Ten Elements for Creating a World-class Corporate Diversity and Inclusion Program

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Most organizations today understand the necessity of fully tapping the contributions of a wide variety of people in order to meet the needs of an increasingly diverse, global marketplace. So most organizations want to ensure that their diversity initiatives are planned and implemented in a manner that allows them to attract and leverage the contributions of a broad pool of talent. There is a set of key components in creating diversity programs that support organizations to utilize their diversity to become more productive—elements that hold true across all industries, regardless of geography, size or history.

**UNDERSTAND THE DIFFERENCE BETWEEN DIVERSITY AND INCLUSION**

Although the terms diversity and inclusion are often used interchangeably, when planning an initiative it’s helpful to differentiate between the two. Focusing on diversity typically means that the organization works to expand the number of individuals from various groups—more women, Hispanics, people of color, etc.—and to ensure that those individuals are appropriately represented in all functions and at all levels. This is an important focus, but on its own it is often insufficient in meeting an organization’s desire to expand its competitive advantage.

To truly ensure that expanding the range of differences enhances an organization’s performance and productivity the business needs to focus on inclusion. By that we mean that an organization needs to ensure that it not only attracts a diverse group of employees but that it provides them—regardless of which group they belong to—challenging tasks, real authority within their span of control, and the support to grow and develop. This approach to including all employees, in whatever ways possible, in the important work of the business is what stimulates people to stretch their skills and increase their capacity to contribute to the business—and it’s what enables companies to get the best return on their investment in human capital.

Recently, in a large company we work with, a manager who went through diversity and inclusion training was assigned the job of putting together a task force to improve sales. This manager, reflecting upon the training he had just received, included an employee on the task force whom he wouldn’t have thought of before. This person made a crucial recommendation that ended up increasing sales by over a million dollars. The lesson here is that this person was already at the company and the diversity existed, but the decision to include this person was what made the difference to the bottom line.
MAKE THE BUSINESS CASE FOR INCLUSION

It’s clear that inclusion is a business issue once diversity and inclusion are understood to be a means by which an organization can ensure that all employees are given the opportunity to stretch their skills and capabilities. Any company that can increase the skill set and contributions of the majority of its workforce enjoys a true competitive advantage. Seen in this light, diversity isn’t addressed only because it is the “right thing to do,” or because a positive and proactive approach to diversity is the best defense against bias-related litigation.

Rather, implementing diversity and inclusion programs has a positive effect on the bottom line. They are a means to increase profits and productivity by tapping the contributions of a broader pool of talent, not simply an awareness exercise. Inclusion initiatives, focused on supporting employee development, improve employee performance, increase productivity, reduce turnover, and make the company more attractive to potential employees and customers.

THE CEO AND LEADERSHIP TEAM MUST ACCEPT DIVERSITY AS THEIR PERSONAL RESPONSIBILITY

As with any other serious business objective, the CEO and leadership team must not only buy in to the diversity and inclusion initiative, but also take personal responsibility for its success. Too often diversity is viewed at various levels in an organization as a purely HR issue to be lumped in with other more expendable “feel good” programs. Yet senior leaders rarely take such a hands-off approach to items seen as critical to the bottom line—creating a new brand; opening a new market, a major cost-cutting effort. In today’s marketplace people represent the only compelling competitive advantage for companies. It is in the best interest of the company and the leadership team not only to head a diversity initiative, but to make all employees aware of the real importance of diversity to the success of the business as a whole. Leaders need to model what’s expected, provide a clear vision, and hold others accountable—in other words play all the roles they would play in any other initiative important to the bottom line.
ASSESS NEEDS AND FORMULATE A SPECIFIC DIVERSITY PLAN

It’s important to start by identifying the issues that need to be addressed. Often, an organization will be aware that there are diversity-related problems, but will have trouble in identifying and addressing what those problems are. This is why needs assessment and careful strategy development are crucial. When faced with serious diversity issues it’s easy to “try something, try anything,” but that approach is seldom successful. Taking the time to locate and address the specific needs of your company will help to a diversity program succeed.

For example, if African-Americans in mid-level management feel that they’re being kept from moving up as quickly as their white counterparts, a needs assessment can investigate if there is indeed a gap and what interpersonal and organizational factors may be getting in the way of advancement. Once the causes are understood it is easier to put together a targeted initiative that gets at the real issues.

It’s unlikely that such a problem (or a host of other issues) can be solved by a blanket diversity initiative that merely trains all staff about the importance of diversity. By looking at specific problems and attempting to address them, a company will achieve greater success than it can by merely “going through the motions” of a general diversity program.

DEFINE “WHAT’S IN IT FOR ME?”

Too often, diversity is viewed as an issue of race or gender—and therefore not of any real benefit to a large percentage of the corporation. Once employees understand that the emphasis is on supporting the development of all employees, they’re more likely to understand they have something to gain from the initiative and embrace its objectives. Once diversity is viewed in terms of not just race and gender, but also of age, sexual orientation, level of education, geography and other factors, it is much easier for employees to accept its importance as a business issue.

