



BUILDING THE BUSINESS CASE FOR DIVERSITY IN THE WORKPLACE

By Dr. Maura Cullen

A shift in perspective is needed as to how we frame the business case for diversity. Instead of asking, “How do we build a business case for diversity?” we should be asking, “How can businesses prosper that do not value diversity?” How does a company grow if they do NOT keep up with changing demographics of their consumers and employees?

Years ago diversity initiatives were considered a cutting edge business practice. Today it is a necessity. The simple truth is in order to grow as a business you must be diversity-wise just to keep pace with your competitors. Many businesses have experienced the financial benefits and the increase in customer and employee satisfaction and productivity. We all know that it costs less money to keep a loyal customer or employee than it is to get a new one.

If you're yourself asking what are the benefits of diversity and how does it impact your bottom line then you are lagging behind your competitors. Most likely you view diversity initiatives through a Deficit Model lens, believing that the costs are too high to implement. In the long run this perspective will not serve you or your business. This may feel better financially in the short term but it lacks vision.

Instead, to remain competitive, today's businesses must view diversity initiatives through an Investment Model lens. It's the classic line of, “you can pay me now or pay me later”. The pay me later will always end up costing you more because it typically comes as a result of something that has gone wrong, a reactive response. It will cost you far less if you put your investment into implementing diversity initiatives proactively verses reactively.

Outlined are four principle influencers that are changing the landscape of the workforce and how business is done.

1. Productivity & Problem Solving
2. Changing Racial Demographics
3. Legal Implications
4. Recruit-Retain-Refer

1. PRODUCTIVITY & PROBLEM SOLVING

Research indicates that diverse work teams outperform homogenous teams. Here's a quick example. Many years ago I sat on a committee that was charged with rectifying compliance issues regarding ADA (Americans with Disabilities Act). The issue at hand involved the accessibility of drinking fountains. Initially many of the members falsely believed that because the building was an older structure that it would be 'grandfathered in' thus exempting them from having to make adjustments. But there was no 'grandfather' clause. But we did not know this because we did not have the right people at the table, people who would bring a different perspective. We needed someone with a legal perspective. Another perspective we were missing was to have people at the table that understood the challenges and issues of people who encounter accessibility barriers. Because the committee consisted solely of people who did not currently have mobility issues, we wasted a lot of time and resources creating remedies that were costly and problematic. At last, one of the members had the wisdom to ask some people with disabilities their thoughts and they offered a simple, inexpensive and quick solution; water coolers. Having water coolers with cups and/or individual bottles of water would have sufficed in this situation.

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Does this mean that you have to have a person from every under-represented group on every committee in your organization? No. However, the take away message in this example is simple and clear; diverse work teams outperform homogenous teams. Additional benefits of diverse work teams include:

- Increased problem solving skills
- Increased innovation and thinking outside the box
- Increased productivity. Effective diversity programs are associated with an 18% increase in productivity. (National Urban League)
- Production creation to a bigger and broader consumer base, which means more consumers, which results in more profits.

2. CHANGING RACIAL DEMOGRAPHICS

GLOBAL RACIAL DEMOGRAPHICS

- In 1900 30% of the world's population was considered White
- In 1950 it decreased to 24%
- In 2050 it is projected that 9% of the world's population will be White

UNITED STATES RACIAL DEMOGRAPHICS

- In 2000, 69% of the U.S. population was White
- By 2050, the Census Bureau projects a decrease to 46%.
- From 2000-2010 the Hispanic population grew a whopping 43%
- By 2050, 30% of the U.S. population is projected to be Hispanic

Currently we are experiencing the first overall decline in the number of high schools graduates in more than a decade. Although the overall number is declining there has been a shift in the racial makeup of our graduates. These statistics do not even include immigrant and non-documented students. Here are the numbers of what our new batch of graduates and members of the workforce will look like through 2015 (Western Interstate Commission for Higher Education):

- Hispanic/Latino graduates 54% INCREASE
- Asian/Pacific Islander graduates 32% INCREASE
- American Indian/Native Alaskan graduates 7% INCREASE
- Black/non-Hispanic graduates 3% INCREASE
- White/non-Hispanic graduates 11% **DECREASE**

By 2020 it is anticipated that 46% of college graduates will be considered minorities. (NCES.ED.GOV).

