

Working Together

Meeting the Challenges of Workforce Diversity

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INTRODUCTION

If you walked into a public office in the 1950s, you would probably see a workforce segregated by race and gender, if diversity existed at all. Managerial jobs would be held by white men, clerical staff with strictly limited duties would be women, and if any persons of color were in evidence they would likely be limited to men in manual or janitorial jobs. Today, in most organizations one expects to see a different picture, with a mixed group of employees working at all levels and decision-making capacities throughout the organization.

As the workforce in organizations has moved from homogeneous to mixed groups of individuals, employees now interact with co-workers, clients, supervisors or employees of different ethnicities and cultures, as part of daily work life. For some individuals, this may by itself be a novelty and a learning experience. In the same way, managers face a new set of challenges and functions as organizations have become more diverse. They must figure out how to adjust organizational structures and cultures to capitalize on this diversity, thus ensuring both quality of work life and organizational effectiveness.

For both program and human resource (HR) managers, meeting the imperative of diversity takes time, effort, and commitment. Yet it must be done, in order to meet legal, demographic, social, ethical, and strategic requirements and expectations from all the stakeholders of a public agency—clients, managers, staff, elected officials, taxpayers, and suppliers. Traditional affirmative action and equal employment opportunity efforts remain important but are not sufficient to manage today's diverse workforce effectively, if organizations wish to remain competitive

both in the public (U.S. Merit Systems Protection Board [MSPB], 1993) and private sectors (Jackson and Schuller, 2000).

As organizations become more demographically diverse in response to external and internal pressures, managers must monitor the extent to which their practices reflect these changes. They must adjust the workplace accordingly, so that the organization's primary resource—its people—feel welcome and valued as individuals and as organizational citizens. Furthermore, in public bureaucracies the diversity agenda also responds to the mandate of constituting a governmental workforce that adequately reflects the diversity of the population it serves (Pynes, 1997).

Today, state of the art management literature in both public and private sectors views workforce diversity not as a problem to be managed away but as an opportunity to enhance personal and organizational effectiveness (Gentile, 1996). Diversity management is, nevertheless, a challenge, and cannot happen without organizational leadership, vision, and commitment. All members of the organization must *choose* to meet the challenge and all managers—senior, departmental, and HR—must assume the responsibility. A partnership between HR and line managers can contribute greatly to achieve diversity success.

In this chapter we provide an overview of the problems and prospects of addressing the diversity challenge and discuss the meanings of diversity and different approaches to creating diversity in public organizations. To do so, the chapter is structured in four sections. After providing an example of a diversity initiative in the public sector, we introduce and define the concept of workforce diversity, and describe the various approaches used to address it as an organizational and managerial challenge. In the next section we discuss the factors and conditions required to maximize the advantages of a diverse workforce and present guiding frameworks for managers. Finally, we explore the idea of a partnership between HR and program managers, and some implications for managing a diverse workforce in public organizations.

A PUBLIC SECTOR INITIATIVE: SAN DIEGO'S DIVERSITY COMMITMENT

The City of San Diego's "Diversity Commitment" illustrates the complexity of diversity efforts, as well as the range of stakeholders and strategies involved and potential benefits of its thoughtful implementation (Dobbs, 1996). This initiative was triggered by a request from the city manager for a training program on diversity. The director of the city's Office of Organizational Effectiveness studied initiatives in the public and private sectors and decided to recommend instead an organizationwide culture change.

To pursue this agenda, a Diversity Team of four persons was formed as a steering committee, but members from all levels of the organization were invited to participate. Short- and long-term strategies were developed based on a detailed diagnosis, which included employee focus groups and action planning. Designed as a comprehensive initiative, the Commitment intends to create an environment in which differences are valued and all employees participate in team service delivery.

Interventions in the San Diego initiative included short-term strategies such as: creating multicultural and bi-gender interview panels to increase representation in the promotion and selection processes; introducing diversity modules in supervisory and management training programs; and forming task forces to address the priorities identified by employees for career development, communication, and promotions. For the long term, San Diego is implementing changes in policies and procedures and a broad employee communications effort. This includes monthly meetings of the Diversity Team with employee associations, unions, informal city employee groups, and representatives of police and fire department HR divisions, and a forum with managerial and union participation to discuss and resolve diversity issues as they arise.

The San Diego Commitment illustrates some of the best practices in public and private sector diversity efforts. Note the variety of stakeholders involved in this effort—it's a partnership! The Diversity Commitment effort is the shared responsibility of all the management of the City of San Diego as an organization (HR managers, program managers, and top managers). And the specification of long- and short-term goals suggests that San Diego's managers expect diversity to be an ongoing, evolving process.

