

PRISM International



PIECEMEAL DIVERSITY: avoiding THE trap

In a survey conducted at the Atlanta Linkage Conference in March 2001, diversity professionals from across the country cited piecemeal diversity initiatives as “the most frustrating impediment to aligning diversity process with their organization’s business strategies.” Here’s what others are saying—and doing—about the piecemeal trap.

What do you consider the top business priorities for your organization? Speed to Market? Entering New and Emerging Markets? Agility? Information and Knowledge Management? Staying Ahead of the Technological Curve? Gross Margins? Customer Relations Management? Shifting Demographics and Expectations of Customers and Employees?

These are some of the reported complexities that keep many of you—and your top executives—up at night. Shareholders and Wall Street demand that leaders find ways to manage these complexities and predict the success of the strategies selected. To the extent that the various solutions and strategies succeed, shareholder, cus-

tomers and employee value is enhanced. Organizations are looking for ways to capture these opportunities while minimizing the challenges. Finding solutions that work is further complicated by the dips and dives of the economy.

In the past, employees have been the vehicle to the solution—now for organizations that leverage diversity, they *are* the solution. Competent, talented, skilled, knowledgeable, experienced employees who are equipped and given an opportunity will...

- find and create solutions to business questions,
- provide outstanding service to attract and retain customers,
- create products to attract new investors and enter new markets,
- find ways to get to market more quickly, more safely, and with less cost,
- and are a gold mine of countless ideas to differentiate your company from the competition.

As businesses put processes and systems in place that allow all employees to be fully engaged in providing business solutions, daily issues arise. They are not occurring in a vacuum or one at a time; they are clashing, converging and entangled and competing for time, attention and resources. All are critical to the viability of the operation, each requiring correspondingly complex decisions in a short amount of time. Often, however, the attempt is made to find solutions in a piecemeal approach with a less than strategic focus.

Piecemeal diversity activities were overwhelmingly the most frustrating and yet, most frequently received comment on the survey from diversity professionals who attended the Linkage Conference in Atlanta in March 2001 and completed a survey to assess the status, health and alignment of their diversity process with their organization’s business strategies. The results, in themselves, say a lot:

- **Question 1** asked respondents their greatest challenge relative to diversity. The answer most frequently given was *Strategic Focus and Process*.
- **Question 2** focused on the progress of the respondent’s diversity initiative; 99 percent of those responding indicated their organization’s diversity initiative either tolerates the diversity process or simply acknowledges it as necessary. Both reactions fall short of aligning and leveraging diversity to move the business forward.



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• Training is a critical component of a comprehensive diversity process that provides employees with the knowledge and tools for understanding and fully tapping into the diverse perspectives and backgrounds of co-workers to solve real business challenges.

The respondents indicated the following to **Question 3** (Our diversity training is part of our diversity initiative to ...):

- Stay Competitive 35%
- Increase Productivity 32%
- Comply with Personnel Policy 21%
- It's Not 9%
- Other 3%

Specifically, the "Other" category included: influence cultural change; better serve customers; create an inclusive environment; and to promote career development, recruitment, retention, accountability and communication.

• **Question 4** focused on the organization's ability to integrate diversity into the "real business of the business." An analysis of the responses indicates that diversity is often seen in most organizations as a "silo" function and that the real business goes on as usual. In some cases the functions seem to be loosely linked. Some respondents indicated that their organizations had successfully integrated diversity into the business plan and strategy. Here are the results:

- Not Successful 8%
- Less than Successful 49%
- Successful 40%
- More than Successful 2.5%
- Very Successful less than 1%

• **Question 5** received more responses than the other survey questions and responses indicated that creating a measurement process and utilizing a systematic approach for tracking progress remains a challenge for organizations and diversity practitioners. Specifically ...

- 17 percent of respondents indicated they are not tracking and measuring their progress.
- 11 percent indicated they were just beginning to think about tracking progress.
- 24 percent responded that they are tracking EEO/AA numbers for reporting purposes.
- 25 percent are using exit interviews, assessments, focus groups and surveys.
- and 1 percent reported the use of company "scorecards."

Often, organizations do not move from the

1) My organization's greatest challenge is ... (check no more than 2 boxes)

- Recruitment and retention
- Competitors
- Minority suppliers and procurement
- Succession planning, representation at various levels
- Technology issues
- Mergers and acquisitions
- EEO / legal issues
- Brand and strategy deployment
- Cross-cultural or global issues
- Servicing customers (internal and external)
- Other, please be specific _____

2) Our diversity initiative is ... (check only one)

- Formal and throughout the organization
- Informal and throughout the organization
- Formal and isolated in pockets of the organization
- Informal and isolated in pockets of the organization
- We don't have one
- Other, please be specific _____

3) Our diversity training is a part of our diversity initiative to ... (check only one)

- Comply with personnel policy
- Increase productivity
- Stay competitive
- It's not
- Other, please be specific _____

4) My organization's ability to integrate our diversity initiative into the real business of the business is ... (check only one)

- Not successful
- Less than successful
- Successful
- More than successful
- Very successful

5) My organization tracks and measures the results of our diversity initiative by ... _____

6) If I could change one thing about my organization's current diversity initiative, it would be ... _____

take the test



"counting-heads" focus of measurement and they fail to measure other meaningful diversity indicators that are tied to the focus, mission and strategy of the organization.

