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Investigation of a Program That Manages Cultural Diversity to Determine Its Relationship to a Profitable and Efficient Business Operation

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INVESTIGATION OF A PROGRAM
THAT MANAGES CULTURAL DIVERSITY TO DETERMINE
ITS RELATIONSHIP TO A
PROFITABLE AND EFFICIENT BUSINESS OPERATION

Joan M. Hubbard, B.S.

An Abstract Presented to the Faculty of the
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ABSTRACT

This thesis begins with the purpose of investigating a program that recognizes, accepts, values and manages cultural diversity in the workplace to determine its relationship to a profitable and efficient business operation.

Significant demographic changes are expected to occur by the year 2000 resulting in a more culturally diverse labor force. In addition to a labor force wherein "white males" become the minority, this labor force will be more resistant to shedding ethnic and sexual distinctions.

In the past, managers have achieved high-level mastery over physical production. However, as labor constitutes the greatest single cost component of output, the more enlightened viewpoint recognizes that efficiency is dependent upon industry's human assets.

This author was unable to identify a preponderance of statistical evidence which makes a correlation between a profitable and efficient business operation with development and implementation of a cultural diversity program. However, research does show that many firms have engaged in such initiatives because to

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them, it makes "good business sense" to develop workplace harmony, to reduce costs associated with recruitment and retention, and to improve decision-making that comes about through heterogeneous group thinking. Research further shows that no one program or set of programs works best for all firms.

As a result, the focus of this thesis moves to assessing the value of a prototypical resource document written for managers within firms who are considering developing and implementing cultural diversity initiatives.

This resource document, titled "An Administrative Guide for Managing Cultural Diversity in the Workplace", was evaluated by six, culturally diverse, top-level human resource managers from major corporations across the nation. Assessment of this document was based on the criteria of accuracy, appropriateness, thoroughness, usefulness and its value for use within their respective firms.

The results of this evaluation indicate that there is some legitimacy for making available to firms a resource document that provides for managers "a feel for the possibilities".

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Chapter I
INTRODUCTION

Human Resources and Business Performance

America is not working as well as it once did. Evidence of this decline can be seen regularly as features in national newsmagazines and in articles in scholarly journals. American products no longer sell abroad as successfully as they once did. Moreover, they are losing out domestically in competition with foreign-made goods (O'Toole 2).

Many explanations for America's new economic woes are being advanced. However, the real problem with America's economy is rooted in the changing values of the American worker, in changing social patterns and in the failure of work organizations to respond to those changes. Economic policies that stress investment in new plants and machinery will not solve our productivity problems if American workers are not willing to produce (5).

One major mistake made by managers is the assumption that all workers have the same needs and interests and that the best way to organize is a way that is appropriate for all people at all times (5).

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A 1985 survey of <u>Harvard Business Review</u> readers found that declining American competitiveness in business is largely a result of poor performance by United States managers. Similarly, the 1985 Report of the President's Commission on Industrial Competitiveness came to the same conclusion by stating that "the major responsibility for restoring America'a global competitiveness resides with business" (Shetty and Butler 11).

A study of executive perceptions was conducted by the American Society for Quality Control on a range of competitive issues. Fifty percent of the respondents rated service quality as extremely critical, 39% rated product quality as extremely critical and 26% of the respondents rated productivity as the second most critical issue (8).

Product quality reduces costs by reducing rework and additional labor. Work in process inventory, material handling, capital equipment, warranty, and liability claims costs are also reduced. Additionally, both high quality products and services increase sales and market share through improved reputation (9).

A study conducted by the Richmond Federal Reserve Bank shows that in the last seven years, the productivity of the United States businesses rose 0.6%

annually compared with 2.8% in Japan, 2.4% in France,
2% in West Germany, and 1.9% in Great Britian (Clark
and Malarre A2).

Productivity, or the ratio of output to input has
both a technical and a human aspect. The human aspect
consists of building a cooperative organization of
people with drive and enthusiasm, who work together
and who are responsive to management's leadership to
achieve the economic aims of the enterprise (Milton
1).

Growth in productivity is important because it is
the key determinant of a nation's future. Producti-
vity is said to contribute to the quality of life
because a growth in productivity can offset wage/price
increases. In addition, productivity growth increases
the international competitiveness of domestic produc-
tion as well as conserves scarce resources per unit of
output (Baumol and McLennan 5).

Executive respondents to the study conducted by
the American Society for Quality Control were asked to
rate the possible means of improving quality and
productivity. Employee motivation was selected by 85%
of the executive respondents as the most important. A
change in the corporate culture was rated by 82% of
the respondents as very important. Further, employee
education was rated by 74% of the respondents as very

important (Shetty and Butler 11).

An employee motivated to perform, supported by adequate and appropriate training and reinforced by the corporate culture is essential for producing quality products and services (11).

In the past, managers have achieved high-level mastery over physical production. Now, many are endeavoring to meet the challenge of promoting satisfying personal and interpersonal relationships within their organizations. These relationships are desirable. Not only are they a requisite to an efficient and profitable business operation, but they are a contribution to society in general (Milton 2).

A humane and satisfying organization as well as a profitable operation has become the criteria of successful executive performance. This more modern viewpoint recognizes that efficiency is dependent upon industry's human assets (1).

Changing Composition of the Labor Force

Significant demographic changes are expected to occur in the labor force by the year 2000. These changes are due to the "baby bust" of the 1970s, increased numbers of women entering the job market, increased births for African-Americans and Hispanics as well as heavy immigration of Hispanics and Asians.

Additionally, white males born during the "baby boom" will begin to retire in record numbers toward the turn of the century (Fullerton 3).

In 1980, the United States Census Bureau reported that there were approximately 106 million people available in the labor force. Of this number, approximately 50% were white males, 42% were women, 10% were African Americans, and 3% were of Spanish origin (U. S. Department of Commerce 1-118).

In 1989, the United States Bureau of Labor Statistics projected a total of 141 million people in the labor force by year 2000, a net addition of 35 million people. Of this number, projections show that the female labor force will increase to 47%. Due to population growths, the percentage of African Americans in the labor force will increase to 12% and the percentage of Hispanics will increase to 10%. The percentage of white males in the labor force is expected to decrease to 44% (Fullerton 3).

The most startling problem employers will face with this changing work force is the deprived back-grounds and low educational levels that characterize a number of African-American and Hispanic persons. This lack of highly educated and trained work force will require greater emphasis on in-house training programs (Kovach and Pearce 54).

Additionally, corporate success has always demanded a good deal of conformity. In the past, employees have voluntarily left their ethnic distinctions at the door. However, African Americans, Asians and women do not melt as well as males of French, Scots and Dutch origins. Secondly, most people are no longer willing to be melted down. Thirdly, the thrust of today's nonhierarchial, flexible, collaborative management requires an increase in our tolerance for individuality (Thomas. "From Affirmative Action to Affirming Diversity" 112).

Affirmative Action

Prior to 1930, the pattern of racial segregation and Negro subordination was deeply entrenched in the federal workforce and in the private economy. However, the liberal spirit of the New Deal under President Roosevelt, prompted Congress and the Executive Branch to enunciate new policies of racial nondiscrimination for a few of the New Deal measures. With the Great Depression a recent and painful memory, aggressive demands for the widespread employment of Negroes was not sympathetically received by the American electorate. As a result, these efforts to fight racial discrimination were largely ineffectual (Graham 9).

In 1940, a new civil service rule forbade discrimination on the basis of race, color or creed in federal employment. This rule was also of small immediate and practical consequence for minority employment as the machinery and sanctions for enforcement were lacking (10).

Although the Selective Service Act of 1940 contained the standard nondiscrimination clause, the War Department's policy statement of October, 1940 decreed that substantially more Negroes would be drafted and they would be maintained in segregated regiments (10). It was not until July 26, 1948, that President Truman issued both his executive order on fair employment and desegregation of the armed forces. The executive order on fair employment had no claim on private employment (14).

Senator Lyndon Johnson achieved his first political triumph in civil rights by leading passage of the Civil Rights Act of 1957. This was essentially a voting rights act which was denounced for its inability to secure the vote for Southern African Americans (23).

The Civil Rights Act of 1964 prohibited discrimination on the basis of race, sex, or national origin in public accommodations and in federally assisted programs and by employers or unions, whether private or public. (Capaldi 28).

President Kennedy's executive order in 1961 directing contractors doing business with the federal government to actively recruit and encourage minority applicants used the expression "Affirmative Steps", and in response to the Civil Rights Act of 1964, President Johnson used the expression "Affirmative Action" with regard to minorities, thereby originating what we now know as Affirmative Action (29).

In May, 1968, the Department of Labor issued an order which specified the meaning of affirmative action in terms of "goals" and "time-tables" in the case of deficiencies. The U. S. Commission on Civil Rights issued a document which stated that the problem was the existence of a gap between blacks and whites, reflected in income and the proportional representation of blacks to whites in positions of high status. This document concluded by stating that the operative ideal is an ideally integrated society (30).

Affirmative action has therefore been defined by its official advocates as the policy of placing minorities in the position that the minority would have enjoyed if they had not been the victim of discrimination (119).

The focus of civil rights was originally conceived as centering exclusively on racial policy. However, the logic of civil rights theory, the politics of

group protest in the 1960s and the initiation of profound changes in the legal status of women required that the African American and feminist movement be considered together. Other groups also shared the burden of historical discrimination and the civil rights theory therefore called for the inclusion of Hispanics, Asians, and other ethnic minorities (Graham 3).

After 1972, congressional interest moved to the inclusion of new groups, such as language minorities and the handicapped (4).

The perceived effect of competing individual and group claims to jobs, contracts, appointments, promotions, and higher education, combined with the logic of federal efforts to rectify underutilization of minorities, ultimately led to the cry of "reverse discrimination" (5).

Culture and Perception

Culture, as defined by social scientists, is the sum total of values, beliefs and expectations common to a group of people at a certain time and in a certain place. National norms and social attitudes prescribe varying behavioral responses to similar stimuli (Doktor 47).

Cultural pluralism was given as an alternative to

separatism and the melting pot by sociologist Horace Kallen in the early part of the twentieth century. Kallen suggested that America could be a place where ethnic groups could retain their traditions, yet still participate freely in American life. He expected that all groups would have to adapt some of their customs and beliefs, but there would be no assimilation. Rather, "each would be as a distinct tile in a mosaic, separate but still part of a larger pattern" (Rodriquez 30).

