



THE INCLUSION BREAKTHROUGH

UNLEASHING THE
REAL POWER OF DIVERSITY

FREDERICK A. MILLER & JUDITH H. KATZ
FOREWORD BY DOUG WEST, TOYOTA SENIOR VICE PRESIDENT

An Excerpt From

***The Inclusion Breakthrough:
Unleashing the Real Power of Diversity***

by Frederick A. Miller & Judith H. Katz
Published by Berrett-Koehler Publishers

Contents

| | |
|---|------------|
| <i>Foreword by Doug West</i> | .ix |
| <i>Preface</i> | .xi |
| <i>Acknowledgments</i> | .xv |
| <i>Part 1 — The Need for an Inclusion Breakthrough</i> | 1 |
| Chapter One: Diversity in a Box | 3 |
| Chapter Two: Positioning for Radical Change | 25 |
| <i>Part 2 — The Elements of an Inclusion Breakthrough</i> | 41 |
| Chapter Three: New Competencies | 47 |
| Chapter Four: Enabling Policies and Practices | 73 |
| Chapter Five: Leveraging a Diverse Workforce | 97 |
| Chapter Six: Community and Social Responsibility | 115 |
| Chapter Seven: Enhanced Value to the Marketplace | 125 |
| <i>Part 3 — Creating an Inclusion Breakthrough</i> | 135 |
| Chapter Eight: Building the Platform for Change | 139 |
| Chapter Nine: Creating Momentum | 157 |
| Chapter Ten: Making Diversity and Inclusion a Way of Life | 171 |
| Chapter Eleven: Leveraging Learning and Challenging the New Status Quo | 185 |
| <i>Conclusion: Breaking Out of the Box</i> | 193 |
| <i>Glossary</i> | 197 |
| <i>References</i> | 205 |
| <i>Index</i> | 207 |

Foreword



Diversity and inclusion must be at the core of an organization's culture. There is no such thing as a successful "get by" diversity strategy. But for those who are willing to make the cultural change required to support an effective diversity strategy, the gains in organizational performance will be remarkable. With nearly thirty years in corporate settings, I have seen the power of diversity and inclusion, as well as the weakness of narrow cultural settings. I believe that the leaders of all organizations should be asking, "*When* will we begin to execute our diversity and inclusion strategy?" There are no "ifs" about it.

If you share these views, you know that a special and powerful synergy can exist in teams of people with wide-ranging differences. If you seek to create this synergy in your own organization, this book will be a valuable tool. Fred Miller and Judith Katz have devoted their professional lives to the principles of cultural diversity and inclusion. This book is a rich compendium of their learning and experience. I was honored when they asked me to share my perspective in this foreword.

The greatest value I can lend in this space is to underscore the authors' views on the commitments that must come from the top of any organization intent on creating a diverse and inclusive culture. The primary commitments needed from senior leaders are clear and often-repeated statements of purpose, a tight alignment of the culture change strategy with the business or organizational strategy, and demonstrated behaviors by the senior leadership team, consistent with their declarations of purpose. If any of these are missing, the result at best is what Fred and Judith call diversity in a box. At worst, weak senior commitment or a perceived lack of organizational relevance will only encourage the doubters and outright cynics.

Every organization must find its own statement of purpose in pursuing a culture of inclusion. One size does not fit all. At Toyota, our work towards creating a culture of inclusion is in harmony with and supports our vision “to become the most successful and respected car company in America.” The statement of purpose must be understood to embody the larger goals and aspirations of the organization and must be communicated, communicated, and then communicated some more. Just as you begin to think you are driving everyone to distraction with your repetition, many will be hearing your commitment for the first time.

Some organizations avoid the necessary commitment to a diversity strategy because they fear it will be divisive, pitting groups or cultures against one another and alienating the dominant group with no benefit to anyone. Certainly that is a risk with any half-hearted, diversity in a box approach. And even with a well-executed effort, senior leaders must expect and endure some resistance and push back in the early stages. Every culture change initiative has its commitment-testing phase, but with a sustained clarity of purpose and perseverance, there will be an Inclusion Breakthrough. The breakthrough occurs as a result of the process of discovering, acknowledging, and valuing the differences in people. Although the process is often tough, it cannot be skipped or cut short. It is the pathway to inclusion and, by that inclusion, the pathway to all of the talent and power in your organization.

Douglas M. West
Senior Vice President and
Chief Administrative Officer
Toyota Motor Sales USA
Torrance, California
February 2002

Preface

●

We wrote this book because we believe in the power of diversity. Although some organizational leaders believe that they have seen and experienced the positive elements of diversity, virtually all have been practicing what we call diversity in a box. Unleashing the real potential of diversity offers performance benefits that are an order of magnitude more than most organizations have ever accomplished and many of us have ever seen.

Through traditionally restrictive policies, practices, and structures, many organizations put a blanket over people, smothering much of their diversity. We believe organizations that remove the blanket and support human diversity will be the big winners in the twenty-first century.

Many people believe that diversity is a problem that takes enormous energy to manage, address, and deal with, and that sameness is so much easier. After all, it takes work to be part of a diverse organization or team. Phil Wilson, a former executive with Oracle, had an opposite point of view. He believed that it takes more energy to keep the blanket on human diversity than to unleash it, and it takes a lot of work to maintain and deny that diversity. Diversity is natural, and any effort to stifle it takes more work than enabling it.