• Responses to **Question 6** indicated that current diversity efforts were only generally tolerated—not supported, managed or leveraged. The desired changes most frequently listed were: structure, focus, engaged support with funding and measurement. Without executive mindshare, diversity efforts retain the status of "tolerate it," "resist it," "react to it," or "let it happen" in the minds and ledger sheets of those in the Executive Board Room.

These results reflect the same frustrations that many organizations and diversity professionals are facing in the Fortune 1000 organizations that we talk to and work with. At the same time practitioners are linking-in diversity, they are stretched and challenged to understand, apply solutions and synthesize learning around the complexities of fast-moving and diverse business issues.

You and your organization can avoid the diversity piecemeal-activity trap by:

- Integrating diversity into your business plan.
- Siemens Westinghouse Power Generation Company overlaid diversity as a strategy for gaining success in each of their key result*

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the Black Business Student Association at Columbia University, and the Lesbian and Gay MBA Conference 2000 at The Wharton School.

What's Ahead

Pershing's business is becoming increasingly diverse. We have offices in London and Tokyo and a growing customer base in Europe, the Middle East, Canada, and South America. Simultaneously, diversity within our society is increasing. Through the magic of air travel and the World Wide Web, as well as trade agreements, immigration, and business alliances, we are all becoming more closely connected—economically, geographically, politically, and culturally. We are, in actuality, citizens of the world.

Corporate America has a responsibility to set an example of good citizenship. It is incumbent on all of us to embrace diversity imperatives, not only to strengthen our business and give us a competitive advantage, but because it's the right thing to do.

Diversity Specialist Tamara Morton says, "We're working toward a time when diversity is no longer regarded as an 'effort' or 'initiative'—rather, it's a concept so firmly woven into the fabric of the firm, so deeply imbued into our corporate culture, that it's simply second nature." ■

areas at the Senior Executive level.

- Establishing a comprehensive, well-thought-through process rather than initiating a series of scattered activities that resembles a program rather than a business process. Many times diversity activities are occurring all around the organization, but unfortunately have no strategic, measurable focus. *MasterCard International* began with an approach designed by executives that included both strategies that answered business issues and measurable tactics.
- Benchmarking diversity processes that match your business challenges within your own organization, as well as identifying processes used in Best-in-Class companies. Then analyzing and modifying them to fit within your culture and meet your particular business challenges. *Bosch Braking* is one of the three largest employers within their geographic area. Currently they are benchmarking companies within their community to gain strategies for attracting and retaining employees.
- Establishing a measurement process to track progress and measure results. Ensure that key performance indicators are established that are aligned with and tied to the actual strategies written into your organization's business initiatives for the year. Then tie accountability for achieving the level of performance needed to meet the business objective to performance throughout the organization. *One West Coast company that we are working with looked at their long-term business objectives and identified key diversity drivers that would help*

them deliver results against their business goals. A measurement process was then developed to track progress and to establish accountability.

- Equipping executives, directors, HR professionals, managers and employees with the skills and tools to ensure success. This includes initial training, but extends to include new employee orientation, customer service training, training for hiring managers, and tying diversity discussions into regular business meeting, meetings with the board and throughout the organization at business unit staff meetings. *Honeywell's Space Systems plant in Clearwater, Florida, required department managers to incorporate diversity conversations into half of their regularly scheduled staff meetings each year. After a "train-the-meeting-leader" session, the managers were equipped with the increased understanding, tools and confidence to integrate diversity conversations into their regularly scheduled staff meetings.*
- Keeping your eye on emerging business complexities and indicating how leveraging diversity can assist in providing the solution. *American Express utilizes Learning Labs to assist them in penetrating new markets.*

Initiating these strategies and tactics will assist in leveraging the diversity of talent, skill, perspective, and experience needed to manage business complexities. It will move your organization forward towards attaining key business goals, as well as link and integrate diversity into the business for maximum impact and sustainability. ■

core commitment

with an eye to enhancing their members' professional and personal development.

Expanding Beyond our Walls

Last year, the Philip Morris family of companies purchased more than \$1.3 billion from minority- and women-owned firms, which represents an increase of \$839 million since 1995. Our employee councils play a role in supporting our supplier diversity strategy. Council members have identified potential vendors and put them in contact with the appropriate people and departments. Our supplier diversity efforts have

come to the attention of *The Wall Street Journal*, which cited Kraft Foods North America as a pioneer in this area. In fact, our operating companies—Miller Brewing, Kraft Foods and Philip Morris USA—also have outstanding records in this area.

Empowering our Communities

During the last 10 years, the companies of Philip Morris have contributed more than \$1 billion in cash and food donations—\$125 million in 2000 alone. Our grant making priorities focus on the issues of hunger, domestic violence, culture and

education, and humanitarian aid. And nearly 28 percent of our contributions support diversity-related projects and programs. Again, you'll find our hardworking employees—particularly employee council members—at the center of our philanthropic efforts.

After more than 70 years of embracing diversity, the companies of Philip Morris understand the commitment to diversity is an evolving, ongoing effort that produces long lasting results and makes a difference in our communities, our company and for our employees. ■