

Absence of Diversity at the Leadership Level

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The purpose of this paper is to present information that supports the value and impact of diversity at all levels in an organization that would create a pipeline that, if leveraged, will lead to diversity at the leadership level. The paper seeks to examine the concept of why, if diversity is so valuable, is it not utilized at the leadership level in most organizations. It examines current research and opinions relevant to the importance of diversity and inclusion in an organization and the benefits of having diversity in the workforce. The paper goes on to outline why diversity and inclusion are important tools in today's multi-generational, multi-ethnic, multi-skilled workforce. Simply put, its value lies in the fact that it breeds creativity and innovation and prevents groupthink.

For the first time in the history of the workplace, there are five generations working side by side. In addition to this multi-generational workforce, there is an added challenge for leaders today - as our nation becomes more diverse, so does our workforce. The percentage of minorities (or people of color) in our country is increasing, there is an increased number of women in the workforce and members of the LGBTQ (lesbian, gay, bisexual, transgender and questioning) community are being more open about their sexual orientation. When we put all of these pieces together, it is clear that diversity is unavoidable. In fact, studies show that when businesses fully embrace diversity they hold a more secure space in the marketplace than businesses that do not (Kerby & Burns, 2012). However, diversity cannot stand on its own when used to drive creativity and innovation within an organization. Instead, an organization will only experience the true value of diversity when leaders leverage it in conjunction with inclusion.

Diversity and inclusion are separate yet related concepts and when used together, they not only help define an organization's culture, they also provide an organization with a competitive advantage. At its most basic, diversity is everything that makes us, as individuals, who we are. It is all the ways we are different from each other and because we are born with some of the traits that make us different we are unable to change them. Queensborough Community College, an academic institution that is part of the City University of New York (CUNY) system further defines diversity as a concept that involves both an acceptance of those who are different from us as well as a respect for those differences. Furthermore, when an organization values diversity it means that it has a genuine respect for the many ways that people are different e.g. race, gender,

ethnicity, age, religion, political ideology, sexual orientation, and socio-economic status (Queensborough Community College CUNY, Undated).

Inclusion, on the other hand, is when an individual is a part of or integrated into all aspects of an organization and is allowed to engage and participate with employees and leaders at all levels using the abilities and skills that they bring to work each and every day. Inclusion in an organization means that leaders understand how to not only leverage the differences of those around them but can also effectively manage those differences to ensure that all diverse perspectives are heard, respected, valued and considered for the greater good. Additionally, when leaders fight for inclusion within their organization they must also fight for inclusive practices because these are a key component of the tools and resources that employees at all levels rely on for support and guidance.

When used together, some experts say that diversity is the mix and inclusion is making the mix work (Tapia, 2013). Each of us is unique with our own individual values, perspectives, lifestyles and cultures that we bring to our organizations. “Organizations as such don’t have values but, because they are composed of human beings, their cultures are shaped by values” (Hultman & Gellerman, 2002). Our values shape the way we satisfy our needs and whether we are aware of it or not, our actions are guided by our values. Thus, it follows reason that the values of employees shape the behavior of the organization. Ultimately, when an organization leverages diversity (both in concept and in practice) within an inclusive workplace it positions itself for success not only in business but also in the marketplace.

The Importance of Diversity in the Workplace

Smart leaders understand that diversity expands beyond race and gender and includes differences that are both visible and invisible to the naked eye. The Iceberg Model provides leaders with a picture of what the differences are both above and below the water line. The model tells us that things that are above the water line are traits visible to the naked eye like gender, race, age, skin color and physical attributes. The traits not visible to the naked eye are those below the water line like education, family status, location or region of birth, economic status, religion, skills, thought and perspective (Rollins & Stetson, undated).

So, what is the value of these differences when it comes to the workplace? Kerby and Burns (2012) tell us that there are ten economic benefits when it comes to workplace diversity. First, a diverse workforce drives economic growth. The supporting data used was a study done by McKinsey & Company that found that women went from holding 37 percent of all jobs to 47 percent over the last 40 years which has accounted for approximately one-quarter of our country’s current GDP. Second, a diverse workforce can increase an organization’s market share. This is true because when organizations are more diverse and employ individuals with different backgrounds and experiences, they have the ability to more effectively connect with, and provide service and products to diverse customers i.e., women, members of LGBTQ community and those of different racial and ethnic backgrounds. Third, when an organization recruits from a diverse pool of candidates, they have a greater chance of having a qualified workforce because their focus will be on hiring the best and brightest that the labor market has to offer. Fourth, when an organization has a more diverse and inclusive workforce, it helps them to avoid the staggering cost

of employee turnover. Fifth, diversity within an organization fosters a more creative and innovative workforce because it unites employees with different qualifications, backgrounds, and experiences which is important for effective problem-solving.