The real work for organizations in search of higher performance and greater success ought to be supporting diversity and aligning it for a common purpose. The real challenge for organizations is to remove that blanket.

We believe organizations are strengthened by a diversity of perspectives, nationalities, and backgrounds. We believe that all groups possess the inherent potential of diversity, but to truly leverage it you need inclusion.

- How much of themselves are people allowed and enabled to contribute?
- How are their different perspectives, talents, skills, and styles allowed and enabled to interact to create enhanced results?

This book represents what we have learned from our work over the past 30 years with a wide range of clients in a broad range of industries, from long-established manufacturing and service organizations to entrepreneurial start-ups, from Fortune 50 multinationals to non-profit foundations, from city and county governments to school districts, colleges and universities, and from individual coaching sessions to small-scale educational events to 100,000-person system-wide interventions.

Over time, what has emerged from The Kaleel Jamison Consulting Group, Inc. work is a methodology for change and creating organizational breakthroughs. This book is our effort to capture the insights, experiences, frameworks, and interventions from our decades of real-world, real-organization experiences.

Many attempts at making diversity work inside organizations have failed. We wrote this book—to help create an image of what real success can look like. In this book, we talk about what *could* be—what is available to organizations if they allow and enable themselves to flourish, to grow, and to come together and do their best work.

In our work with clients and in our service as directors on the boards of Ben and Jerry's, the Institute for Development Research, the National Training Laboratories, the Organization Development Network, the Social Venture Network, the American Society for Training and Development, and others, we have seen glimpses of what unleashing the power of diversity can do. We have seen it, we have touched it, and we have seen how much individuals, teams, and organizations have gained from it. It is hard to describe the potential we see, but we will try. *It* is the difference between black-and-white TV, color TV, and high-definition TV. When we had only

black-and-white TV, most of us were satisfied. It was the invention of the century. We saw new and wonderful things. How could there be more? How could it get any better? But then color TV opened our eyes to a new reality—a new and truer view of the world. And now we have high-definition TV—multi-dimensional images, not flat people in a flat world. The world and people are more dynamic and wondrous than the earlier TV screens portrayed.

Organizations have been operating in a black-and-white TV world. They have been utilizing just one or, at most, a couple of the dimensions of humankind. They do not see or leverage the multi-dimensional diversity of humankind. They let only some people in the game and require most to conform to a very narrow bandwidth of behavior. People are more than that, and organizations *need* more than that, especially if they hope to be successful in the future. We are not saying, “Anything goes!” Far from it. We are simply saying that there is plenty of room to expand the bandwidth of appreciated and valued behaviors and styles, with an ever-present eye on whether the bandwidth serves the mission and strategies of the organization. We believe greater success awaits organizations that widen their range.

We know from experience that people have more to give than many organizations allow. In the black-and-white TV world we entered as employees in the 1960s, many people saw only a young African American man from the inner city of Philadelphia and a black college called Lincoln, and a young Jewish woman from Queens, New York, who attended Queens College. They saw a couple of dimensions and rated us on them. Many did not see the high-definition reality and potential that now has us leading a 100-plus-person consulting firm considered by many as the preeminent firm in the area of strategic culture change as it relates to leveraging diversity and inclusion. They could not imagine that those two individuals would consult to many of the Who’s Who in corporate America.

Our point is that we are not exceptions. In fact, we see ourselves as normal. We are just two examples of the potential that awaits all of us if we leverage the diversity of humankind and include all people in our problem-solving and pursuit of opportunities.

We are optimistic about the future when we reflect on how little of what people have to offer, individually and collectively, has actually been leveraged by organizations. Yes, society and technology have accomplished a great deal, but we have so much further that we can go. Many organizations have achieved significant success using only a fraction of their collective experience, knowledge, and potential. We think all of us have been building, creating, and accomplishing with one hand bound behind our backs.

We believe that freeing that hand will create greatness beyond our imagination.

A note about the case studies: The examples in this book are all based on fact and experience. Details have been changed to maintain confidentiality and anonymity of organizations and individuals. In virtually all instances, the case examples do not represent isolated incidents. They were chosen because they illustrate patterns we have seen repeated consistently or solutions that have been successful in several organizations.



PART ONE

The Need for an Inclusion Breakthrough

Organizations today are being forced to live by their wits. Their survival depends on their ability to out-think their competition, which can only be accomplished by catalyzing the intellectual resources of their people into creative new solutions. A single person's brilliance or a single group's point of view is no longer enough to sustain an organization's growth in the face of global competition. Tomorrow's successful organizations will be those that harness the collective and synergistic brilliance of all their people, not just an elite few. The stock-market stars will be the organizations that capitalize on the diversity of their workforce.

But capitalizing on diversity requires more than simply hiring a diverse workforce. Radical changes are needed also in both the structure and culture of most organizations—in their policies and practices, the skills and styles of their leaders, and the day-to-day interactions among all their people.

Many organizations will fail to make these changes because the changes seem too radical. Those organizations will not survive. To many people and most organizations, diversity seems like a problem, not a solution. Differences are to be avoided, not embraced and utilized. Age-old hierarchies, traditions and biases must not be questioned or examined. To make these changes to embrace and capitalize on diversity will require a true breakthrough—an *Inclusion Breakthrough*.

The first step is to ensure that diversity is seen as mission critical. When the current and future success of the organization is tied directly to the need for diversity, it becomes a powerful tool for organizational change and higher performance. Making diversity mission critical conveys its urgent nature to every person in the organization and positions the organization to reap the benefits from leveraging that diversity.