These ideals helped Catholics and Jews to defend their decisions to preserve their heritages and customs. Today these ideals are important to African Americans, Asians, Hispanics, American Indians, and others. These groups have begun to place special value on their own history, art, music and culture (30).

Perception has been defined metaphorically to designate a world view, an outlook on life (Segall, Campbell and Herskovits 24). Perception is also an aspect of human behavior, and as such is subject to many of the same influences that shape other aspects of behavior. Each individual's experiences combine to determine a reaction to a given stimulus (213).

It is a fact that what a person is capable of perceiving depends in some measure on the beliefs that

person already possesses. People may well "see things differently". However, it does not follow that they see different things (Heil 217).

Statement of Purpose

The spontaneous preferences of particular individuals and groups for "their own kind" is an important social phenomenon (Sowell 14). But discrimination has a cost with serious practical consequences (20).

Jim Crow laws were enacted to get racial prejudice translated effectively into pervasive discrimination because the forces of the marketplace operated in the opposite direction. Prejudice is free but discrimination has costs (22).

When apartments remain vacant longer because minority tenants are turned away, the landlord pays a cost for dicrimination. So does the discriminating employer whose jobs remain unfilled longer (20).

Approximately thirty years ago, affirmative action was invented on the premise that adult, white males constituted the United States business mainstream; that the United States economic edifice contained more than enough space for everyone; that African Americans, women and other minorities should be allowed in as a matter of public policy; that

widespread racial, ethnic and sexual prejudice kept
them out; and that legal and social coercion was
necessary to bring about change. Because of
affirmative action, the United States business work
force is now almost as culturally diverse as society
at large. Coercion is no longer needed at the
recruitment level. There are very few places in the
United States where recruitment can occur and only
white males will apply (Thomas. "From Affirmative
Action to Affirming Diversity" 107).

With the increasing number of minorities and women
joining the work force, there is a need to provide
managers with the tools to make equitable decisions
that are "fair" to all members of the organization,
not to just a relatively few. Of necessity, the
effective executive must give much time and attention
to the effective and efficient utilization of the
human resources at his/her disposal (Megginson 1).

Minorities and women cannot produce to their
maximum potential as long as they are managed with the
standard management techniques designed for white
males. While it is universally recognized that all
people are biologically the same and emotionally
capable of the same responses to external and internal
stimuli, we are also culturally different (Dickens and
Dickens 5).

No matter how hard they work, women and minorities can never be white men. Demographic reality demands that different experiences and outlooks be viewed as a resource (Woo. "Where Discrimination is a Dirty Word" 2B).

As the relative numbers of women and minorities in the work force increase, their skills and productivity becomes an increasingly important element in determining a corporation's future (Kovach and Pearce 54).

When Xerox began looking at managerial behavior toward minorities and women, they found that too many managers did not know enough about how to manage anyone, let alone people quite different from themselves (Thomas. "From Affirmative Action to Affirming Diversity" 115). Wasted time and energy used in reactive behavior to racism and sexism can be greatly reduced in an environment where minority and white male bosses share their pursuits of organizational and personal goals with minority and white male subordinates (Dickens and Dickens 10). If a firm is managed "right", no individual will be advantaged or disadvantaged because of race, sex, creed or color (Tucker and Thompson 54).

The 44% white males remaining in the work force will be the group forced to make severe changes in work habits and attitudes. White men will be asked to

change their entire value system and many will feel
angry and threatened. However, in order for white
males to learn, they must be taught by women and
minorities (54).

Companies must now face the fact that the melting
pot concept is dead. Not everyone wants to be
assimilated. However, this does not make diverse
skills and talents less valuable to the organization
(60). Acceptance of cultural diversity is a rejection
of phenomenal absolutism which is the observer's
assumption that all observers perceive the situation
as he/she does, and if they respond differently, it is
because of perverse willfulness rather than because of
different perceptual content (Segall, Campbell and
Herskovits 5).

Diversity recognizes cultural pluralism as a fact
of life in American society. There never was a
melting pot and there never will be a melting pot. To
endorse cultural diversity is to endorse the principle
that there is no one model American (Rodriquez 25).

Our reality is that we are the most culturally
diverse nation on earth. In order to attain
competitive advantage, we must learn to develop our
capacity to accept, incorporate and empower our
diverse human talents (Thomas. "From Affirmative
Action to Affirming Diversity" 117).

A few of the widely recognized tools for improving productivity are improved communications, appropriate training and reduced turnover rates. As a result, strategies developed in a firm for improving productivity must be made by managers, who not only have the educational expertise, but also have the appropriate perceptions to make judgments based on the reality of the work force (Sibson 2).

Companies will continue to lose money as the price for perpetuating an outdated status quo of minority underutilization and lack of creative use of human resources (Dickens and Dickens 307). This is no longer a question of common decency, it is a question of business survival (Thomas. "From Affirmative Action to Affirming Diversity" 108).

The "Affirmative Action" laws of the 1960s were an artificial, transitional intervention intended to give businesses a chance to correct an imbalance, an injustice, a mistake. However, affirmative action alone cannot cope with the long-term task of creating a work environment that is favorable to all kinds of people, including white males (108).

The "we-they" conflict that sometimes develops as a result of perceived favoritism and unfair hiring and promotion policies make an organization's members unwilling to work cooperatively toward organizational

goals and further intensify sexist and racist attitudes. What is needed is to create an environment where "we" is everyone, because virtually all organizations will be affected by the increasing diversity of the work force (Mandell and Kohler-Gray 43).

Therefore, the purpose of this study is to investigate a program that recognizes, accepts, values, and manages cultural diversity, in an effort to determine its relationship to a profitable and efficient business operation.

Chapter II

LITERATURE REVIEW

The purpose for managing cultural diversity in the workplace is to get from a diverse work force the same productivity we once got from a homogeneous work force and to do it without artificial standards or barriers. It means enabling every member of the work force to perform to his or her potential (Thomas. "From Affirmative Action to Affirming Diversity" 112).

Managing Diversity, Valuing Diversity, Valuing Differences, and Balanced Work Force Strategy are all titles for new programs and strategies currently underway in many United States corporations. These new strategies and programs are being developed and implemented by human resource and affirmative action professionals who are leading their companies' efforts to adopt positions where cultural diversity in the work force is valued and used as a competitive advantage (Williams 16). Variously titled, these multicultural programs generically are termed work force diversity management. They encompass employee recruitment, management and retention (Solomon. "The Corporate Response to Work Force Diversity" 44).

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Managing diversity is different from affirmative action, in that, affirmative action is an artificial transitional process designed to give organizations an opportunity to take corrective action. Affirmation of equal opportunity is no longer necessary because in managing diversity, it is a natural part of the process and a way of life change (Thomas. "Address, Diversity").

The following companies did not install their programs because it was the "in" thing to do. They did it because it was the right thing to do for their company's needs, circumstances and philosophy (Finney 45).

AVON

Ron Shane, manager of employee relations for Avon Corporation describes Avon's cultural diversity initiative as a process. Shane indicates that the initiative began several years ago when a number of female employees formed a network to discuss the issue of upward mobility. At that time, Avon had 54 vice presidents, only one of whom was female (Shane).

Senior management listened to the female network group and this action paved the way for other networks, such as African Americans, Hispanics, and Asians. These are all now sanctioned by the company.

The women's network has been disbanded and minority females are now a part of the ethnic networks. Today, of 51 vice presidents for Avon, 11 are female and of the 14 senior officers for the company, 4 are female (Shane).

Shane says that Avon's initiative characterizes awareness on the part of management. Every manager must go through an intense 3-week program which deals with the ethics of business and management issues. Multiculturism is woven into the course (Shane).

Additionally, every officer must develop a multiculturist plan, and development and implementation is tied to the bonus program. Shane indicates that this is the first year for the program, so no history has been built regarding enforcement (Shane).

Shane indicates that it is difficult to tie their initiative to levels of productivity. Furthermore, he believes that Avon will not know if its initiative is successful for 20 years because attitudes have to change. He adds that Avon needs good managers to manage diversity, because only a good manager can manage diversity and that over time he expects to see a more reflective management style regarding personnel issues (Shane).

According to Shane, Avon's interest in cultural diversity is strictly a business decision. Avon is a

company that manufactures and distributes cosmetics
primarily to women. As a result, Avon cannot afford
to become categorized as a firm that does not value
diverse groups, or customers will stop buying Avon.
Furthermore, Avon is aware of the demographics of the
labor pool. There is a problem recruiting if you are
seeking to employ only white males. A firm must be
willing to accept the best candidate for the job
without regard to racial or sexual characteristics
(Shane).

The Bank of Boston

The Bank of Boston works with the concept that:

In order to increase shareholder wealth,
we need to pay attention to human resource
and people management issues. The way in
which people are treated and valued colors
their perception of the bank as an employer,
and directly affects their productivity and
job satisfaction. (Bank of Boston Shares
Ownership 10)

Rosa Hunter, director of corporate human resources
for Bank of Boston, says that "if the environment is
perceived to be unresponsive to individual needs and
concerns, employees will leave, taking to competitors
the skills and expertise they developed while at Bank
of Boston. When this happens, we encur the added
expense of finding replacements" (10).

Bank of Boston has a planning process where each
business unit develops an equal employment opportunity

and affirmative action plan specific to that unit's business needs, opportunities, and resources. This process transfers ownership from human resources to line managers for incorporation into daily business planning. The plan focuses on three components: career development and upward mobility, management development and accountability, and internal and external communication (8).

To ensure the permanence of this arrangement and to track success, an equal employment opportunity and affirmative action section was added to the annual Performance Planning and Appraisal form (8).

Corning

When James Houghton took over as Chief Executive Officer at Corning, he made the caliber of a diverse work force as one of Corning's three top priorities in their Total Quality Program. The company had higher attrition rates for minorities and women than for white males, which meant the investments in training and development were being wasted. Secondly, he believed that the Corning work force should more closely mirror the customer base (Thomas. "From Affirmative Action to Affirming Diversity" 110).

Corning established two quality improvement teams headed by senior executives, one for African American

progress and one for female progress. The goal of the teams was to identify unconscious company values that worked against minorities and women. These teams assessed the situation and presented several initiatives to management. One conclusion they came to was that working late had so much symbolic value that it created negative effects for those employees with dependent care responsibilities. Another perception put forth by the quality improvement teams was that African American professionals were not given the type of assignments necessary to obtain substantial career growth (Solomon. "Careers Under Glass" 103).

