

Manage successfully in today's diverse workplace

By: Joe Santana

Takeaway:

The demographic makeup of companies is changing--and diversifying. Here are some of the factors that are creating change in even the most diversity-passive companies

The ability to manage within the framework of a diverse workplace today is rapidly becoming as much of a key success requirement as knowing how to manage projects. Even if your company is not listed among the top forerunners in *DiversityIncMagazine*, the results of an increasingly diverse workplace and marketplace are without question impacting you and your organization

While some companies have well-articulated plans designed to ensure greater representation in their workforce, the demographic makeup of all companies is changing. Here are just a few of the factors that are creating change even in the most diversity-passive companies:

- **Affirmative action policies:** Many companies have specific goals, policies, and action plans for increasing their success in hiring people that belong to traditionally underrepresented groups in their organizations.
- **Demographic shifts:** Based on recent census figures, the number of women and non-Caucasian males, collectively referred to as “women and people of color” is growing in the United States. This translates into a wider pool of available workers.
- **Marketplace forces:** A number of companies that want to capture the growing buying power of women and people of color are seeking employees who reflect and understand the needs, expectations, and experiences of their target markets. Many organizations also require their suppliers to have a diversity process in place or, in some cases, to be actually certified as a women- or minority-owned business.
- **More cross-functional and global work environments:** Diversity is about more than race and gender, as pointed out by Dr. R. Roosevelt Thomas in his 1991 book, “Beyond Race and Gender.” Diversity is also present between people who work in different environments, under different rules of operation. Today, more than ever, it is common for people from IT, marketing, sales, and finance to find themselves working as a team on one project. Even if employees are of the same race, gender, and age, their career development histories create many of the same tensions and opportunities found in other types of diverse groups working together. Add to this working with delegates from other countries in global companies and centralized help desks located in one part of the country interfacing with field engineers on the other

side of the country, and you have a good picture of the commonplace operations of today's cross-functional/global workplace.

- **The replacement of "melting-pot" acceptance with the desire to be part of a mosaic:** Over the past decade, there has been a slowly growing resistance to assimilation. In the past, employees were more willing to trade away some of the differences that made them unique in order to fit in with the overall team. For example, someone with a "minority identity" would adopt the ways of the majority in order to gain acceptance. While people are still willing to make some concessions and trade-offs, they've placed a greater limit on how far they are willing to go. Their idea of the ideal is not to enter a melting-pot and become absorbed into the whole, but rather to become one of the distinct components of a well-coordinated mosaic.

Add this all together and you have a recipe for great success—or disaster, depending on how managers and organizations handle this evolving workplace.

The consequences of handling diversity poorly

Many of the factors that result in worker disengagement, according to a recent Gallup survey, hinge on the relationship between managers and their team members. Clearly, the demographic shifts impacting the workforce add to the challenges managers face in creating the relationships that result in an engaging workplace. Subtle-to-broad differences in perspectives and interpretation of events can yield bigger communication and support challenges.

For companies, this could result in huge losses or great opportunities. In the absence of managers developing effective skills to manage a diverse workforce, the results can be increased disengagement, burnout, and turnover. Recruiting dollars spent to attract and bring in employees from underrepresented groups may increase as a result of hiring replacements in order to sustain, "the representation numbers." Al Smith, president of AA Smith & Associates, calls this "the frustrating cycle" or "employee churn." "In the frustrating cycle, companies can spend ever-increasing amounts of money and experience diminishing productivity when the focus is only on creating greater representation," said Smith.

In this scenario, organizations sense a crisis in representing certain types of workers, and then embark on a recruiting campaign. New employees with expectations of success join the company, only to quickly learn that there are ceilings or walls for them due to the existing policies, practices, traditions, inappropriate behaviors, and procedures of the company or department. Within some period of time, these new recruits leave the company or, worse yet, quit doing their work but stay on (which a colleague of mine recently referred to as retiring on the job). Within a short time frame, the cycle repeats itself.

According to diversity experts, some companies churn through this cycle a dozen times before understanding that a process is required that includes understanding diversity, managing diversity, and leveraging diversity. "To be successful and truly reap the benefits of diverse functional backgrounds, perspectives, cultures, and languages, managers must be skilled in creating a productive, respectful, inclusive workplace where all employees can contribute to the business goals of the organization," said Smith.

According to Gallup, the cost of employee disengagement in the United States is approximately \$350 billion dollars in lost profitability. Companies that are working only to increase the representation of formally underrepresented groups may find themselves holding a large, disproportionate amount of this burden if their managers fail to develop the skills needed to effectively manage the diverse workforce.

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