An organization that leverages diversity enables all members of its workforce to utilize their full portfolio of skills and talents. It continually seeks to broaden its diversity to take advantage of new markets, new sources of innovation, and new pathways to success.



Diversity in a Box

Each person is a unique individual who also belongs to several different social identity groups. A wide range of differences can exist even among people who look, sound, and act alike. This *Paradox of Diversity* is a way of framing diversity that captures one's similarities and differences.

We are like all people: As human beings we share similar needs and wants—to experience joy and love, to be safe, etc.

We are like some people: We share culture and experience.

We are like no other people: We are each unique unto ourselves.

The aspects of ourselves that are like some other people constitute our connection to specific social identity groups, those with which we share similarities, such as age or living in a particular region. But we don't necessarily identify with each group to which we belong, such as—"people with red hair" or "people who drive a Toyota convertible." Regardless of whether or not we identify with a particular group, others might put us in it because the identification has meaning to them, such as—"people who attended Cornell" or "people who live in the Bronx." Bailey Jackson was one of the first people to identify that some differences matter more than others.

Those that make the biggest difference are ethnicity, gender, marital status (and children), race, sexual orientation, language, physical ability, socioeconomic status, religion, and mental ability.

These differences can affect the hiring process. Many people and organizations claim they are color blind, gender blind or blind to differences. Although they consider this stance to be a positive attribute, it implies a disregard for differences. Many people have been raised to see differences as a deficit and therefore assume that differences will cease to be problematic if they are ignored.

Also, organizations that used to pride themselves on growing their own, hiring new people for only entry-level jobs and promoting from within, now find themselves needing to bring new and different talent into the organization at all levels. Many leaders have been surprised at how difficult it is to keep these new people. They are often rejected like a virus by both the organizational culture and the people who have been raised in the organization. Most “old timers” wonder why these newcomers were even brought in. The new people are never able to fit in, never able to fully participate and contribute. The organization’s inability to include these new hires is often the reason for their leaving.

When a new hire is a person of color or a white woman, another issue may be played out. People often suspect that the person was hired primarily because of Affirmative Action goals to counter past discrimination. A common perception is that individuals of color or white women are hired based on lower standards or fewer qualifications and will therefore be a detriment to the organization.

These issues can be addressed by explaining a basic philosophical tenet: The intent of Affirmative Action is the hiring of competent people. The fact that Affirmative Action hires continue to be commonly perceived as “less-qualified” hires speaks to the bias that remains in many individuals and systems. Lingering in many organizations is an entrenched prejudice that can accept the promotion of

some people only as being the result of Affirmative Action, rather than arising from the person's own competencies and abilities.

Another assumption about Affirmative Action that needs to be addressed is the notion that it gives an unfair advantage to certain people. For those who believe that a level playing field now exists for all involved, Affirmative Action looks like preferential treatment for particular underrepresented groups—those who have more suddenly will have less. To those who see the playing field as uneven, Affirmative Action is a means for everyone to have a chance at the opportunities.

Too often, people mistakenly use the terms Affirmative Action, Diversity and Inclusion interchangeably, reflecting the fallacy that they are equivalent. They are not. In most people's minds, diversity programs refer to people of color and women struggling to achieve a place in society. In reality, diversity is an attribute embodied in every individual.

Some organizations increase their diversity in an effort to meet Affirmative Action goals. However, this increase is superficial if the organization is not prepared to *include* an increased range of differences in its day-to-day activities and interactions.

Unfortunately, most organizations end up with a *diversity in a box* strategy. They see diversity as getting in the way of success by forcing the organization to do something it doesn't want to do. Or they see it as an issue to be managed, shaping it and getting it to "fit" in the existing structure of the organization. Still other organizations see diversity as a value and end in itself, unrelated to the mission, vision and purpose of the organization. The result: either a singular focus on representation and awareness or ignoring the issue altogether.

Regardless of the reasons why organizations begin the diversity effort, it is often thought of as an extra—a package of programs and policies run by the Human Resources or in-house training department and never tied to the bottom line. Efforts to change the

representation of the organization are taken on with good intentions but are easily sidetracked or minimized when other priorities call.

When diversity is not leveraged, potential benefits to the organization and the individual are lost. For example, a Latina who is an engineer might be hired by an automotive design team to provide insight into preferences of Latinos or Latinas, while being overlooked as a potential contributor to broader engineering expertise. She ends up boxed in by her co-workers, who see her value limited to her apparent difference from the rest of the team. Her technical and design skills may not be fully recognized or utilized. Her diversity isn't fully leveraged for the common goal of the team—new and better ways of doing business. The organization loses an opportunity to tap her varied abilities and perspectives. The individual feels marginalized, leading to dissatisfaction with the work and the organization. Due to the cultural emphasis on community and higher needs for social inclusion, the impact of social exclusion is greater on many Latinos and Latinas than for people from groups that value individualism and independent action.

Hiring people of different backgrounds is no longer enough. Their presence in the organization is a start, but until it moves beyond diversity in a box, it will not unleash the full power of diversity and create fertile ground for everyone's growth in the organization and beyond.

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. This is true of international Fortune 100 companies, entrepreneurial start-ups, nonprofit organizations, government agencies, unions, and educational institutions.