To address these concerns, Corning established mandatory awareness training for all employees, developed a career planning system, and a Career and Family Book (103).

The career plan includes timing and developmental experiences. The supervisor is responsible for meeting the objectives and the human resource manager facilitates and integrates the process. Corning determined that the average white male worker had an average of three different work experiences during his first five years of service. Corning therefore directed that African American and female workers receive this same number and variety of experiences within the same time period. Due to the size of the

work force, this process is easily managed by offering workers the opportunity to switch positions (103).

The Human Resources Department maintains a list of key individuals who are considered high potential women and African Americans. Group presidents and division heads are assigned the responsibility for ensuring that these individuals receive key kinds of career actions (103).

The Career and Family Book details a variety of alternatives for maternity, disability and dependent care benefits. It includes part-time work alternatives, flexible work hours, job sharing, work-at-home arrangements, and paternity, maternity, adoption, and child-care leaves. Additionally, Corning funds a child care center and allows payment for certain elder care expenses (104).

Corning also developed a developmental and training plan for the annual performance appraisals. Part two of the performance review is a discussion of career interests and aspirations which may not necessarily be tied to organizational realities. Part two also includes questions that the supervisor and employee must discuss, related to diversity comments such as how the employee is changing in the changing culture and whether they are supportive of the changes (104).

In order to address the criticism of inadequate
feedback from supervisors of minority and female
workers, Corning trains every employee and supervisor
how to give feedback and on what. Corning teaches its
workers that if there are surprises during the
performance review, it is the supervisor's fault
(104).

According to Houghton, managing diversity is not
only a social and moral issue, it is also a question
of efficiency and competitiveness and simply makes
good business sense (110).

In the two years that have elapsed since Corning
began its program, its overall attrition rate has
decreased from 8% to 5% (104).

Digital Equipment Corporation

Alan Zimmerle, head of the Valuing Differences
Program for Digital Equipment Corporation, explains
that Digital wants to be the employer of choice. "We
want our pick of the talent that's out there"
(Solomon. "The Corporate Response to Work Force
Diversity" 46).

Digital's policy statement, signed by President
Kenneth Olsen in 1989, reads in part:

> We are committed to valuing people's
> differences because it is our firm conviction
> that an environment which values differences
> is critical to each employee's ability to

succeed and to the success of the corporation. (Olsen).

Valuing Differences at Digital is seen not as a program but as a discipline of the human resources organization. Its goal is to create work environments whereby all managers and employees become aware of assumptions and beliefs about differences and sameness of all kinds and how they impact interactions; all managers and employees learn about groups different from themselves; all managers and employees build skills for effective communication across differences; and all managers and employees examine how the structure, norms or processes of organizations help or hinder attraction, retention and development of a widely diverse work force (Cromwell and Seversen 1).

Valuing Differences has a five step process:

1. Identifying and stripping away stereotypes and myths about groups one regards as different.

2. Building authentic and significant relationships with people one regards as different in order to broaden one's understanding of issues created by group differences.

3. Examining and learning how to listen for assumptions that may drive the differences in the perceptions and perspectives of others.

4. Raising one's level of personal empowerment by stripping away the ways in which one victimizes and imposes limits on oneself - individually and as members of groups.

5. Exploring and identifying group differences (10).

Digital's Valuing Differences Program has two

components. The first is called Core Groups, which
are voluntary groupings of eight to ten people with a
facilitator to allow people to struggle with their
prejudicies. This component also includes a voluntary
two day program called "Understanding the Dynamics of
Diversity" (Solomon. "The Corporate Response to Work
Force Diversity" 46).

The second component was the establishment of
Valuing Differences Board of Directors consisting of
senior managers. These bodies promote openness to
individual differences, encourage younger managers
commited to diversity, meet for the purpose of
affecting company policies about particular issues and
sponsor celebrations of racial, gender and ethnic
differences. Unlike equal employment opportunity,
Valuing Differences says that all employees feel most
valued when their differences are taken into account
(47).

Valuing Differences has an impact on Digital's
business in enhanced productivity. Digital believes
that employees are able to be most productive when
they feel valued and that people feel most valued when
their individual and group differences are taken into
account (Cromwell and Seversen 4).

At Digital, complex tasks are commonplace.
Digital, therefore, subscribes to the theory that

heterogeneous groups significantly outperform homogeneous groups on complex tasks requiring creativity, innovation and problem solving (4).

In 1989, Digital manufactured a backplane disk controller through the combined efforts of employees from around the world. Digital, a world-wide organization, believes that its business process requires interdependency and the ability to work effectively across cultures from both within and outside the United States (4).

Greater customer satisfaction is another reason given for Digital's commitment to Valuing Differences. African Americans and Hispanics represent a potential customer base of over three billion dollars a year (5).

According to Zimmerle, this commitment to valuing people's differences places Digital into the competitive advantage of a more effective work force, higher morale and the reputation of being a better place to work (Thomas. "From Affirmative Action to Affirming Diversity" 111).

Dow Chemical Company

The Dow Chemical Company changed its Equal Employment Opportunity Division to its Diversity Division in 1989 as a result of its heightened

awareness of the changing work force (Dow Today).

The Equal Employment Opportunity Division pre-
viously focused on compliance with equal employment
opportunities regulations for affirmative action
mandated by the federal government. The change to the
Diversity Office incorporated going beyond affirmative
action to more complete human resources issues. This
change stemmed not only from a sense of moral and
ethical correctness, but from practical business
considerations based on the changing United States
population and work force (Dow Today).

This changing population and work force has forced
Dow to consider two questions:

> If we at Dow do not effectively value our
> co-workers, how can our customers see that
> we value them?

> If we at Dow do not effectively value our
> co-workers, who will want to work here?
> (Shellenberger 7)

The Valuing Diversity goal at Dow is to create an
environment which fosters the valuing of diversity in
which different backgrounds are comfortable working
together in an atmosphere of mutual respect and to
assure that valuing diversity becomes an integral part
of the Dow culture at all levels (8).

As a start to managing diversity in the work-
place, Dow Chemical Company formed an equal employment
opportunity steering committee. This committee

divided into three subgroups to conduct research; one group focused on employees, one group focused on the industry, and the third group focused on professional groups to determine trends and activities others were taking. Committee members spoke with other companies who were ahead in managing diversity as well as professional minority organizations in an attempt to understand and address minority concerns (Green, Michalina 6).

After researching the issues and drawing con- clusions, the steering committee made recommendations to the Operating Board for training all employees, internal communications, organizational structure for managing the diversity effort, incorporating mentoring and accountability for supervisors, and setting goals and measures (7).

This committee also determined that the term equal employment opportunity had a very negative connotation that for most employees denoted quotas and government efforts, to the exclusion of the best interest of the company. As a result, the steering committee changed its name to the Diversity Steering Committee (8).

Diversity training began at the top with the Operating Board and members of Dow's executive management team participating in a one-day training program on valuing diversity. People managers at Dow

attend two-day courses entitled Managing Development
and Diversity. Dow people attend diversity training
in groups of 15 - 20 to examine their daily inter-
actions with employees like and unlike themselves.
The impact of their behavior on the group and on
individuals is discussed. Other courses are available
specifically for minorities and women (The Point Is).

Dow is currently in the process of constructing a
more personal career development process intended to
provide for improved supervisor-employee relationships
and expectations. Family issues are being addressed
and Dow is actively exploring educational issues and
providing financial assistance to education, both at
the university levels and for grades Kg - 12 (The
Point Is).

Rita Shellenberger, manager of Diversity, sums up
by stating that

> diversity is a real human issue. We must
> create a work environment that is attractive
> to minorities and women. Otherwise we won't
> be able to hire them and we won't be able to
> keep them. If we plan to have resources of
> talent, energy and skill to achieve Dow's
> business objectives, we must encourage
> increased diversity (Dow Today).

Hewlett-Packard

Hewlett-Packard had a course on affirmative action
that it wanted to update, reports King Ming Young,
project manager of Hewlett-Packard's Managing

Diversity Training Program.   This course dealt
primarily with legal issues.   The focus became
worldwide and emphasis was placed on the corporate
philosophy, which is people-oriented (Young).

Young, states that the program was developed at
central headquarters and decentralized for 150
divisions using the "train the trainer" model.   The
course is included as a part of the core curriculum
for all first level managers and entry level
employees.   Additionally an executive overview is
available for all senior managers.   Hewlett-Packard
does not currently offer a training program for
existing employees and mid-level managers, so as yet
has no vehicle for including the Managing Diversity
component (Young).

"The theme of Hewlett-Packard's Managing Diversity
is that sometimes fairness does not mean treating
everyone the same.   To do so is culturally myopic.
You must know each individual and not assume that
everyone is like you" (Young).

Young states that the program is evaluated on the
implementation plan rather than on impact because it
is difficult to attribute causality.   To get people to
acknowledge that their culture is not the center of
the universe helps with managing diversity and it
helps with global thinking (Solomon. "The Corporate
Response to Work Force Diversity" 48).

Honeywell

Honeywell brings attention to what it calls "The
Diverse Work Force Difference" in which it compares
Affirmative Action with Diverse Work Force (Gale 8).
These differences are:

1. Affirmative Action is a social issue, Diverse Work
   Force is a business issue;

2. Affirmative Action is U.S. Government-driven,
   Diverse Work Force is Honeywell-driven;

3. Affirmative Action is focused on target groups,
   Diverse Work Force is all-inclusive;

4. Affirmative Action is aimed at compliance, Diverse
   Work Force is aimed at empowerment;

5. Affirmative Action is numbers-oriented, Diverse
   Work Force is development-oriented (8).

Honeywell initially emphasized the Diverse Work
Force concept in the United States because of the
implications of the rapidly changing work force and
because Honeywell managers believed Honeywell needed
to improve its ability to hire and develop people in
order to not be severely limited as it approaches the
next century (6).

Rather than simply presenting the information,
Honeywell's U.S. managers went through an experiential
learning exercise in which they worked for two days
with the management of Black Enterprise and Ebony
magazines (Solomon. "The Corporate Response to Work
Force Diversity" 48). From this seminar grew

Honeywell's commitment to develop a diverse work force
strategy. By the end of 1988, measurable progress
toward a diverse work force had been made a part of
every divisional manager's annual goals (Gale 6).