However, having defined diversity broadly, it’s essential that leaders not take their eye off the ball with respect to women and people of color. Historically those two groups have felt the greatest impact from the lack of development and positioning.
NO BLAME—SHARED RESPONSIBILITY

A common mistake in addressing diversity-related issues is to seek to assign blame or guilt for the past historical ills and current mistreatment of some groups or individuals. While a particular event or mindset might be the very reason why a diversity initiative was undertaken in the first place, it’s not productive to single out those employees who have made mistakes in the past or induce guilt for past social wrongs. The purpose of a diversity program is to foster shared responsibility for increasing understanding and improving future relationships. The purpose of a diversity initiative and diversity training should be to mobilize, not polarize.

SET CLEAR EXPECTATIONS AND A SYSTEM OF ACCOUNTABILITY

If everyone is to share responsibility for an initiative’s success, it’s critical that everyone be clear about the expectations for their contribution. What are the standards for respectful interaction? How are managers expected to coach and develop others? How will interpersonal conflict be resolved? Whatever the expectations, the company needs to use all the channels regularly employed to communicate expectations around other important initiatives.

There also needs to be a system for holding people accountable. This could include incorporating standards for inclusive behavior into the performance review process or tying some portion of a manager’s bonus to employee survey results. Behavior that is clearly out of line with the expectations must be addressed quickly. Regardless of which items are included in a performance management document, if employees see a pattern of disrespectful behavior that is allowed to continue, it sends a clear message about the real expectations and level of accountability.

CREATE MEASURES TO ASSESS PROGRESS

An important step to take to make sure a diversity program is not just a surface level objective is to set specific goals and then assess progress. It’s not enough to simply feel that a change has occurred and that there are no longer problems. A diversity program must be treated in the same way that any other business objective is treated, with a clearly set starting point that can be referred to as a benchmark and then a means for tracking progress over time. Often organizations already collect data related to levels of productivity, morale and retention that could be incorporated into a diversity measurement. The key step is to assess how the company’s efforts toward inclusion affect these measures and then reinforce those things that are effective and revise those that are not.
CREATE A BROAD-RANGING INITIATIVE

Diversity isn’t a stand-alone issue, and needs to be central to an organization’s employee development strategy. Diversity cannot be achieved by a one-day training event. Just as diversity is a complex and involved issue, the plan used to address it must be similarly in depth. Strategic planning, assessment, measurement over time, links to other initiatives, policy and practice review, training and mentoring must all be used to effectively create and maintain a diversity program.

One of the most common stumbling blocks in building a diversity program is to place too much emphasis on recruitment as the solution to a lack of diversity and inclusion. While hiring more diverse employees may make it seem on the surface that the “problem is solved,” just hiring people to meet a quota does not facilitate true inclusion. While hiring is surely important, it’s just the first element of an inclusion program. Effective inclusion also involves retention, development, mentoring, and advancement.

PROVIDE SUFFICIENT RESOURCES AND AN APPROPRIATE INFRASTRUCTURE

Just as with any other business objective, the financial and human resources required must be made available. Holding diversity training sessions alone is not a sustainable method by which to build diversity and inclusion. It is important to build an infrastructure—to have the organizational practices, personnel, and budget necessary to develop a broader pool of talent. A simple diversity program might seem like a cost-effective way of quickly addressing the issue of diversity, but it will not achieve the desired goal of increasing business success.

By providing an infrastructure to build a diversity and inclusion initiative, and carefully forming a company-specific approach, organizations can utilize their diversity to ensure future business success. Being sure that the right practices, employee development activity and rewards systems facilitate the development of all—in alignment with the business objectives—is the key to a successful initiative. In today’s uncertain economic environment, the one undeniable competitive foothold is a company’s capacity to develop a broader population of talent to the highest standards.

Diversity is an important business objective that must be dealt with as such and not treated as an awareness exercise or “the right thing to do.” By understanding a broad definition of diversity, providing an infrastructure to build a diversity initiative, and carefully forming a company-specific diversity initiative, organizations can utilize their diversity to ensure future business success.
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ABOUT THE AUTHOR

Michael C. Hyter is president and CEO of Novations Group, Inc. consulting and training firm that helps organizations maximize the potential of their entire workforce. Over a 19-year career at the Dayton Hudson Corporation, he held a wide range of human resources and management positions. In 1992, he became vice president of Community, Government Affairs and Public Relations for sixty-three Dayton’s, Hudson’s, and Marshall Field’s stores.

As a store manager Hyter said, “I had no choice than to learn how to get things done through people whose interests were different from mine. I had to learn how to mobilize them differently.” He feels he learned that when in 1981, as a personnel manager, he participated in the Efficacy for Minority Corporate Professionals program delivered by J. Howard & Associates. He believes that the efficacy principles he learned in that program had a significant role in accelerating his own career. “That event made me understand more fully that development is a learnable process and many people need support in becoming responsible for their own development.”

Hyter joined J. Howard & Associates in 1996. He was attracted to the organization because of its mission of developing talent and helping organizations increase the yield of their employees. In 1999, he was promoted to a managing director in 1999; in 2001, he was named President & CEO; and in 2006 he became President and CEO of JHA’s parent company, Novations Group, Inc.

Hyter’s work with executives in Fortune 1000 companies has resulted in organization-wide diversity and development initiatives that have enhanced the business objectives of those organizations. He has also helped them expand that work into their subsidiaries in Europe. He believes that one of the most effective ways that you can impact an organization bottom line is by growing and developing the talent within the organization.


He earned a B.S. in Human Resource Management from Michigan State University.
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