When an organization leverages diversity, it sees things that cannot be seen when working from the basis of sameness. Leveraging diversity results in greater innovation and greater capacity for

change. However, just *having* diversity does not result in *leveraging* diversity. Leveraging diversity taps into people's unique power and potential, thus unleashing the talent that exists.

There is a need for radical change. An organization that understands that need opens up the playing field and changes the rules of the game for success. An inclusion breakthrough is required—to leverage the diversity of all people and build an inclusive culture—because old assumptions, old styles, old approaches to problem solving and old line-ups are insufficient to help an organization survive and thrive in a turbulent environment.

An inclusion breakthrough is a process to transform the organization from a monocultural organization that values and supports sameness in style and approach, to a culture of inclusion that leverages diversity in all its many dimensions. It also is an approach for any organization that wants to transform their efforts from a diversity in a box approach to one that truly unleashes the power of diversity. An inclusion breakthrough necessitates a whole new way of life.

BARRIERS TO INCLUSION

Most organizations are filled with barriers—rigid structures, poor training processes, outmoded equipment, misguided incentive programs, and discriminatory promotion and assignment practices that keep people from contributing the full breadth of their skills, ideas, and energies to the organization's success. Expressed in conscious and unconscious behaviors, as well as routine practices, procedures, and bylaws, these barriers are typically rooted in the very culture of an organization. They favor people who are most like the founders or senior leaders of the organization. These barriers can be as invisible as air to those they favor but demeaning, discouraging, distracting, exhausting and seemingly insurmountable to those who bump up against them every day.

Barriers can be as tangible as stairways that block access to people in wheelchairs, the sign that reads MEN on the door of the only

bathroom on the executive floor, or the lack of domestic partner benefits for the partners of people who are lesbian or gay. Barriers can also be subtle: being excluded from the lunch bunch or the golf outing, being seen as not ready for that leadership position, even people not hearing or remembering your ideas or name.

These barriers are reinforced by common negative beliefs about diversity and inclusion. Following are some negative beliefs:

- Differences create a barrier to higher performance because they bog down the process and lead to conflict.
- Diversity means that white men will lose.
- Only a few can succeed.
- It is too challenging to bring in people from diverse backgrounds.
- People who are different should conform.

A diversity in a box approach does not adequately address these barriers. Organizations often turn a blind eye to these barriers, only to discover that they are reinforced by a policy of diversity without inclusion.

DISADVANTAGES OF NOT INCLUDING

ALL PEOPLE

Some organizations are making concerted efforts to address issues of exclusion and monoculturalism. Few, however, understand the scope of change needed. Even demographically diverse organizations often lack the basic skills and workplace environment required to leverage that diversity. In the absence of effective skills for communicating and partnering across differences, organizations tend to marginalize the people who are most different from the dominant group. These people often feel unheard, devalued, and ignored.

Without effective conflict-management skills, even organizations that are more diverse are unable to capitalize on the wealth of perspectives

offered by their members. Instead of basing decisions on careful analysis and synthesis of differing viewpoints or on an informed debate on the relative merits of various people's proposals, many groups base decisions on who has the most seniority, is the most popular, or has the best track record, thereby excluding potentially significant voices and insights. Organizations without conflict-management skills may not be able to address the needs of an increasingly diverse marketplace and workforce.

For example, an advertising agency hired by one organization created two ads that were demeaning to Asian Americans. Because white people in the marketing department lacked competence and no people of color were in the group, the ad was disseminated without the organization's awareness of its offensiveness. Asian American employees and customers were upset and disappointed. At great cost and with great embarrassment, the organization was forced to pull the ads, but the damage had already occurred. This fiasco could have been avoided if the organization had acquired the competencies to understand what might be offensive.

Organizations almost always start out as exclusive, monocultural clubs (Katz & Miller, 1995). And most stay that way—even organizations that make sincere and well-meaning efforts to value diversity or become an Equal Opportunity Employer or an Affirmative Action Employer—unless an aggressive campaign is undertaken to change that condition. The people who start an organization, and then the people they hire, are usually closely matched in terms of one or more of the following: race, gender, ethnicity, age, nationality, and education. This is not an indictment. In organizations, as in life, people tend to associate with those with whom they feel most comfortable.

Although this approach might be reasonable and useful initially, its advantages fade over time. The monocultural values that result tend to reinforce a way of thinking and an approach to problem

solving that may, at times, discourage people from suggesting changes, especially when anticipating the needs and wants of the leader is career-enhancing. Also, when work relationships are built upon the unwritten agreement that helping to maintain the status quo is the price of admission, causing conflict means stepping outside the relationship contract.

Extend this monocultural tendency to career advancement opportunities, mentoring and day-to-day workplace activities, and it becomes clear why most of today's organizations look the way they do, especially at the top. In the absence of specific policies, practices, and accountabilities to the contrary, most managers hire and promote the people who seem to require the least amount of maintenance. The outcome of this comfort factor is a truly remarkable statistic: Although women comprise 51 percent of the adult population of the United States and people of color comprise 40 percent (Census 2000), 95 percent of the senior leaders of businesses are white men (Equal Rights Advocates).

For many organizations, the historical belief and practice is that an efficient and successful organization requires people who fit in with and unquestioningly follow their supervisors and leaders. The age-old strategy of hiring individuals drawn from the founders' network of schoolmates, friends, colleagues, and family was acceptable and common. Today's reality makes that far too limited. The collective brainpower needed today in order to create visions beyond the abilities of one or a few requires the inclusion of people from a variety of backgrounds. The phrase "no one of us is as smart as all of us" has never been as true as it is today.