Diverse work force councils have been formed in
most divisions and are made up of employees who
reflect the multiplicity of today's work force. These
councils act as links between employees and management
in identifying and resolving diverse work force
issues. An advisory council works at the corporate
level to develop diverse work force strategies made up
of representatives from divisional councils. Special
interest groups such as the Honeywell Women's Council,
the Employees with Disabilities Council, and Honeywell
Black Employees Council have been formed (7).

Diversity training at Honeywell rests on four
major strategies; management development, organiza-
tional development, talent development, and individual
development (Solomon. "The Corporate Response to Work
Force Diversity" 49).

Barbara Jerich, Honeywell's director of work force
diversity says that recognizing diversity and managing
it effectively are critical to Honeywell's ability to
compete worldwide. "If we don't embrace diversity,
we'll lag behind what is clearly a change in the
social fabric in the United States and the world.

What we're going to do for years to come is keep Honeywell's focus on talent, not on the packages it comes in" (Gale 8).

Hughes Aircraft Company

When Hughes Aircraft Company was undergoing equal opportunity compliance review, it hired a consultant to help improve its affirmative action program. Over the past two years, Hughes has set up career development classes for African American and Hispanic employees. Hughes is satisfied with its female and Asian representation and therefore has no such program for these groups. Terian Day, director of human resources, says he is pleased with the results of the classes. Participants learn how important it is to develop the nontechnical side of their jobs, to fit in and to network. Day notes that at least half of the participants have received promotions (Haight 28).

Hughes Aircraft concentrates more on career training for minority employees than on teaching managers how to manage diversity. Day says that it is difficult to keep any issue a high priority with management when it is a nonoperating issue (28).

Bonus reviews for Hughes managers include a grade for affirmative action performance but the weight given relative to other aspects of the manager's job

varies from case to case. Taking away part of someone's bonus for under-performance in affirmative action when he has produced outstanding profits for the company is not a popular idea (29).

Mobil Oil

Mobil Oil's approach to managing diversity is rooted in the premise that change will come about through top management commitment, increased exposure and interaction with differences, and open and frank discussion about differences in the context of structured training programs (Kleeb 56).

In 1986, Mobil Oil introduced two sets of training programs designed to confront the stereotypes that the white male culture has comfortably lived with. Stereotypes such as; women are too soft and emotional to be line managers, Asians are too self-effacing to be leaders, and Hispanic and African Americans must have obtained their positions through set-asides, were felt by Mobil to be harmful to the company. One set of the training programs was designed to allow minority employees to air their concerns and perceived impediments to advancement. The set for managers and supervisors was designed to provide participants with facts about the changing work force and Mobil's commitment and strategy to change with it. An

awareness component for acknowledging assumptions and biases was included as well as a mandate to apply the same standards of performance to everyone through open, comfortable coaching and counseling to diverse subordinates (57).

Mobil Oil's approach is not about valuing the positive qualities diverse groups bring to the workplace. It is about performance and standards, career advancement, and maximizing potential (57).

Monsanto Agricultural Company

Monsanto Agricultural Company (MAC) maintains plants in places as culturally, politically and economically diverse as South Korea, France and Argentina. It is for this reason Monsanto employees must deal with local diversity and work effectively with people throughout the world (Cauldron 72).

In an effort to determine why more women and minorities were not in positions of greater responsi-bilities, MAC surveyed employees to identify barriers. The result was the creation of a 15-member team called Eliminating Subtle Discrimination (ESD) to address diversity and combat the resulting discrimination. Shortly after, this group realized that diversity was not just a black-white, male-female issue. They discovered that any differences; speech, dress,

culture, religion, and age can create biases that get in the way of effective working relationships. As the team's objective was not to assimilate minorities and women into a dominant white male culture but to create a dominant heterogeneous culture, the group changed its name to Valuing Diversity. The Valuing Diversity group developed a consciousness raising and awareness course and incorporated it into existing courses on team building and supervision (75).

Although Nancy Curtin, director of professional development, has been assigned to oversee the effort and reports directly to the company president, she feels it is important to gain full support from the management team. The Valuing Diversity team believes this to be the biggest step in MAC's efforts to embrace diversity. In their process of learning how to deal with different cultures, they have come to understand that the management culture is no exception. As a result, the Valuing Diversity team has prepared a management plan that outlines the benefits of a truly integrated, diverse work force and lists the results that the team expects. However, it does not tell management how to achieve the results. The plan shows how managing diversity is a business imperative as it relates to MAC's work force as well as how it can have an impact on the company's consumer

base (77).

Curtin says that ultimately valuing diversity will give MAC a competitive edge by helping the company to understand their consumers and make them able to attract the best in the labor pool (77).

Ortho Biotechnology

Andrea Zintz, vice president of human resources for Ortho Biotechnology reports in the September 30, 1990 edition of the Sunday Star-Ledger that Ortho found itself a "revolving door" for non-white male employees in the early 1980s (Taylor 3-5).

The Ortho mission statement reads in part:

> People are one of our company's greatest
> assets. The successful company of the
> 1990s will be one that attracts, develops
> and retains the most talented individuals
> from all races, genders and cultures. The
> better we are at managing and working with
> a diverse work force, the stronger the
> Ortho team will be, the more competitive
> we will be in the marketplace (Ortho.
> "Building a Better Work Force").

Zintz says that in 1985, Ortho implemented a model for change. They began defining and communicating new cultural values, norms and behaviors through a series of three-day seminars. Every director, manager and employee, down to the lowest orgnizational level, was sent to the seminar and various symposiums on topics of gender and African American and Asian culture (Taylor 3-5).

In 1986, attendees of one of the first Managing
Diversity seminars agreed to meet after they had had
time to think and/or act on what they had learned.
This group was formalized as a committee and given the
charge of helping guide the Managing Diversity effort
at Ortho. The committee consists of 18 people and
reflects diversity in its membership. They believe
that diversity is a prerequisite to an effective work
group and that they serve as a model for all of Ortho
(Ortho. "Building a Better Work Force").

Ortho's Managing Diversity Advisory Committee
serves as liaison to the Board of Directors and each
pays particular attention to their own division,
looking for ways to remove barriers to the full
participation of women and minorities as well as
looking for trends and ways those trends can be
interwoven in the program. This committee sponsors
workshops on Gender and Non-Management Managing
Diversity. They have also sponsored several
symposiums featuring guest speaker discussions on
various diversity topics (Ortho. "Building a Better
Work Force").

Bringing inequities to the attention of line
managers and providing them with information to
prevent discrimination is also the responsibility of
Ortho's Managing Diversity Advisory Committee. At the

direction of the Advisory Committee, each Ortho Division is now in the process of designing a system to measure how they are managing diversity (Ortho. "Building a Better Work Force").

Zintz says that part of managing diversity is managing resistance to change. Change is positive, and its coming, and you better get on board. She says that as a result of Ortho's efforts, it is able to handle the resistance of white men who think they are losing power, turf, access to promotions, and better jobs. People of color and women have been promoted at a higher rate which means there has been an obvious improvement in the ability to see them as valuable (Taylor 3-18).

The impact of Managing Diversity can be seen in statistics which show positive trends in turnover rate and management level promotions for both minorities and women (Ortho. "Managing Diversity Sees Strong Results").

For African Americans, managerial level and above, promotions increased from 3.1% to 11% during the two years since the program's inception. For females, the level of increase was 26% to 28%. The turnover rate for African Americans, during this same time period decreased to 6.3% from 8.7% (Ortho. "Managing Diversity Sees Strong Results").

Ortho reports that they have not as yet seen a positive change in the turnover rate for females. They believe this is because they have not yet adequately addressed gender issues. As a result, Ortho is making plans to expand their focus on gender issues (Ortho. "Managing Diversity Sees Strong Results").

According to Walt Mason, one of the Managing Diversity Advisory Committee members, Ortho's goal is to provide equal access to opportunity for everyone at Ortho (Ortho. "Building a Better Work Force").

Procter & Gamble

Procter & Gamble began examining the multicultural work force in the early 1970s when it opened a division in Albany, Georgia. At that time, Procter & Gamble promised that the work force would reflect the community which was approximately 40% minority. About ten years later, Procter & Gamble began looking at the strategic advantage and the competitive edge of the multicultural perspective (Solomon. "The Corporate Response to Work Force Diversity" 50).

Procter & Gamble starts all employees at entry level positions and only promotes from within the ranks. To make sure the company gets and retains a rich mixture of people to choose from, it aggressively

recruits at historically black as well as predominately white schools (50).

Procter & Gamble's "Diversity Strategies" are organized around four leverage points:

1. Leadership - including the tools to guide personnel actions of managers;

2. Development - from recruitment to career progression, training, and mentoring relationships;

3. Support - conferences for women and minorities;

4. Continual improvement and assessment (50).

Diversity training offered includes problem solving, role playing, small group presentations as well as purchased film series (51).

The "Diversity at Procter & Gamble" statement notes that diversity is important. Procter & Gamble must have the ability to deal with diverse consumers and customers in order to develop products and services of superior quality and value. Furthermore, diversity provides for a broader, richer, more fertile environment for creative thinking and innovation. Additionally, Procter & Gamble operates on the fundamental belief that individual differences are good and such differences will produce genuine competitive advantage ("Diversity at Procter & Gamble").

Quaker Oats

Joan Green, director of employment opportunity at Quaker Oats cautions that Quaker Oats does not have a program. Quaker Oats has a culture. Green states "that by setting up a program, you neglect to change the culture" (Green, Joan).

Green says that Quaker Oats embraces racial, ethnic and stylistic differences via awareness training administered by female and minority employees. Quaker Oats encourages people to be more interested in looking at what they are doing and then find ways to change it for the better (Green, Joan).

A group of people at Quaker Oats have assumed the duties of work force promoters and are piloting a mentor program for career advancement for managers at the junior level. It is at this level that Quaker Oats has been plagued with a high turnover rate. This mentor program identifies potential mentors and mentees, sponsors a get-together activity, and encourages participants to pair off (Green, Joan).

Green says that the business performance of Quaker Oats was such that they needed to make changes. They wanted a dilution of their prevailing culture with people willing to take risks, and who would bring a new perspective to the organization. Quaker Oats wants to have the best talent but was having a problem

with retention. As a result, they felt they had to do
a better job at utilizing human resources; they could
not continue to say that it was always the employees
fault (Green, Joan).