The sixth benefit of workplace diversity is that in order for an organization to be successful, it must be able to adapt to the nation's changing demographics in order to be competitive in the economic market. Supporting data from the census indicates that by 2050 there will be no racial or ethnic majority in our country. Our nation's economy will grow and benefit from these changing demographics if the businesses that serve the people of this great nation have the ability to meet the needs of our diverse communities, both as workers and consumers. Seventh, there are a large number of entrepreneurs in the U.S. and diversity is one of the key aspects of entrepreneurialism. Supporting data from the census tells us that people of color and women own 22.1 percent and 28.8 percent respectively of U.S. businesses. Additionally, businesses owned by Hispanics are the fastest-growing segment of the women-owned business market. The eighth benefit of workplace diversity is that diversity is a key component of moving our economy forward when it comes to diversity in business ownership. These businesses not only boost the nation's employment rate, they also help to grow our economy. Data shows that women of color own 1.9 million firms and generate \$165 billion in revenue annually while employing 1.2 million people. Ninth, diversity within an organization's workforce is critical for them to be able to compete in a global marketplace. This is true because diversity in the workforce allows companies to leverage opportunities when there is increased growth in all aspects of diversity within the labor force. The tenth benefit of workplace diversity is that diversity in the organization's boardroom is necessary in order to leverage that business' full potential. Data shows that currently women and minorities represent approximately 18 percent and 14.5 percent, respectively, of corporate boards of Fortune 500 companies.

Shifting from Diversity to Inclusion to Create Culture

The changing demographics in the workplace bring challenges for leaders because they are managing the various values and cultures of their employees as they work to create the culture of their organization. Hultman & Gellerman (2002) tell us that "culture allows us to organize our efforts with others to meet needs in the midst of change and uncertainty" but how does this information translate in today's workplace? It simply means that the culture of an organization is visible in things like their values, policies, procedures, communication style, hiring practices and even in the styles of their leaders. These ideals inform the way an organization responds to change, regardless of whether that change is internal or external to the organization.

The key to organizational culture is that it must respond to the needs of all of its employees not just a select few. It is interesting to note that many organizations not only have the main culture that leaders set the tone for, but when the workplace is made up of various cultures, subcultures are created within the dominant organizational culture as a result of that culture clash (Cameron & Quinn, 2011). In other words, there is an ideal culture and a real culture. When this occurs, it raises the question about who lies in the gap between the ideal culture and the real culture. Simply put, the employees who live in this gap are the ones who do not feel included or a part of the organization at large because for one reason or another, their workplace is not inclusive.

Once gaps between the real culture and the ideal culture are identified in an organization, it is important for leaders to understand how inclusion can not only help them to close these gaps or address deficiencies, but it also works to support effective decision-making and better business results. To initiate the process of shifting from diversity to inclusion in order to create culture, leaders should develop an inclusion strategy or a detailed plan of action that includes goals, objectives and related tasks to help them realize this change. Second, leaders should work to incorporate diversity principles across all business functions or units to ensure there is consistency in the practice of inclusion. Diversity programs must ensure that inclusion is practiced at all levels and through all aspects of the organization, including any strategic planning efforts that occur. Evidence of inclusion and inclusive practices are apparent in the way an organization operates and conducts business e.g. the way they communicate both internally and externally, the way they train and educate their workforce, the manner in which they conduct career and professional development, and throughout their recruitment, retention, leadership and management practices. Third, leaders should ensure there are opportunities that allow cross-generational and cross-functional teams to interact and collaborate on a daily basis. Fourth, leaders should invest in team building and developing their leadership skills because this will ultimately help them make the shift from diversity to inclusion. Additionally, this will provide both them and their leadership team with the competencies needed to help them foster productive teams as well as lead diverse teams. Finally, leaders are encouraged to “mind the middle.” This means that while there are some instances where organizations are slow to progress because their senior leaders may be risk averse, other organizations discover that their challenges lie with middle management (Jordan, 2011). Leaders who experience this roadblock with middle managers should develop strategies or action plans to ensure it is not preventing their organization from growing.

It is one thing for leaders to support a diverse workplace but unless they make the shift from diversity to inclusion, it will be difficult for them to create a culture that sets them apart in the marketplace. “Inclusion is a call to action within the workforce that means actively involving every employee’s ideas, knowledge, perspectives, approaches, and styles to maximize business success” (Schawbel, 2012). Without an inclusive workplace, leaders will continue to struggle to create a dominant organizational culture because they will be spending their time managing barriers caused by culture clashes that arise between the ideal culture and the real culture.