To leverage diversity for greater productivity, one organization reorganized itself into self-managed teams that were diverse in race and gender. Over a period of two years, these teams became significantly less diverse. Turnover rates were highest among the people who were least like the majority members of each group. As time went on, the diversity of the teams diminished until each team was

homogenous in its race and gender. Productivity suffered as a result, with few new ideas filtering across to the organization.

This process failed because the teams didn't find the necessary support structures and accountabilities in the larger organization to effectively leverage their diversity. Members trusted only those team members they knew and associated with outside work. They tended to vote and make decisions based on what their social-network members or friends wanted or thought was best. They tended to help coworkers with whom they felt most comfortable. The team did not coalesce because people were most supportive of members of their own racial and gender group and least supportive of those outside those groups. This happened because many people found scant connection between diversity and task accomplishment. The organization's culture still supported and valued sameness and, because there was no education as to why the diversity of the teams would enable greater productivity, the teams eventually reflected the embedded and historic values of the organization. Because there were no new processes to keep the teams diverse or to help them see any benefit from diversity, they went back to what they knew best.

FLAWED FOUNDATIONS AND ASSUMPTIONS

Far too many diversity efforts fail because they are built upon a flawed underlying philosophy, strategy, or approach. One belief that some diversity programs have explicitly or implicitly built into their approach is that everything would be fine if everyone would behave like those who have historically been successful. People are encouraged to find a mentor or role model and learn from their behavior and experiences. Those who speak, look, or behave differently are sent to accent reduction or etiquette classes or are coached in performance-feedback meetings about their attitude or communication problems. This is based on the assumption that people at the top are both happy and successful, and that the goal of each individual should be to do whatever it takes to be like them.

This approach also includes the flawed assumptions that the road which led senior leaders to success is the same for people coming into the organization and that the organization and its challenges are static.

But, of course, people at the top are not always happy and not always prepared for the challenges ahead. For many, their ability to reach the top stemmed from the strong relationships they had established with others who were just like them. Because of those relationships, they were often given much latitude to struggle and fail (latitude that others—those who were so-called different—were not offered). They had people who believed in them, who did not second-guess or scrutinize their every move.

Another variation of the “be like the leaders” model aspires to assimilate those who are different from the dominant group—in United States corporations, this is usually white men. Based on the assumption that the organization is essentially fine, this strategy holds that after women of color, men of color, white women, and others outside the traditional group learn to succeed in the existing organization by behaving like the leaders—to gain equal access to hiring and promotion—all will be fine. The “be like us” attitude implies that you cannot fit in or be successful until you act like the dominant group. For most, this approach is simply not an option because their difference is their nationality, age, sexual orientation, physical ability, ethnic origin, gender, or race.

One of the biggest barriers to success for diversity efforts is the basic assumption that diversity is a problem that must be solved. This “problem-to-be-solved” approach leads to organizational blindness to the valuable resources offered by a diversity of skills, perspectives and problem-solving styles. It keeps organizations from noticing when they are actually practicing inclusion, and so impairs their ability to replicate successes, avoid mistakes, and communicate best practices to the organization as a whole. By reinforcing the message that differences are not really wanted, this approach also prevents organizations

from tapping into the potential energy available to support the change process.

Some organizations build their diversity efforts around the belief that the dominant group must be torn down to build up other groups that have historically faced discrimination. As diversity programs are being instituted in organizations, the dominant group may feel that the program does not include them. They may perceive themselves being cast as the problem. They may come to believe that the only way they can be part of the solution is to get out of the way and out of the organization. The dominant group often voices concern that there is no longer a place in the organization's future for them, especially where promotions are concerned. They feel that they are being blamed for the organization's diversity-related problems. For these individuals and others, diversity leads to divisiveness. Their view is that instead of building partnerships and teamwork for higher performance, diversity tears people and the organization apart.

Some organizations make the mistake of devising a disparate smorgasbord of programs unrelated to the organization's mission, core business activities and needs. The best of these strategies read like a top-ten list of nationally benchmarked best practices, addressing such areas as training, support networks, mentoring, celebration of ethnic and cultural holidays, volunteerism, professional and career development, domestic partner benefits, telecommuting, and flextime. When performance continues to stagnate, when turnover rises, when lawsuits are filed, some organizations add another program. But until the diversity effort is understood as being mission critical and not merely diversity in a box, none of these measures will result in the desired outcome.

The motive behind the diversity effort can also doom it to failure. Some organizations implement a diversity effort based on the fact that diversity is simply the right thing to do. However, these organizations find that not everyone holds to the same moral imperative,

includes the same people in groups that have been discriminated against, or believes the same volume of organizational resources should be applied to create equity. Some people fervently disagree with the need for an organization to fulfill anyone's moral imperative. Further, efforts based on a moral imperative are often abandoned when a crisis threatens the bottom line or the leaders of the moral imperative leave or change priorities.

Demographic changes in the United States and the global nature of organizations demand that leveraging diversity be considered a core success strategy. The behaviors and thinking of the past are no longer appropriate. Since the 1980s, people have been called upon to expand their behaviors and skills at an accelerated pace. No one group has a corner on the skill set for success. In fact, organizations that previously allowed entry to its middle and top levels only to people who looked and thought a certain way are now realizing that the talent required for success is found in individuals of every background. These organizations are beginning to see that the very differences people bring to the table contribute to an organization's success.