However, while the San Diego example highlights only the positive side of the story, the literature suggests that there are also obstacles and challenges in diversity-related change processes (Jackson and Associates, 1992; Ospina, 1996a). Designing and implementing a diversity initiative is a complex managerial agenda that demands sensitivity and skills from the manager, as well as thoughtful and careful preparation for its success throughout the organization. The issues and dimensions to be considered include, among others, clarifying what diversity means, distinguishing among various approaches to diversity, understanding what makes a workplace diverse, deciding how to choose the right strategies and steps to pursue this goal and determining who will be accountable for the effort. In the following sections of this chapter we will address these issues one at a time.

It may be too early to assess the impact of the San Diego effort. However, lessons from the literature suggest that managers in this City can expect to reap many benefits if they continue their diversity commitment. Indeed, much has been written about the benefits associated with implementing a successful diversity agenda. Applying them to the public sector, Ospina (1996a) summarized the most cited benefits of increased workforce diversity and classified them according to the types of gains, considering ethical, legal, public policy, HR management, and organizational benefits.

The ethical benefits are that diversity promotes fairness and justice in the workplace, and it helps create economic opportunity and reduce social inequality. Among the legal and public policy benefits are greater compliance with HR legal requirements, increased representation and responsiveness in the bureaucracy, and increased grassroots support for agency programs and policies. Among the identified HRM benefits are increased competitiveness in recruitment and selection by enhancing the agency's reputation and ability to attract and keep the best employees, and promoting creative and innovative approaches to work. Organizational benefits include increased internal capabilities due to greater organizational flexibility and ability to address change and greater fluidity in organizational de-

sign, decreased discrimination litigation, and increased organizational legitimacy due to enhanced reputation and higher effectiveness.

San Diego's initiative illustrates only one of many possible strategies to address the diversity challenge in a particular organization. However, there is no one best way to do so. For example, Baytos (1995) provides an inventory of approximately 275 activities related to diversity. These programs include "pure" diversity initiatives as well as mixed affirmative action and work and family activities, designed to operate in conjunction with broader diversity efforts. All together, they represent efforts that influence almost every aspect of the employment relationship. The number and the variety of these strategies, and the originality of San Diego's initiative, point to two important considerations: first, pursuing diversity requires creativity in design and implementation; second, diversity has become an integral aspect of effective management in contemporary organizations.

DEFINING DIVERSITY: AN ORGANIZATIONAL AND MANAGERIAL CHALLENGE

At the most general level, Gentile (1996) suggests that in the United States diversity has become a code word to discuss issues related to the impact of various types of difference on individual's and groups' life experiences. Diversity can therefore be studied at a societal level or within particular institutions. When considering diversity in organizations, Gentile includes three categories of organizational diversity: structural diversity (differences based on organizational functions—administrative vs. operational employees, for example), business diversity (different markets, products, and services), and workforce diversity.

Workforce diversity refers to the variety of identities of the employees in the organization, such as their gender, race, ethnicity, religion, sexual orientation, physical ability, age, family status, economic, educational, and geographic background and status. It can also encompass behavioral diversity such as differences in learning, communication, and work styles among individual employees (Loden and Rosener, 1991).

Workforce diversity may be characterized in different ways, as well. Occupational diversity encompasses the range of occupations employed to fulfill the mission (e.g., engineers vs. nurses). Professional diversity focuses on the range of training and professional degrees an organization requires from its members. And social diversity refers to variations in the characteristics that identify a person with a given "cultural" community or group identity.

In this chapter we focus specifically on diversity related to group identities because, from an HRM perspective, this type of workforce diversity offers the hardest challenges to managers. The infinite combinations of these primary and secondary social attributes produce the particular "social types" that make up an organization's workforce (Ospina, 1996a), and the particular challenges of diversity. Social diversity involves both self-definition and attributes perceived by others (Cox, 1993; Zuckerman and Simons, 1996). Each employee of an organization fits into several potential diversity categories. Parts of peoples' identities occur simultaneously, so that a "typical" black employee may be a member of a certain

religion, could be gay or straight, or may have a disability not readily apparent to the naked eye.

Finally, diversity management cannot promise—nor should it—that public agency clients will only be served by employees who “look” like them. That would mean a return to segregation. Instead, in a diverse setting most clients will see people who look like them serving in all capacities in the agency’s work. Achieving this requires a conscious strategy to develop a balanced approach to manage workforce diversity in public agencies.