Absence of Diversity in Leadership

This paper has clearly laid out the benefits of diversity and inclusion in the workplace and how these two concepts work together to create an organization’s culture – one that would set it apart from other companies in the marketplace. If leaders see the value in it and express that value through things like recruiting strategies, talent management strategies and leadership development programs, then why is there still a lack of diversity at the leadership level in many organizations? The glass ceiling that exists in corporate America is something that cannot be ignored. Women and minorities have made progress in the last few decades when it comes to gaining access to leadership positions. However, Jean Lau Chin (2010) indicated that despite this fact, women and minorities remain underrepresented when compared to the numbers they represent in our country’s population. This supports the fact that race and gender continue to be barriers to roles within middle and upper management (Federal Glass Ceiling Commission, 1995). In 2010, women made up approximately 47% of the U.S. labor force (U.S. Dept. of Labor, 2010) and while the number

of Fortune 500 companies that have at least one woman holding a corporate directorship grew from 0.16% in 1978 to 89.2% in 2003 only 7.9% of those holding the top title in these companies were women. This is surprising since the 2010 census data tells us that “women accounted for 51.5 percent of all workers in the high-paying management, professional, and related occupations”. When it comes to racial and ethnic minorities, the data shows that while these groups are expected to make up 50% of the U.S. population by 2050, in 2004 only 8.1% of Fortune 500 board seats were held by blacks, even if it meant that a “single individual was holding more than one seat in different companies” (Chin, 2010).

Market data also tells us when a person of color enters an organization at the same time as a white person (or non-minority), that person of color has less of a chance of making it into the leadership ranks, regardless of industry (Gilgoff, 2009). Furthermore, while hiring practices allow people of color to enter an organization, the fact that they rarely make it to the leadership level usually translates to high turnover in this demographic within the organization. These employees leave because there is no one in senior leadership who looks like them which means there is no one that they can identify with. Gilgoff (2009) opines that when there are minorities at the leadership level, it helps the organization to attract additional minority talent like in the case of Indra Nooyi, an Indian born woman and CEO of Pepsi.

So why is there a lack of diversity at the leadership level? Chin (2010) tells us that attention to diversity and leadership means that leaders in organizations across all industries must be willing to broaden the traditional views of leadership as they relate to the paradigms of situations, systems, and personality traits to include those owned or experienced by individuals from diverse racial and ethnic groups. To be more specific, organizations must engage with leaders from diverse groups who have different leadership styles instead of always looking at their individual definition of a traditional leader. An individual’s culture and values are responsible for shaping the way they behave and as a result of this, behaviors that support leadership competencies may not always look the same based on this diversity.

The bottom line is organizations will not be successful if they ignore people because they are different and demonstrate that difference in the way they lead or respond to leadership. Hultman and Gellerman (2002) tell us that as human beings and individuals we determine for ourselves what does or does not have value and once that determination is made we judge or evaluate others. “If we’re aware of it, we judge it”. The key to mitigating against the risk of this practice is the need for leaders to be self-aware of their own biases so we can focus on getting rid of the beliefs that lead to rejection of those who are different from us. This is critical if a leader intends to move his/her organization to one that fosters inclusion with inclusive processes and practices.

As leaders, our ability to leverage diversity is more than just a social imperative. Diversity breeds innovation and subsequently positions organizations with a competitive advantage and a chance to create innovative products and solutions for their customers. All leaders have a duty to ensure inclusion and inclusive practices exist within their organizations. When diversity is not leveraged and inclusion is non-existent in the workplace, it leads to the continued existence of the glass ceiling for people of color. This systemic issue must be addressed in an intentional way in order for organizational leaders to change the current landscape.

This paper serves as an influential point of reference for leaders to encourage them to strategize about why there is an absence of diversity in their organization's leadership roles and then take the extra step to make the necessary changes. It is not enough for leaders to merely think about this issue – the time for that has long past. Instead, as leaders, our role is to influence others to achieve a common goal. That goal in today's marketplace is an inclusive workplace and it will not be achieved in a silo that is uni-colored or one-sided. Each of us has a unique perspective that deserves to be valued. Furthermore, since organizations are only as successful as their employees allow them to be, I challenge you to influence those around you to embrace diversity and foster inclusion in order to empower others to be their authentic selves while bringing out the absolute best in your organization.

About the Author

Marcelle has 15+ years of experience assisting clients to collect and analyze workforce and recruiting metrics. She is skilled in evaluating business landscapes and implementing projects and policies that enable organizations to integrate inclusion and provides leaders with the tools and strategies that equip them to move from discussing inclusion to integrating it. As an analytical strategist she understands the value of partnering with key stakeholders to identify opportunities that increase overall organizational performance. Marcelle also has a background in academia that includes both the design and facilitation of MBA courses in Cross-Cultural Management, Leadership, Organizational Behavior, and Diversity in Organizations. Her consulting firm, Partners for Change specializes in organizational culture, leadership development, diversity and inclusion, performance management and strategic planning. Marcelle received her B.A. from Georgia State University, her MBA from American Intercontinental University and her Doctor of Strategic Leadership from Regent University. Questions or comments regarding this article may be directed to the author at: marcellewd@gmail.com.

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