LEVELING AND RAISING THE PLAYING FIELD

Many organizations are currently involved in the difficult but crucial work of creating a more level playing field in their walls. The work is difficult because all organizations operate within the wider society, whose biases and discriminatory beliefs seep in through every crack and crevice.

Leveling the playing field allows an organization to reap the contributions of all of its people, as well as the synergies and innovations that flow from successful cross-difference partnerships and teams. However, simply seeking a level playing field is not enough. Any plan that aims only to bring the rest of the organization up to the standards applied to its dominant group is missing some fundamental factors and requirements for generating higher performance.

Because many organizations have historically treated their people as replaceable cogs or necessary overhead, the dominant group is often merely the least-abused segment of the population. When disrespecting people, including the dominant group, is standard practice, elevating everyone up to that level is not the answer.

The goal, after all, should be to create an environment in which all people are treated as irreplaceable assets. The most productive environment is the one in which *all* are enabled to do their best work and to continually improve their skills so that they can do even better work tomorrow. Organizations need higher levels of performance from everyone, not just from those who were previously under-contributing or running into barriers to their contributions.

In an environment tilted in their favor, the dominant group (again, traditionally white men) is expected not to complain or make waves. But to achieve higher performance and continuous improvement, all people must constantly challenge the status quo, examine and re-examine their processes, and become the chief operating officers of their jobs and teams. The challenge, therefore, is not to merely level the playing field, but to *raise* the field for everyone.

To level and then raise the playing field and achieve higher performance, organizations must include *everyone*. They need everyone to bring all their talents and energies to the workplace, working together to create something greater than any individual or monocultural group could do alone. An effort directed at a single group or a narrow band of groups will not create the synergy, creativity, innovation, and competitive advantage required for the highest performance and sustainability. Making the workplace more productive and rewarding for everyone in it must be a two-step process, with the two pursued simultaneously.

The first step (see Figure 1) is to level the playing field to ensure that the differences between a social identity group and the traditionally dominant group do not pose barriers to anyone's ability to do her or his best work.

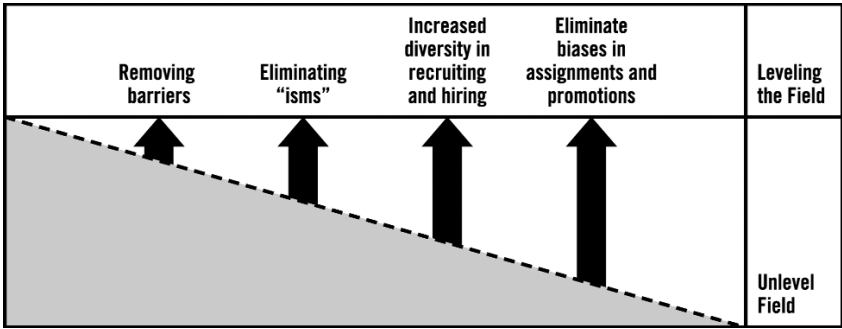


Figure 1. Leveling the playing field

The second step (see Figure 2) is to raise the entire playing field so that all people and the organization itself are equipped for maximum performance, and each person and every social identity group are leveraged as assets, resources, and organizational strengths.

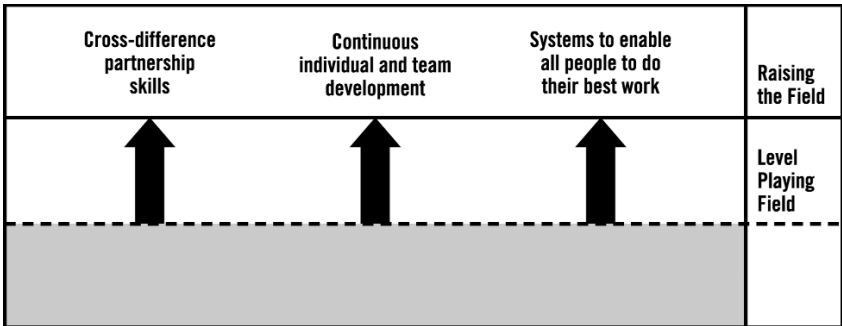


Figure 2. Raising the playing field

ENABLING ALL PEOPLE TO CONTRIBUTE

A culture of inclusion requires a radical shift in thinking and operating—a new set of actions, attitudes, policies, and practices designed to enable all people to contribute their energies and talents to the organization’s success. Conflict becomes constructive debate. People are sought because they are different.

Inclusion is a way of joining in a positive manner in the interest of a positive outcome, not a strategy for avoiding conflict, settling

for the lowest common denominator, or assimilation. Inclusion creates a sense of belonging and when each person realizes a sense of belonging to the organizational community, motivation and morale soar.

Leveraging diversity means capitalizing on an individual's differences. An inclusive organizational culture leverages diversity by creating an environment with a broader bandwidth of acceptable styles of behavior and appearance, thereby encouraging a greater range of available paths to success. Inclusion also increases the total human energy available to the organization. People can bring far more of themselves to their jobs because they are required to suppress far less.

In fact, when individual and group differences are regarded as valued resources, as in an inclusive environment, differences no longer need to be suppressed. Those who cannot fit into the old monocultural model no longer need waste their energy trying to be what they are not, and those who can successfully suppress or hide their differences no longer need waste their energy doing so.