WORKFORCE DIVERSITY EFFORTS: NARROW, BROAD, AND BALANCED APPROACHES

The following examples of diversity statements show how one public service and one nonprofit organization choose to define and approach the diversity challenge:

“Harvard Pilgrim Healthcare is committed to increasing the diversity of staff at all levels while paying special attention to improving the representation of women and minorities in key positions to creating an inclusive, respectful and equitable environment; to serving our diverse members with culturally sensitive services; and to changing the organizational culture through leadership, policies and practices” (Society for Human Resources Management [SHRM] Home Page, 2000).

“The Postal Service requires new thinking and new structures that regard Diversity Development as fundamental to business success to achieve our corporate strategic goals. Diversity is that which makes each of us unique. It can be our birthplace, education, age, gender, neighborhood, race, social circle, economic status, values, skills, appearance, lifestyle, etc. Valuing diversity is accepting and appreciating people’s uniqueness. Developing diversity involves building tools and nurturing a culture that fully utilizes uniqueness and talent to support the organization’s goals” (U.S. Postal Service, 1999).

These statements illustrate subtle differences in the approach each organization takes to achieve diversity. The differences refer to how broad or narrow each approach is, a choice that managers must make when planning a diversity effort. The practice-based literature on diversity management emphasizes a broad definition of diversity, such as the ones proposed by the U.S. Postal Service above. In this view, differences in personality, work style, and visible manifestations of diversity are considered critical resources as organizations move toward more flexible, team-based arrangements for service provision.

In contrast, as illustrated by the Harvard Pilgrim HealthCare approach, the research-based diversity literature pays particular attention to what the law calls “protected classes,” that is, women, racial and ethnic minorities, persons with disabilities (and in some jurisdictions, but not all, gay, lesbian, bisexual and transgendered individuals). There is a reason behind this focus. Pynes (1997) argues that emphasis on a “narrow” focus may stem from the historical need to create incentives via legislation, executive orders, and administrative rulings, to combat past and current discrimination against these groups. Indeed, without these incentives, organizations would be less diverse today.

Both approaches to diversity have advantages and disadvantages that need to be considered when making organizational choices around diversity efforts. The broad approach places diversity within a context that expands beyond compliance to the law, thus linking the mandate of managing diversity to the strategic concerns of the organization. The danger, however, in the broad approach is that managers can easily ignore the patterns of organizational inequality to which certain groups have been subjected by ignoring institutionalized discrimination. In this case, managing diversity can become just a “nice” public relations program rather than a sustained effort to ensure organizational equality and fairness in the work place. The narrow approach has the advantage of directly calling attention to the existing patterns of inequality to explicitly identify and interrupt practices that reproduce such disparities.

The management literature seems to favor a broad definition over a narrow one. In this view, the ultimate goal of diversity is an organization that serves its stakeholders creatively and effectively because it draws on many talents in its work. Moreover, with too narrow a focus, those threatened by the diversity efforts may try to minimize them by associating them with low quality, rather than with better outcomes. Adapting policies and procedures to a broad definition of diversity may thus help the organization avoid the resistance that diversity efforts sometimes inspire.

Thomas (1991) argues that both approaches to diversity are necessary: without rigorous “narrow” efforts to recruit and promote persons not part of the dominant social groups, no “new faces” will enter the organization or managerial ranks. But without a “broad” organizational adjustment to make the organization a welcoming place to the new faces, those persons will soon leave the organization for more rewarding professional and personal opportunities. When that happens, the organization loses the experience of that employee and incurs the costs of recruiting and training a replacement.

FROM EEO/AA TO VALUING, MANAGING, AND MAXIMIZING DIVERSITY

In its most simplistic form—and in an approach originally adopted in the wake of the Civil Rights Act of 1964 and the Equal Employment Opportunity Act of 1972—diversity in the workplace was measured by counting the number of employees that fit into each of the desired “social categories” and creating “quotas” where there were gaps. Perceptions that people were hired and promoted based on their social characteristics rather than on job-related skills led to a backlash to outright quotas. This has influenced popular conceptions of diversity management, which is frequently confused with affirmative action. While the latter is an important effort in and of itself, it should not be equated with the former.

Despite the presentation in the literature of logical steps leading to a more diverse work place, the transition is not always smooth. Few diversity efforts in the beginning happened spontaneously, and some were a response to demands from different groups that produced changes in legislation. For example, women, people of color, individuals with disabilities, older employees, and gays and lesbians have traditionally been the target of discrimination. Some identity groups have

started to challenge their previously marginalized status and to demand equal treatment in the workplace (Cozzetto et al., 1996; Crampton et al., 1996; Lewis, 1997).