According to Green, although the information is
not available for publication, Quaker Oats measures
success by the employment rates, retention rates, and
upward mobility rates for minorities and females
(Green, Joan).

Scott Paper Company

In 1980, Scott Paper Company conducted a survey to
determine the attitudes of staff, reports Charles
Christian, director of employee relations for Scott
Paper Company. Survey results were used to design a
training program for managers on how to manage people.
This program was subsequently augmented to include how
to manage diversity in a way that gets things done
differently (Christian).

Additional initiatives are in the development
stage, i.e., getting senior executives involved in
community social action groups, succession planning,
and advanced developmental planning (Christian).

Christian states that Scott Paper Company
acknowledges that as customers are changing, they must
sell to a diverse population. It is therefore

important for Scott to have a diverse business team because it brings different viewpoints which improves their ability to market brands (Christian).

Christian plans to measure success by the increase in the numbers of women and minorities in all facets of the company, and by how successful he is in getting senior executives actively involved in the community. Christian observes that a change in behavior can be measured by results, but he is unsure if a shift in values can be measured (Christian).

Xerox

Xerox chairman, David Kearns, believes that a firm's resolute commitment to affirmative action is the first and most important step to work force diversity. He explains that Xerox is commited to affirmative action; that it is a corporate value, a management priority, and a formal business objective (Thomas. "From Affirmative Action to Affirming Diversity" 115).

Xerox provides awareness training to all employees in their organization as a component of their Balanced Work Force Strategy. This strategy also includes percentage goals to attain a balance throughout the company, making managers accountable and calling for annual as well as long-range goals. All objectives

are reviewed three times yearly (Solomon. "The Corporate Response to Work Force Diversity" 51).

Xerox's approach emphasizes behavior expectations rather than consciousness-raising on the assumpton that attitude changes will grow from the daily experience of geniune workplace diversity (Thomas. "From Affirmative to Affirming Diversity" 115).

In the beginning, the Balanced Work Force Strategy called for identifying pivotal jobs. Once these were identified, Xerox made sure minorities and women were included in the pool for these jobs. Therefore, when opportunities for advancement arose, minorities and women would be considered along with everyone else (Solomon. "The Corporate Response to Work Force Diversity" 52).

During the ten years of the program's operation while the total number of employees for Xerox declined by 1,000 due to downsizing of their operations, the total number of minority managers increased from 11% to 19%. The total number of female managers increased from 10% to 20%. The total number of minority professionals increased from 12% to 20% and the total number of female professionals increased from 18% to 29% (52).

Ted Payne, manager of Xerox's corporate affirmative action and equal opportunity, states that this

growth is directly attributable to the Balanced Work Force Strategy and is illustrative of Xerox's success in cracking the "glass ceiling" (52).

The term "glass ceiling" is a concept that describes an impenetrable, invisible barrier that minorities and females encounter as they are barred from moving up the ranks toward top management positions (Solomon. "Careers Under Glass" 98).

Payne adds that development of the work force through affirmative action is the first and most important step and that Xerox measures affirmative action at all levels (Payne).

Summary

Business firms that have developed and implemented cultural diversity initiatives have reported doing so for several reasons:

1. Changing Demographics - Every firm surveyed indicated the changing ethnicity of the work force and the growing number of women in the workplace as the factor driving their efforts.

    Although no firm surveyed has developed specific statistical data tying their efforts to improved productivity, they all view harmony as a prerequisite for continued or greater productivity. This desire for harmony is what leads firms to offer, and in most instances mandate, cultural awareness training for all employees.

    Additionally, many firms believe it is important to have an employee group that matches their customer base in order to remain competitive. Avon sells primarily

to women. They, therefore, feel they cannot become categorized as a firm that does not value diverse groups. Many of the companies surveyed, Dow, Digital, Honeywell, Monsanto, etc., are world-wide corporations. As a result, they believe their business process requires the ability to work effectively across all cultures.

2. Recruiting and Retention - According to Ron Shane from Avon, there is a problem recruiting if a firm is seeking to employ only white males. A commitment to affirmative action is a formal business objective of Xerox. This recognition of the demographics of recruitment brings with it a concern for retention. Rosa Hunter of the Bank of Boston says that they encur the added expense of finding and training replacements when employees leave, taking to competitors skills and expertise developed while at Bank of Boston.

   This concern for retention is one area a few of the firms surveyed have developed statistical data. Corning reports that their overall attrition rate has decreased from 8% to 5% in two years. Ortho Biotechnology reports their turnover rate for African Americans decreased from 8.7% to 6.3% during a two year period.

3. Decision Making - Digital Equipment Corporation subscribes to the theory that heterogenous groups outperform homogeneous groups on complex tasks requiring creativity, innovation, and problem solving. Quaker Oats recognized that they needed to make changes due to their business perfor-mance. To do this they felt they needed a dilution of their prevailing culture; people who would bring a new perspective to the organization. Scott Paper Company acknow-ledges that different viewpoints improves their ability to market brands to a diverse population.

   While the firms surveyed were in various stages of

development and implementation of their program, the

common thread is a plan for managing their initiatives. In addition, each firm surveyed has stressed the importance of tying their program to their existing operations. Bank of Boston includes their initiative as a part of the planning process for each business unit. Corning includes their program in their performance review process. Hewlett-Packard includes their training as a part of the core curriculum for entry level employees and first level managers. Honeywell and Xerox have made progress a part of every divisional manager's annual goals.

Most firms surveyed have used a combination of outside consulting and in-house management teams for developing cultural diversity initiatives. These same management teams have been charged with integrating these initiatives into the existing structures of their organization. Variously titled "Quality Improvement Teams", "Valuing Differences Board of Directors", "Diversity Steering Committee", "Diversity Work Force Councils", "Eliminating Subtle Discrimination", and "Managing Diversity Advisory Committee", they share a common mission. Their goals are to promote openness to individual differences, encourage younger managers, and affect company policies that inhibit or conflict with managing a diverse work force.

The common thread of affecting company policies
that inhibit or conflict with managing a diverse work
force makes necessary the inclusion of in-house
managers when developing and implementing cultural
diversity initiatives.

This prevailing attitude of incorporation coupled
with the inexperience of most managers in developing
and implementing cultural diversity initiatives
creates a need for an administrative quide designed to
facilitate discussion and provide direction for in-
house managers. Such a guide would allow for the
uniqueness of each company's program while alleviating
some of the anxiety associated with assigning managers
to a new task.

Chapter III

METHODS AND EVALUATION

The Administrative Guide for Managing Cultural Diversity in the Workplace (Appendix A) was prepared by this author based on research from recent periodicals and information gathered from top-level human resource managers in firms where such programs are now operative.

Questions posed during the telephone interviews included the following:

1. Why did your organization develop and implement a diversity initiative?

2. Explain some of the key components of your organization's efforts.

3. How does your organization measure and evaluate your program's effectiveness?

4. What are your organization's future goals for managing diversity and where do you see improvement and/or changes occurring?

As the topic of managing cultural diversity in the workplace is a most recent concern, the Administrative Guide for Managing Cultural Diversity in the Workplace was developed as a guide for those firms which now have no cultural diversity initiatives in place.

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Methods

The selection of top-level human resource managers as evaluators of this Guide was made to report findings from culturally diverse managers from two categories of business firms; those that have culturally diverse initiatives in place and those that do not.

For the purposes of this report, evaluators from firms that have culturally diverse initiatives in place are identified as belonging to Group A. Those evaluators from firms which have no culturally diverse initiatives in place are identified as belonging to Group B.

Group A evaluators consists of two African American males and a Caucasian female. One other Caucasian female failed to respond.

Group B evaluators consists of an African American male, a Caucasian female and a Caucasian male. One other African American male failed to respond.

Subjects

Group A evaluators are a Manager - Corporate Affirmative Action, a Manager - Employee Relations - U.S., and a Manager of the U.S. Area Diversity Department.

The Manager-Corporate Affirmative Action, Mr. B., is an African American male. Mr. B. holds a B.S. Degree in Anatomy from Ohio State University. He is a 21-year employee of Procter & Gamble and is the Manager of Corporate Affirmative Action. He is a member of the Equal Employment Advisory Council of Washington D.C., where he served as chairman, and the President's Committee on Employment of People with Disabilities. Mr. B. is also chairman of the Ohio State Advisory Committee of the U.S. Civil Rights Commission.

Mr. S. is Manager, Employee Relations - U.S. for the Avon Company. Mr. S. is an African American male with a Master's Degree in Business Administration from Bernard Baruch College in New York. He started his career at Avon in Transportation Administration, moved to Sales, and has worked in the Human Resources Department of Avon for ten years.

The Manager of the U.S. Area Diversity Department is Ms. S. of Dow U.S.A. Ms. S. is a Caucasian female. She holds a MPH Degree in Occupational Health from the University of Texas. Ms. S. began her career with Dow U.S.A. as an Industrial Nurse. She was named Health Research Group Leader in 1982. In 1989, she was appointed to her current position where she is responsible for coordinating U.S. wide programs to

recruit, retain, and promote minorities and females.

Group B evaluators are a Vice-President - Human Resources, Assistant Vice-President - Human Resources, and a Manager - Personnel Services Department.

The Vice-President - Human Resources, Mr. M., is an African American male with nine years experience in Human Resources. He holds a Bachelor of Science Degree in English from Tuskeegee Institute and a Masters of Science and Doctorate Degree in Counseling Psychology from Purdue University. Mr. M. has worked for Laclede Gas Company for nine years. His entry level position at Laclede Gas was as Director of Human Resources. He is also an instructor at Washington University where he teaches Industrial Psychology. Prior to his employment at Laclede Gas Company, he worked for Psychological Associates and taught graduate school at Purdue University.

The Assistant Vice President - Human resources, Mr. K., holds a Bachelor of Science and a Masters of Science Degree from Washington University. Mr. K. is a Caucasian male who has worked for Laclede Gas Company for forty years in several positions. These previously held positions were Employment Manager, Training Director, Safety Director, Employee Relations Director, and Personnel Director.

Ms. F. is a Caucasian female. She holds an

undergraduate degree in Psychology and a Masters
Degree in Liberal Arts, both from Washington
University. She has 24 years experience with Union
Electric Company, all of which have been spent in
employment matters. She has held her current position
of Manager - Personnel Services Department for eight
years where she is charged with the Equal Employment
Opportunity and Test Selection Program.