These numbers are just racial differences, now add differences in age, sexual orientation, ethnicity, gender, disability and socio-economic class, etc... and you begin to see how the landscape has changed and will continue to change dramatically. The numbers are clear, both our consumer base and workforce have forever changed. Common sense dictates that businesses must keep pace in order to effectively capitalize on these changes.

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3. LEGAL IMPLICATIONS

Here's the bad news—and you don't want to get this kind of notoriety. Here are some of the settlement costs experienced due to discrimination of bias.

- Coca-Cola \$192 million racial discrimination
- Abercrombie & Fitch \$50 million race/gender discrimination
- Florida Gulf Coast University \$4.2 million gender equality suit
- Rutgers University \$516,000 racial discrimination
- State Farm Insurance \$157 million
- Home Depot \$104 million racial discrimination

None of these are a simple slap on the wrist. The average cost of most settlements including legal fees is \$800,000.

Here's the good news outlined by Susan Heathfield in About.com on what employers can do to prevent employment discrimination.

1. Implement and integrate a zero tolerance policy in your workplace.
2. Train managers of the anti-discrimination policy with the expectation that prevention and adherence to the policy is their responsibility.
3. Require **MANDATORY** employee diversity training.

Bottom line: Be proactive in creating and implementing diversity initiatives and policies. It will be a great return on your investment.

4. RECRUIT-RETAIN-REFER

STEP ONE: RECRUIT.

Recruiting any qualified candidate for a position in your organization costs money. Organizations that believe that finding a qualified pool of diverse candidates costs more money than a non-diverse pool are not serious about finding the best candidates. Too many companies and business shortcut the process and get lazy. They rely on the old true and tried methods of recruiting they have always employed and wonder why they get the same results, a homogenous pool.

I once heard Tony Robbins, the great motivational speaker say,

“If you always do what you have always done, then you will always get what you have always gotten.”

If you want a different result then you must take different action. The most qualified people are not always white or male. If you want the best-qualified candidates of all races, genders, sexual orientations, age, ability, etc...then you must go fishing in many different ponds. It's not an “extra” expense, it just the cost of assembling the finest team for your organization.

STEP TWO: RETAIN.

This is not rocket science. We all know that it costs more to recruit talented candidates than it does to retain them. Here are the facts according to the Corporate Leavers Survey.

- Each year more than 2 million professionals and managers leave their jobs due to unfairness, costing employers \$64 billion in turnover costs.

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- People of Color are three times more likely to leave because of bias.

Employee satisfaction increases productivity, reduces absenteeism, reduces bad morale and reduces employee turnover. Building a more inclusive workforce will increase employee satisfaction.

Satisfied customers who feel valued and respected tend to be more loyal which results in repeat sales and increased referrals.

STEP THREE: REFER

One of the most effective ways to cut recruiting costs for building a diverse workforce and consumer base is to keep the workers and customers you currently have happy.

Social networking sites have changed the game of advertising forever. With the click of a button consumers and potential employees continually evaluate your company. Happy employees and consumers tell other people of their positive experience and that results in more employee applications and more customers.

Conversely, word of mouth referrals cut both ways and can have a negative impact on your bottom line. The Corporate Leavers Survey states that:

- 24% of employees who experienced bias related experiences strongly discourage them from recommending their employer to other potential employees.
- 13% stated that their negative experience strongly discouraged them from recommending their employers products or services.

Good news and bad news travel quickly, especially given the far reach of the Internet and social networking. The great news is that you get to frame the outcome by building an inclusive and diverse work environment that welcomes the talents and contributions of all.

To receive Dr. Cullen's **FREE** video series visit
www.DiversityQuickFlicks.com
or **TEXT your name and email to 508 876 2085**. Diversity Quick Flicks
are six 'must see' short video's addressing today's most common diversity
challenges and offers quick solutions.

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Dr. Maura Cullen is the author of "35 Dumb Things Well-Intended People Say: Surprising Things We Say That Widen the Diversity Gap". She is widely considered one of the nation's foremost authorities of diversity issues on college campuses today. Maura has over 25 years of experience as a keynote speaker and trainer. She earned her doctorate in Social Justice & Diversity Education from the University of Massachusetts, is a Founding Faculty member of the Social Justice Training Institute and Founder of the Diversity Student Summit. To learn more visit www.TheDiversitySpeaker.com.