Since the mid-1960s, three distinct phases of diversity management have evolved. In theory, the phases take place sequentially, but in practice many organizations implement aspects of all three phases simultaneously. First, affirmative action and equal opportunity employment policies created legal obligations based on numerical measures to increase the representation of minorities and women in many areas of employment and, in general, to reduce discriminatory practices. Later, to try to change the workplace culture once persons from different backgrounds were in the organization, many workplaces instituted awareness courses and celebrations of diverse characteristics (i.e., "Black History Month") in a strategy broadly known as Valuing Diversity. These activities were often isolated from organizational strategy or job needs, however.

Finally, a new type of effort, known as "managing diversity," has developed in response to the earlier phases not being fully effective. It connects work changes and different methods of accomplishing organizational goals to workforce diversity. Thomas (1991) defines it as "a comprehensive managerial approach aimed at creating an organizational environment that works naturally—without special effort, consideration, or programs—for all employees, regardless of how different they might be. This approach helps managers inspire employees to give their best to an organization" (p. 24). While respecting legal requirements, this approach to diversity is not implemented just for compliance or to avoid lawsuits. Instead, diversity is maximized when managers see its strategic connection to business and when employees who are part of a diverse workforce are viewed and treated as individuals with unique contributions to organizational goals.

CREATING AN ENVIRONMENT WHERE DIVERSITY CAN THRIVE

Today, the state of the art in both public and private management views workforce diversity as an imperative for organizational effectiveness and a requirement to gain competitive advantage. Indeed, managerial understanding of the diversity challenge is rooted less on a moral mandate toward equity and justice and more on environmental pressures that managers must address when creating and implementing organizational strategy.

Efforts pursued by the California Franchise Tax Board (FTB) illustrate how environmental forces can motivate an organization's managers to pursue workforce diversity (Barzelay and Moukheibir, 1993). In the early 1990s, FTB, California's main revenue agency, started a corporate strategy to deal with the challenges of recruiting, training, and retaining the employees needed to fulfill its mission. Among these pressures, FTB's leaders identified: a) the changing demographics of a shrinking labor force in the state of California; b) rapid changes in the technology to achieve FTB's core tasks, which required more frequent retraining of existing employees; and c) an increasing sense that the agency's workforce represented a broad range of ethnic, cultural, occupational, and educational backgrounds with very different needs, values, and skills.

After surveying employees and identifying best practices by benchmarking with several large private employers, FTB management designed a four-part strategy for diversity. The strategy included: 1) implementing flexible, on-site, training programs appropriate to every level of the organization; 2) working with local schools, junior colleges, and universities to help design educational strategies and to build bridges between these institutions and employment opportunities at FTB; 3) increasing the agency's visibility among professionals in key fields; and 4) creating a comprehensive, organizationwide employee support and development system offering employee assistance in critical areas identified by employees themselves, such as child care, financial planning, substance abuse, commuting to work, and preventive health care. With these strategies, FTB sought to build an organization in which all felt welcome and able to thrive and advance.

The specific demographic and diversity changes that exert pressures on an agency's management may vary, but they affect all public organizations. In FTB's case, as in many other public agencies, the demand for public services was increasing and managers knew they could not compete with the salaries private sector employers offered the professionals needed to do the job. As for most organizations, when the workforce became diverse, strategies for training and compensation had to incorporate new options, and thus become diverse, also.

MOTIVATIONS TO ADDRESS THE DIVERSITY CHALLENGE

Among the motivations that move managers to think about and address diversity, the following are particularly pertinent to public agencies: legal and regulatory pressures, changes in labor market demographics, and a diversifying client base. In addition, external social pressure may be a critical motivator in some cases. For example, community, religious, and/or political groups and coalitions may object to particular products, services, or ways in which these are offered to particular populations and clients, or may apply pressure for greater representation of particular groups in the organization's workforce.

Similarly, internal employee pressures may generate interest in diversity efforts. For example, employees may defend their rights or respond to perceptions of unfairness, discrimination, or harassment by filing complaints and/or engaging in behaviors such as turnover, absenteeism, conflict, lower productivity, and even sabotage. They may also request new policies and procedures that respond to their particular needs, such as flexible schedule and benefit policies. Finally, individual leaders and managers who view diversity as an important organizational issue may become personally committed to championing efforts to ensure fairness and employee well-being in the work place (Gentile, 1996).

These pressures, argues Gentile, can trigger managerial responses that range from reluctant compliance (following the letter of the law without addressing the real issues), to creative strategies that address diversity as a whole rather than considering issues in isolation: The literature indicates that managers in high-performance organizations do not necessarily wait until these pressures affect them directly. Instead, taking a strategic approach, they anticipate the changes and address the issues that will help the organization position itself within its competitive environment in a proactive rather than in a reactive way.