Instrument

A letter was addressed to each evaluator
indicating the purpose of the Guide, capsulizing the
results of the research and requesting an evaluation
of the Guide based on the knowledge of their working
situation. An evaluation form (Appendix B) was
enclosed with the letter directing evaluators to
respond to the questions of accuracy, appropriateness,
thoroughness, and usefulness. Additionally,
evaluators were asked if they would recommend use of
the Guide by managers within their organization.

Evaluators were also asked to furnish additional
comments.

Materials

The Administrative Guide for Managing Cultural
Diversity in the Workplace was written as a generic
outline for firms to use as a start for developing

diversity initiatives. Research shows that no one single set of programs works best for all companies. Some of the variables influencing the types of initiatives to be undertaken are the location of the firm, the location(s) of its divisions (inter-state or international), the size of the firm, as well as the particular industry in which the firm operates.

However, for each firm surveyed, an in-house management team was charged with directing and overseeing the firm's efforts. The Administrative Guide was therefore written as a resource document for those in-house committee members newly assigned to the task of managing cultural diversity initiatives.

This Guide contains five sections; an Introduction, Plan Development, Plan Implementation, Plan Control, and Conclusion.

The Introduction touches on the rapidly changing demographics of the United States and gives businesses reasons for managing cultural diversity in the workplace. Survey results regarding the association between employee motivation and improved quality and productivity are highlighted.

Steps and processes are outlined in the Plan Development section whereby specific duties are detailed. Senior executive officers are advised to state publicly their commitment to managing diversity

as well as the reasons managing diversity are important to the survival of the firm. Senior executive officers are advised to look at particular strategies for accomplishment of the task. Strategies suggested are development of a survey instrument for all staff and/or establishment of female and minority network groups. This process is necessary for identifying the perceptions and misperceptions of employees which provides a backdrop for change.

Senior executive officers are advised to undergo training designed to increase their awareness of racial issues, demonstrate ways that they can prevent discrimination, and teach them how to determine when problems are due to racism and/or sexism.

These senior executive officers are also advised to select a sub-committee of top managers to direct and oversee the day-to-day development and implementation of the firm's diversity initiatives. This sub-committee should have direct reporting responsibilities to the senior executive officers on a minimum monthly basis.

Senior executive officers are advised to make a determination of their current retention and attrition rates for females and minority employees, the numbers of females and minorities in managerial positions, and the types of managerial positions held. Senior

executive officers are then advised to set specific
goals and objectives for increasing diversity within
all levels of the organization, establish policies of
culturally diverse inclusiveness within all decision-
making processes, change organizational policies that
contribute to racial and/or sexual conflict and
isolation, and to promote equal employment and equal
opportunity within the organization.

It is advised that members of the sub-committee
for managing diversity be selected from every area of
the organization's operation. This is a requirement
for the full effectiveness of the programs as systems
sometimes vary for particular operations within the
organization.

Sub-committee members are advised to receive the
same training as the senior executive staff as well as
additional training designed to increase awareness of
what managing diversity requires.

The responsibilities of this sub-committee are
identified as

1. Ensuring that all staff receives awareness
   training.

2. Identifying and developing recommendations to
   change organizational policies which contribute
   to racial and/or sexual conflict and/or isolation.

3. Developing and monitoring procedures for ensuring
   compliance by all staff of diversity initiatives.

4. Tracking and monitoring goals and timelines for
   measuring progress and success in employment,

retention, promotion rates, performance evaluations, and reduced costs of discrimination litigation.

The section titled "Plan Implementation" identifies the two most commonly used approaches for implementation; mandatory and persuasive.

Suggestions are given for promoting the initiatives within the organization; i.e., individual conferences with first-line supervisors, small group discussions, and regular publications of events and efforts.

The basic requirements for awareness training are identified, and training for all employees is recommended.

Use of data gathered regarding employment, retention, promotion rates, performance evaluations, and litigation costs is identified for sub-committee members to use when promoting diversity initiatives within the organization.

The section titled "Plan Control" focuses specifically on the responsibilities of managing diversity sub-committe members within their own division of profit center. Development of intermediate goals and objectives at varying levels to accommodate differing classifications of employees along with implementation of remedial action is suggested.

Comments regarding a plan for enforcement are also included.

Finally, managing diversity sub-committee members are advised to work cooperatively with sub-committee members from other divisions or profit centers in order to avoid duplication of efforts.

Procedure

Evaluator responses to the Guide were received during the period July 26, 1991 to October 31, 1991.

Most evaluators used the prepared evaluation form for their response. However one individual chose to submit her response in letter form.

All evaluators were asked to return a copy of their resume along with their response. This request was made to establish the credibility of respondents. However, only one evaluator complied with this request. As a result, information regarding the credentials of other evaluators was gathered during follow-up telephone conversations.

Chapter IV

RESULTS

All evaluators of the Administrative Guide for
Managing Cultural Diversity in the Workplace were
provided an evaluation form directing them to rate the
Guide on a scale of 5 to 1 (5 being superior and 1
being poor). A final question was asked, "Would you
recommend use of this Guide by managers within your
organization"; which evaluators were directed to
respond "yes" or "no". An explanation of their
response was requested and additional comments asked
for.

One evaluator in Group B chose to not use the
supplied evaluation form but to respond in letter
format. Her responses are therefore not included in
any references to evaluator ratings of the Guide. Her
responses are included in the narrative comments.

Following is a report of the responses of
evaluators of their review of the Administrative Guide
for Managing Cultural Diversity in the Workplace.

1. Did you find the information contained in the
   Guide to be accurate?

Finding 1: All evaluators gave the Administrative
Guide a rating of 4.

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2. Do you think the information contained in the Guide is appropriate for its stated purpose:

Finding 2: The lowest rating received from Group A evaluators was 3 and the highest rating received was 4.

All evaluators in Group B gave the Administrative Guide a rating of 4.

The resulting average rating from all evaluators is 3.8.

3. Considering its stated purpose, is the information contained in the Guide thorough?

Finding 3: The lowest rating received from Group Group A evaluators was 3 and the highest rating received was 4.

The lowest rating received from Group B evaluators was 2 and the highest rating received was 4.

The resulting average rating from evaluators is 3.2.

4. Do you think the Guide is a worthwhile instrument?

Finding 4: The lowest rating received from Group A evaluators was 3 and the highest rating received was 4.

The lowest rating received from Group B evaluators was 3 and the highest rating received was 4.

The resulting average rating from all evaluators is 3.6.

5. Would you recommend use of this Guide by Managers within your business organization?

Finding 5: Of the three evaluators in Group A, two evaluators responded "yes" and one evaluator responded "no". Of the two evaluators in Group B who responded via the evaluation form, one evaluator responded "yes" and one evaluator responded "no".

The above-referenced rating data is displayed in Tables 1 and 2 on pages 68 and 70 respectively.

One of the Group A evaluators noted that the Administrative Guide was a good start and could be used by newly hired managers to get a feel for the possibilities. However, he noted that the Guide felt a little too programmatic. This evaluator further indicates that his firm has approached diversity as an important business issue deserving the same status of other key strategies which contribute to their overall competitive advantage. He notes that his firm's reward comes in "winning" rather than the negative reinforcement contained in portions of the Guide.

Another evaluator in Group A noted the Administrative Guide was an excellent beginning for monitoring the diversity environment and that it could also serve as the basis for a diversity audit.

The evaluator in Group A who would not recommend use of the Guide within her organization noted that their managers were receiving the type of knowledge her firm wished them to have. She indicates that a better fit would be for those firms that are fairly new to setting up their organization. She notes that it is a good basic overview.

The evaluator in Group B responding "yes" added the note that his company was heavily unionized and

would therefore need to obtain union cooperation.

The evaluator in Group B responding "no" noted
that the Administrative Guide defined cultural
diversity only in terms of race and sex. He indicates
that no mention was made of any other cultural group -
- older employees, the differently abled, immigrants,
etc.

The evaluator in Group B who chose to respond in
letter form notes that there is a wealth of good ideas
in the Administrative Guide. However, she further
states that the use of the Guide would not be workable
in her organization because the issues of cultural
diversity and affirmative action were gathered
together and made one process. She notes that while
others may see cultural diversity and affirmative
action as one process, she sees them as separate,
distinct programs. Additionally, she notes that she
did not believe sub-committees should be responsible
for goal setting, monitoring progress and statistics
keeping. However, she does indicate that all other
cultural diversity issues would probably benefit from
sub-committee local structure.

Chapter V

DISCUSSION

Initially, this research effort began as an investigation of a program that manages cultural diversity to determine its relationship to a profitable and efficient business operation.

Exhaustive research on this topic indicates that business firms have developed and implemented cultural diversity initiative for several reasons:

1. <u>Changing demographics</u> - Every firm surveyed indicated the changing ethnicity and growing number of women in the workplace as the factors prodding their efforts. While no firm surveyed had developed specific statistical data tying their efforts to improved productivity, all firms viewed high morale and harmony as prerequisites for continued or greater productivity. Additionally, many firms believe it is important to have an employee group which matches their diverse customer base.

2. <u>Recruitment and Retention</u> - Available research indicates that there is a sparsity of white males available for employment. Recognition of this fact brings with it a concern for retaining minorities and women in organizations based on a "white males only" culture. This concern for retention is based on the added expense of recruiting and training replacements.

3. <u>Decision Making</u> - Some firms surveyed subscribe to the theory that heterogenous groups outperform homogenous groups on complex tasks requiring creativity, innovation and problem solving. Moreover, several firms acknowledged that differing viewpoints improves their ability to market their products to a diverse population.

However, this researcher was unable to identify any statistical evidence that linked management of a cultural diversity program to a profitable and efficient business operation.

While the firms surveyed were in various stages of development and implementation of their programs, this researcher was able to identify the common thread as a plan for managing cultural diversity initiatives. Further, these firms stressed the importance of merging their programs with their existing operations. As a result, they established in-house management teams charged with integrating their initiatives into the existing structure of their organizations.

Research further indicates that no single set of programs works best for all companies. Some of the variables impacting the types of initiatives undertaken are the location of the firms, the location(s) of its divisions (inter-state or inter-national), the size of the firm, as well as the particular industry in which the firm operates.

Despite these variances, this researcher was able to identify some basic guidelines applicable to all firms in managing a cultural diversity program.

The Administrative Guide for Managing Cultural Diversity in the Workplace was therefore written as a resource document for managers within firms which are

considering developing and implementing cultural diversity initiatives.