Only when all people, with their differences and similarities acknowledged and included, are involved in decision making, problem identification, and problem solving can the individual and collective productivity of a diverse workforce be fully engaged.

If an organization brings in new people but doesn't enable them to contribute, those new people are bound to fail, no matter how talented they are. *Diversity without inclusion does not work.*

Although the concept of diversity as an organizational imperative is spoken about at length, few management practices, policies and accountabilities have been changed to make leveraging diversity and creating a culture of inclusion a core success strategy. If they were changed, most organizations would have very different organizational landscapes. What is needed is not mere lip service to a vague business imperative, but a structured, systematic inclusion breakthrough, supported by a shared understanding that such a breakthrough is a mission-critical imperative.

COMPETING FOR AND RETAINING TALENT

To become attractive to talented people—to become a *talent magnet*—an organization must consider enhancement of its people a primary business strategy to be integrated into all day-to-day interactions, decisions and activities.

During the Industrial Revolution in the late eighteenth century, people were expected to bring their hands and feet to work. But the old assembly-line model no longer works. For organizations to be competitive today, they must inspire people to bring their brains to work too.

When an organization asks for a person's thinking, it is asking for the whole person—including the person's dreams, hopes and aspirations. This encourages each individual over time to become a knowledge worker, adding thought and value to everything she or he sees and touches. Organizations that create environments in which knowledge workers can thrive gain a competitive advantage in retaining and recruiting these valuable organizational assets. Organizations whose work environments are not as inviting may find themselves becoming training academies for their competitors. Preventing this calls for a radical change in every aspect of an organization's operations and policies.

Today's organizations are also being forced to reassess their assumptions about which talents they need most and who are their *most* valuable people. The definition of the best and brightest has changed. To meet the challenges of a global economy that is ever more focused on customized delivery of products and services, the definition of talent must be expanded to include people of different ages, genders, nationalities, colors, sexual orientations, religions, physical abilities, and other identity groups. The value of today's workforce will be measured not only by its technical skills, but also by how well individuals understand, communicate, and partner with a diverse range of customers, suppliers, colleagues, and team members.

Organizations that treat all their people as valuable resources to be nurtured, developed, recognized, and rewarded will be sought out. The constant need for fresh minds creates an interesting challenge. Over time, even organizations that have diverse work teams tend to evolve a unified point of view. Sometimes they develop a closeness that resembles exclusivity. They become too agreeable and stop questioning what is, thereby limiting their vision of *what can be*.

To ensure the ever-expanding perspective required for continuous improvement and 360-degree vision—to see around all corners and have multiple points of view for decision making and problem solving—every organization and every team in it must continuously expand its range of diversity. This effort cannot be a one-shot deal. The organization must constantly seek out, connect with, and include new dimensions of difference: lesbians and gays; people with disabilities; people of different nationalities and language groups; and on and on. It must drive the team and the organizational culture toward ever-greater inclusion. Taking the action necessary to create the workforce best able to accomplish the work of the organization cannot be viewed as a dreaded, top-down social program. It must be viewed simply as good business.

A NEW WAY OF DOING BUSINESS

Organizations are transitory entities. As the circumstances and opportunities that fueled their success fade into the past, many successful organizations come to an end. Most businesses fail in their first seven years, and in today's fast-paced environment, failure frequently happens sooner rather than later. Experts predict that 90 percent of the companies doing business today will no longer exist 20 years from now. In today's competitive environment, many organizations will not survive.

Because of the changes organizations are facing, many people and organizations are operating in crisis mode. People are postponing

life-critical and life-enhancing endeavors—family, social and community obligations, vacations and sleep—in the hope that this crisis will pass. The crisis, however, will only deepen. Peter Vaill, in *Managing as a Performing Art* (1990), calls it living in “permanent white water.”

What is needed is a breakthrough, and organizations are experimenting with a variety of solutions. For example, McDonald’s is paying starting salaries of \$30,000 for many entry-level management positions. Some companies are building Help Wanted signs right into their new buildings. Congress still argues over the minimum wage, but the issue is moot in many businesses; many entry-level people are already demanding higher pay than what is being legislated.

Without a breakthrough to keep the people that today’s organizations require, declines in profitability, adaptability, resilience, and innovation await.

Organizations in search of talent are finding that the people they are looking for are, in turn, looking for a workplace that provides a welcoming environment, creates true opportunities for their professional and personal development and advancement, treats them with respect and dignity, and enables them to feel valued as contributors to the organization’s success. They are looking for a place where they can affect the success of the organization and, for some, make a difference in the world.

A growing number of people are looking for workplaces that will appreciate and draw on their passions. Given the choice between comparably salaried positions, most people choose the one that offers the greatest opportunity to grow and do their best work (Stum, 1998).

The traditional organization’s implied offer of a job for life did not include any promises of respect or consideration, yet demanded loyalty in return. In the emerging scenario, the organization makes no promises of longevity but instead offers respect, consideration, and opportunity in the hope of winning loyalty it can no longer demand.

A NEW HUMAN FRONTIER

Many people believe that when diversity efforts are successful and the organization changes, the only difference will be *which* group is in charge. To paraphrase Elizabeth Dodson Gray (1982) in *Patriarchy as a Conceptual Trap*: The belief that inclusion of all people is an impossibility becomes a person's "conceptual trap or limitation." We can imagine going to the moon and creating futuristic products, yet when it comes to the human condition, most people look to the past (discrimination, wars, oppression) and assume that these negative occurrences more accurately predict our future. All too often, when a diverse team is working well together, leveraging its talents and including all its members, we find ways to dismiss the possibility that this way of effectively working together can be the new norm. The creation of cultures that are truly inclusive provides the possibility of a new vision—a *new human frontier*.

