but only for those whose leaders do more than increase the variety of their workforce composition by adding more women, and other formally under-represented groups. Increasing awareness and appreciation of the various cultures that comprise the new mainstream is very important, but by itself is not enough, either.

The real benefits of diversity will come to the leaders who as former Citicorp/Citibank chairman and CEO Walter Wriston put it, figure out how to harness the collective genius of their organizations. These according to Wriston are “. . . going to blow the competition away.” As HR professionals you are in a powerful position to drive and support your organization through this all-important development process in leveraging diversity that Siemens’ Scheff rightfully refers to as an ongoing journey and a cultural transformation. I invite you to step up to that challenge.

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