The Guide was developed as a prototypical management tool to effectively manage cultural diversity to enhance the effectiveness and efficiency of a profitable and efficient business operation, and to accommodate the following factors:

1. The prevailing view of integrating cultural diversity initiatives into the existing business operation.

2. The variation among business firms in culture and operation.

3. The inexperience of most in-house managers in developing, implementing and controlling cultural diversity initiatives.

Top-level human resource managers were asked to evaluate this document based on their knowledge of their working situation and to rate this document on a scale of 5 to 1 (5 being superior and 1 being poor). An effort was made to seek responses from human resource managers who worked in firms that have cultural diversity initiatives in place and from human resource managers in firms that did not.   An additional effort was made to maintain some level of cultural diversity within each group.

All evaluators in all categories gave the Guide a rating of 4 for accuracy. Actual ratings varied from a low of 2 to a high of 4 for appropriateness, thoroughness and usefulness (Table 1).

Table 1

Administrative Guide for Managing Cultural Diversity in the Workplace

Evaluators Average Ratings
(5 = Superior to 1 = Poor)

Average Rating by Group	Accurate	Appropriate	Thorough	Worthwhile
Group A	4.	3.67	3.33	3.67
Group B	4.	4.	3.	3.5
All Evaluators	4.	3.8	3.2	3.6

Average Rating by Race				
African-American	4.	3.67	3.	3.67
Caucasian	4.	4.	3.5	3.5

Evaluators were evenly split in responding to the
question, "Would you recommend use of this Guide by
managers within your business organization?" (Table
2).

Table 2

Administrative Guide for Managing Cultural Diversity in the Workplace

Evaluators Response to Question:

"Would you recommend use of this Guide by managers within your business organization?"

Evaluators by Group	Yes	No
Group A	2	1
Group B	1	2
All	3	3

Evaluators by Race		
African-American	2	1
Caucasian	1	2

Evaluators By Gender		
Male	3	1
Female	-	2

Summary

Based on the average ratings of evaluators of 3.2 to 4.0, the Administrative Guide for Managing Cultural Diversity in the Workplace complies with the criteria for accuracy, appropriateness, thoroughness, and usefulness. No significant differences in this evaluation could be found among respondents based on their differences; i.e., work environment, ethnicity or gender.

In responding to the question, "Would you recommend use of this Guide by managers within your business organization?", evaluators were evenly split. However, evaluators from firms that have cultural diversity initiatives in place were more positive. African Americans were more positive and males were more positive.

One criticism encountered from a Group A evaluator was that the Guide is too programmatic. However, another evaluator from Group A noted that the Guide was a non-complicated approach to a diversity implementation and monitoring approach. An evaluator from Group B was concerned that the Guide made no mention of other cultural groups such as older employees, differently abled, and immigrants.

The evaluator in Group A who indicated she would

not recommend use of the Guide in her organization noted in her comments that the Guide "would be a better fit to give to Diversity Managers to help them set up their organization - especially those that are fairly new".

An evaluator from Group B expressed concern that what she sees as two programs, affirmative action and cultural diversity, were made one process. She also noted that she sees cultural diversity as entirely voluntary.

The Administrative Guide for Managing Cultural Diversity in the Workplace was developed to allow for the uniqueness of each business firm's cultural diversity program while alleviating some of the anxiety associated with assigning in-house managers to a new task.

It is clear from evaluator responses that this Guide fulfills this purpose. For some evaluators, this Guide does not go far enough but it was never intended to be all-encompassing. Research indicates that business firms are most interested in tying their cultural diversity programs to their existing operations. The evaluator in Group A who criticized the Guide as being too programmatic also noted that "it is a good start for newly hired managers to get a feel for the possibilities".

There is no preponderance of statistical evidence which makes a correlation between a profitable and efficient business operations with development and implementation of a cultural diversity program. There is research that indicates business firms are engaging in this activity because they feel it makes good "business sense".

The results of research conducted on the Administrative Guide for Managing Cultural Diversity in the Workplace establishes some legitimacy for making available to firms interested in developing and implementing cultural diversity initiatives, a resource document that provides for managers "a feel for the possibilities".

Limitations

The most significant limitation of this study is the sampling size. This researcher experienced extreme difficulty in locating individuals within business firms who were willing to agree to devote the time to participate in this study. Further difficulty was experienced by this researcher in collecting the data from those individuals who had agreed to participate.

The evaluation form was deliberately made brief and concise in order to not overwhelm those evaluators

who had agreed to participate. However, this shortened evaluation form failed to adequately elicit from evaluators possible avenues for improvement.

In speaking with the evaluators, it is clear that a lack of time was the major factor inhibiting their participation.

Suggestions for Future Research

Research indicates that success by business firms in managing cultural diversity in the workplace was made possible because of the involvement and commitment of the chief executive officer(s).

The Administrative Guide for Managing Cultural Diversity in the Workplace was developed for in-house managers in business firms which have no cultural diversity initiatives in place. However, human resource evaluators of this Guide from firms in this category were least likely to recommend use of this Guide within their organization.

As a result, if it were possible to identify firms that are considering developing and implementing cultural diversity initiatives, this researcher would recommend that human resource managers and line managers from such firms be selected as evaluators. An identification of firms in this category would have allowed for a more interested audience thereby a

larger sample population and more reliable data.

Finally, significant attention must be made to the time constraints of managers chosen as evaluators. Business firms, in general, are undergoing significant changes due to downsizing, restructuring, takeovers, and buy outs. These changes place burdens on managers that prohibit their involvement in outside research projects.

My recommendation for future researchers in this area is to select a period when the economy is less chaotic and businesses are thereby more stable.

APPENDIX A

AN ADMINISTRATIVE GUIDE FOR

MANAGING CULTURAL DIVERSITY

IN THE WORKPLACE

Joan M. Hubbard
1991

TABLE OF CONTENTS

AN ADMINISTRATIVE GUIDE FOR
MANAGING CULTURAL DIVERSITY IN THE WORKPLACE

INTRODUCTION

The single most important fact about the American work force is its diversity. The 1990 census reveals that fully one in every four Americans today is of African, Hispanic, Asian, or American Indian ancestry, compared with one in five only ten years ago (Woo. "The Melting Pot is Obsolete" 2B).

This rate of change means revolutionary change for the United States in the 21st century. It also means that ethnic and racial harmony in the future will be achieved only if America comes to see itself as pluralistic with no established in-group standards to which smaller out-groups must adapt (2B).

For businesses, it means adopting positions now whereby cultural diversity in the workplace is valued and used as a competitive advantage. It means managing diverse employees in such a way as to allow every employee to reach full potential.

Managing diversity in the workplace is not a fad. It is a business issue affecting the bottom line. In practical business terms, you cannot effectively sell

to, or service customers if your company is perceived as alien to the ethnic mix of your customer base. You cannot conduct negotiations with government officials when your company is perceived as insensitive to demographic realities. Companies lose their investment in training when disenchanted employees leave and it is almost impossible to achieve superior performance with a high turnover rate. Additionally, innovations are a team effort and the best teams are those where members come from a variety of backgrounds and disciplines (Kleeb 56).

In the past, corporate success has always demanded a good deal of conformity and employees have voluntarily left their ethnic distinction at the door. However, African American, Asians and women do not melt as well as French, Scotsmen and Dutch. Secondly, most people are no longer willing to be melted down. Thirdly, the thrust of today's nonhierarchial, flexible, collaborative management requires an increase in our tolerance for individuality (Thomas. "From Affirmative Action to Affirming Diversity" 112).

In a recent survey conducted by the American Society for Quality Control, 85% of the executive respondents identified employee motivation as the most important factor for improving quality and productivity. A change in corporate culture was rated

by 82% of these respondents as very important (Shetty
and Butler 11).

An employee motivated to perform, supported by
adequate and appropriate training, reinforced by the
corporate culture, is essential for producing quality
goods and services (11).

To be competitive in the coming years, firms must
make managing diversity a strategic priority.

What follows is a guide for use in companies
seeking to develop and implement cultural diversity
initiatives. While it is true that the most effective
management of a culturally diverse work force requires
development and implementation of programs unique to
the particular company, there are some basic
guidelines applicable to all firms.

It is my belief that this document will be helpful
in assisting administrators and managers in
formulating ideas and programs specific to the culture
of their organizations.

PLAN DEVELOPMENT

"We-they" conflicts that arise as a result of stereotypical perceptions can be reduced with development and implementation of a program to manage the diverse cultural heritages of persons within the organization.

The initial steps necessary to create such an environment are:

Step I -

Board of Directors and Chief Executive officer address and take action on cultural diversity in the workplace.

Process -

1. Board of Directors and Chief Executive Officer state publicly that diverse interests have a place in the organization and a value to the organization and why managing diversity is important to the organization.

2. Chief Executive Officer meets with senior management staff to discuss and develop strategies for managing cultural diversity.

   One strategy currently being used is the establishment of female only and minority only networks within the organization. These networks are helpful in identifying for senior management perceptions of employees which impede the two-way flow of communication necessary for a successful organization. Another strategy being used is a survey of all employees to identify barriers to the full utilization, retention, and upward mobility of women and minorities.

   The outcome of these meetings should be:

. agreement and scheduling of awareness
training sessions for chief executive
officer and senior management staff.

The objective of this training should be
to increase awareness of racial issues,
demonstrate ways that participants can
prevent discrimination and teach
participants how to determine when problems
are due to racism and/or sexism.

Training for senior executive staff should
be conducted by outside professional
consultants.

. Selection of a sub-committee of culturally
diverse top managers to direct and oversee
the organization's diversity initiative.
This sub-committee should have reporting
responsibilities to the chief executive
officer on no less than a monthly basis.

. A determination of current retention and
attrition rates for females and minority
employees.

. An assessment of the numbers of females and
minority employees in managerial positions
as well as the types of managerial
positions held. For instance, are all
females and minorities in managerial
positions clustered in Human Resources and
Staff Development rather than Finance and
Manufacturing.

. Agree to specific goals and objectives to
measure progress that

   - increase diversity within all levels
     and divisions of the organizational
     structure.

     Percentage to be attained should be
     representative of the existing workforce
     as well as of the community. Time
     period for achievement should be
     reflective of the corporate structure.
     Consideration must be given to time
     necessary for cross training, for
     educational programs, recruitment, etc.