IMAGINING THE POSSIBILITIES

Imagine an organization that engages people's differences as resources for creating higher performance and greater success.

Imagine an organization in which people striving to improve their ideas, products and decisions seek out collaborators who have differing points of view, backgrounds, experiences, perspectives, and ideas.

Imagine an organization whose members whistle on their way to work because they feel energized, gratified, and acknowledged on the job, they learn something new every day, and they add value through their contributions and thinking.

Imagine an organization whose senior leadership team includes a rotating group of people from all levels of the organization. This new way may seem difficult to imagine, too Pollyanna to be possible, but the fact is that inclusive behaviors and attitudes change virtually every aspect of an organization's operations.

Creating a culture of inclusion requires radical change. But the improvements that result from the change are equally radical. People must learn to work differently—every project team scans the organization to make sure it has the best and most diverse team for the job. Instead of disagreements in meetings that lead to strained compromises or avoidance, disagreements lead to better decisions based on a more complete vision of the problem and possible solutions. Work assignments are made with consideration for outside-of-work responsibilities, so people freely give their whole selves without worrying about their jobs consuming their lives. Members of the organization and customers feel loyalty to the organization because of the quality of its products and services and its social, environmental, and commercial values.

Dealing with the permanent white water in today's business climate underscores the problems organizations face to grow and prosper, and how two similar organizations can take different paths.

Two large regional banks located in urban areas, spurred on by an increasingly competitive marketplace and challenges in the banking industry, felt it crucial to address the issue of diversity. Both launched their diversity efforts with great sincerity and good intentions, each stating in nearly identical terms their commitment to being an “equal opportunity institution both for our customers and our people while maximizing shareholder values.”

Bank #1 emphasized its moral imperative to become a good corporate citizen and to help improve conditions in the disadvantaged areas of its community. Bank #2 framed its effort in terms of a business imperative to expand the reach of the bank's services into new and previously underserved market areas. Then each underwent a series of mergers, followed by a period of downsizing, and their approaches took significantly different turns.

Bank #1 put its diversity effort on hold, citing organization-wide pressures that required it to “refocus on core business issues.”

Staffing and branch location decisions were based on performance history. The lowest-performing people and locations were phased out. Acknowledging its moral imperative, the bank restated its commitment to continue its good corporate citizen campaign as soon as its internal situation was stabilized. Basing personnel-retention decisions on past performance, Bank #1's downsizing program adopted a decidedly last-in, first-out direction. A high percentage of its most recent hires, especially those from underrepresented social identity groups, were let go. Similarly, most branches located in low-income neighborhoods were closed.

The overall results for Bank #1, according to its public communications, were "quite satisfactory, considering the unsettled situation" from the mergers and downsizing. It retained a significant percentage of commercial lending and depositor accounts from the combined pre-merger banks and was able to serve them at reduced cost thanks to closing low-performing branches. And although its penetration into new market areas was low, improvements were expected after more stable times resumed.

Unlike Bank #1, Bank #2 continued to view its diversity effort as a business imperative throughout the merger and downsizing process. Instead of basing personnel and branch-location decisions on past performance, it based them on an assessment of their relevance to the future strategies and changing dynamics in the workforce and the community. Bank #2 strove to eliminate duplication of services and functions, while preserving resources necessary for penetrating new market areas and connecting with previously under-served constituencies.

Bank #2's pre-merger efforts had positioned it well for capitalizing on opportunities in new market areas. With judicious consolidation of branches and services in its core areas, it was able to retain a large percentage of its former business. And with its more diverse staff and advantageous locations, it was able to quickly capture a high percentage of commercial and mortgage lending, as well as private

checking and deposit accounts, in previously underserved areas of its marketing region.

More than a year after the merger, Bank #1, still “committed in principle” to its moral imperative, announced another round of layoffs as it sought to achieve “post-merger stability.” Bank #2, focused firmly on its business imperative, began planning an inner-city internship and scholarship program to develop future staffing resources for its new core market areas.

The contrasting experience of these two banks is a telling example of a strategy that succeeds when it is tied to a mission-critical imperative versus the losing strategy resulting from a strictly moral imperative for initiating and implementing a diversity strategy. Although Bank #2 was forging into unknown territory with its strategy, it had much more upside potential, whereas Bank #1 used the old tried-and-true strategy common to most organizations in times of trouble.

Bank #2 embarked on an effort that represented a radical change from the way it had always conducted business—and the strategy yielded positive results. Making such a radical approach work, however, required leaders who were willing take risks and deal with resistance. Equally important, Bank #2 was willing to tie the initial, ongoing effects and opportunities related to its leveraging diversity strategy to its current and future business strategy. It integrated the effort into all activities related to its work culture, customers and business plans. It chose a path that led to greater success.

this material has been excerpted from

***The Inclusion Breakthrough:
Unleashing the Real Power of Diversity***

by Frederick A. Miller & Judith H. Katz
Published by Berrett-Koehler Publishers
Copyright © 2009, All Rights Reserved.

For more information, or to purchase the book,
please visit our website
www.bkconnection.com