   - Establish policies of culturally diverse

inclusiveness in all decision-making processes. This requires female and minority representation on all committees, task force, senior level cabinet meetings, etc.

- Change organizational policies that contribute to racial and/or sexual conflict and/or isolation.

  One such policy for those firms that routinely promote from within, is the policy of automatically promoting the next senior person in the division. Another policy might be the recognition of "Christian" only holidays by a firm.

- Promote equal employment and equal opportunity.

  The senior executive staff of an organization sets the tone by their own actions or inactions of what is and is not acceptable behavior. Inclusion of equal employment and equal opportunity in the performance reviews of managerial staff is the most effective way to establish credibility for the program.

Step II -

Members of the sub-committee for managing diversity must have operational responsibility for direction and oversight of the organization's diversity initiative.

In many firms, policies and procedures vary among divisions or profit centers. Therefore, it is important that members of the sub-committee be selected from each area of a company's operations. They should receive the same training as that of the senior executive staff as well as additional training designed to increase awareness of what managing diversity requires. As a team, they should identify problems, assess behaviors, and formulate and implement the necessary action steps that will affect the entire company.

Process -

1. Ensure that all staff receive awareness

training.

In-house development or the selection of pre-
packaged training programs should have the
essential focus of impressing upon employees
the need for change. Additionally, top
management commitment to change should be
made explicit. The goal of these training
programs should be to increase communication
about race, racial experiences, and racism
within groups.

The diversity sub-committee may also wish to
target specific groups within the organization
for specific training; i.e., gender issues, or
training specific groups how to manage racial
and/or sexual conflicts for themselves.

2. Identify and develop recommendations to
    change organizational policies which
    contribute to racial and/or sexual conflict
    and/or isolation.

3. Develop and monitor procedures for ensuring
    compliance by all staff of diversity
    initiatives.

    A key area for ensuring compliance is through
    the performance review process. For some
    firms, inclusion in the business plan is the
    most appropriate vehicle.

4. Develop procedures for tracking and monitoring
    the success of diversity initiatives that

    . measure employment rates by race and sex of
       new entrants in all job classifications

    . measure retention rates by race and sex of
       all employees in all job classifications

    . measure promotion rates by race and sex of
       all employees in all job classifications

    . measure gradings by supervisors of
       performance evaluations for all staff in
       all job classifications

    . measure number and dollar costs associated
       with bias and sexual harassment litigation.

    Measurement of employment, retention,

> promotion rates, performance evaluation
> gradings, and costs of litigation are
> functions of the Human Resource and Legal
> Departments. However, development of goals
> and timeliness for improvement as well as
> monitoring progress should be the responsi-
> bility of the Diversity Sub-Committee.

PLAN IMPLEMENTATION

There are two commonly used approaches to implementing cultural diversity initiatives; the mandatory approach and the persuasive approach.

The mandatory approach uses the performance evaluation of supervisory staff as the primary vehicle for enforcement. The persuasive approach uses the area's or profit center's business plan as the primary vehicle for encouragement.

As in-house managers have the day-to-day responsibility for ensuring the success of the diversity initiatives for the organization, the best recommendation is combining both approaches as the most effective vehicle. The in-house manager for a particular area or profit center knows best the composition of the staffs and personalities with whom he/she will be working.

Hold conferences with first-line supervisors to identify and discuss concerns relative to diversity. Equate managing diversity with quality control issues, such as attrition and retraining. Develop historical data based on the cost of recruitment and retraining. Recognize, discuss, and understand the concerns of white males for their own survival. Do not expect to convince everyone of the "rightness" of the program but instead focus on the survival of the organization.

Initiate and promote small-group sessions to allow people to work through their biases.

Select awareness training vehicles (films and/or consultants) for all employees, specifically targeted for various groups. However, the basis for all training should be a development of two-way communication skills that allows people to become aware of assumptions and beliefs about differences and sameness of all kinds, and how they impact interactions.

Publicize plans and initiatives for managing diversity within the organization on a regular basis. Restate routinely the reasons given by the senior executive officers for developing the initiatives. Identify what is to be gained with each project within the program. State facts in order to strip away assumptions and stereotypes.

Encourage the involvement of supervisory staff in community activities and projects in both the majority and the minority community to heighten their awareness of various cultures.

Do not attempt to treat all people alike. Recognize and address the concerns and issues of particular groups. Encourage and develop programs designed to assist special groups of employees.

PLAN CONTROL

Establish a method for control and correction.

Some key suggestions are:

A. Develop intermediate goals and objectives to measure progress. If your firm has established a 5 or 10 year plan, establish no less than semi-annual benchmarks for review.

   This activity requires a knowledge of the existing workforce as well as the community. Interaction with the Human Resources Department is necessary for review of job descriptions, and hiring and promotion practices. Interaction with the Legal Department is necessary for review of bias and sexual harrassment litigation.

   Do not hesitate to institute varying goal levels for differing areas or job classifications, if necessary. For those areas or job classifications which have a minimal number of diverse human resources available in the community, look to developing special educational programs and/or apprenticeship or intern programs.

   For those staff groupings which have low turnover, insist on interaction with diverse groups of young people; i.e., schools, church youth groups, boy scouts, girl scouts.

B. Develop the monitoring program specific to the division or profit center's business goals.

   Meet regularly and work with first-line supervisors in developing the goals and objectives of the managing diversity program as well as the managing diversity monitoring program. This is necessary to ensure first-line supervisors are informed and aware of the entire program as well as to encourage their cooperation.

C. Develop a mechanism for enforcement. For those divisions or profit centers where resistance to change is high, it may be

necessary for the managing diversity sub-committee member to take some additional steps.

- Become a member of the interviewing committee for the selection of staff for entry-level and promotional positions.

- Become a member of the management team for evaluating the performance of entry-level staff.

- Become a member of the management team for evaluating the performance of first-line supervisors.

- Become a member of the team that develops the division or profit center's business plan.

This author recommends the persuasive approach for ensuring compliance with the organization's cultural diversity initiatives. However, varying forms of persuasion are often required for varying individuals.

D. Work as a team member with other managing diversity sub-committee members whenever possible. Share ideas and resources. Attempt to develop inter-departmental initiatives. This can facilitate cross-training, eliminate duplication of effort, reduce costs and enhance the image of an organization-wide program.

CONCLUSION

Managers in those firms which decide to undertake cultural diversity initiatives must understand that there is no one program or set of programs which fit the needs of all firms. Research conducted at those firms which have cultural diversity initiatives in place, indicates that each firm developed programs and procedures unique to the particular corporate culture.

Programs such as career development for females and minorities, family support, which may include flex-time, child-care and older-care programs, have been developed at firms based on the particular needs of the organization as well as the availability of resources within the community.

Finally, Managing Diversity sub-committee members must be willing to accept the role of "standard bearer". This commitment along with the commitment of the senior executive officers is a must for the effectiveness of the initiatives implemented. No initiatives or set of initiatives can be effective if those individuals charged with managing do not believe in the merits of the effort.

APPENDIX B

COVER LETTER AND EVALUATION FORM

As per our recent conversation, I am enclosing a copy of my "Administrative Guide for Managing Cultural Diversity in the Workplace".

This Guide is an appendix for my culminating project for completion of all requirements necessary to receive a Master's Degree in Business Administration from Lindenwood College, St. Louis, Missouri. The purpose of the study is to identify and develop a prototypical management program that effectively manages cultural diversity to enhance the effectiveness and efficiency of a profitable and efficient business operation.

Extensive research indicates that business firms have developed and implemented cultural diversity initiatives for several reasons:

1. Changing demographics - Every firm surveyed indicated the changing ethnicity and growing number of women in the workplace as the factors prodding their efforts. While no firm surveyed had developed specific statistical data tying their efforts to improved productivity, all firms viewed high morale and harmony as prerequisites for continued or greater productivity. Additionally, many firms believe it is important to have an employee group which matches their diverse customer base.

2. Recruitment and Retention - Available research indicates that there is a sparsity of white males available for employment. Recognition of this fact brings with it a concern for retaining minorities and women in organizations based on a "white males only" culture. This concern for retention is based on the added expense of recruiting and training replacements.

3. Decision Making - Some firms surveyed subscribe to the theory that heterogenous groups outperform homogeneous groups on complex tasks requiring creativity, innovation and problem solving. Moreover, several firms acknowledged that differing viewpoints improves their ability to market their products to a diverse population.

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While the firms surveyed were in various stages of development and implementation of their programs, the common thread was a plan for managing their cultural diversity initiatives. Furthermore, these firms stressed the importance of merging their programs with their existing operations. As a result, they have established in-house management teams charged with integrating their initiatives into the existing structure of their organizations.

My research indicates that no single set of programs works best for all companies. Some of the variables impacting the types of initiatives undertaken are the location of the firms, the location(s) of its divisions (inter-state or inter-national), the size of the firm, as well as the particular industry in which the firm operates.

The Administrative Guide for Managing Cultural Diversity in the workplace was written to accommodate the following factors:

1. The prevailing view of integrating cultural diversity initiatives into the existing business operation.

2. The variation among business firms in culture and operation.

3. The inexperience of most in-house managers in developing, implementing and controlling cultural diversity initiatives.

Based on the knowledge of your working situation, please review the attached Guide and evaluate it based on aspects noted on the attached evaluation form. Additional comments and an early response would be greatly appreciated. I am also asking that you enclose a copy of your resume along with your response.

Very truly yours,

Joan M. Hubbard
5752 Kingsbury Boulevard
St. Louis, Missouri 63112
314-535-2500 (work)
314-361-4703 (home)

Enclosures

Administrative Guide for Managing Cultural Diversity in the Workplace Evaluation Form

Please circle the number that best expresses your evaluation of the Administrative Guide for Managing Cultural Diversity in the Workplace.

	Superior				Poor
Did you find the information contained in the Guide to be accurate?	5	4	3	2	1
Do you think the information contained in the Guide is appropriate for its stated purpose?	5	4	3	2	1
Considering its stated purpose, is the information contained in the Guide thorough?	5	4	3	2	1
Do you think the Guide is a worthwhile instrument?	5	4	3	2	1

Would you recommend use of this Guide by managers within your business organization?   Yes   No

Explain

Additional Comments

Administrative Guide for Managing
Cultural Diversity in the Workplace
Evaluation Form
Page Two

Additional Comments Continued

Signature
_____

Date
_____

Race _____ Sex _____

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