



The 10 Biggest Mistakes in Diversity Management— Why Best Practices in Diversity Aren't Enough!

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Companies have been developing "best practices" in diversity training for many decades. But company executives and diversity experts still wonder which of these practices works best to create a more

inclusive workforce environment. In this article, the author goes one step further questioning the entire concept of best practices, suggesting they are not enough, and explaining what has led her to this conclusion.

When it comes to diversity training and development, there are a number of best practices—benchmarking, reporting, the winning of awards and the publication of communications materials. A list of 10 of these may be found in the sidebar at the end of this article.

All of these practices may in some way be considered "best practices," and they are certainly practiced by firms dedicated to inclusion and a harmonious, productive

workplace. In fact, it has taken a significant amount of time and research for those of us in the fields of diversity, inclusion and/or organizational development to create these best practices and prove their effectiveness. It took an equally significant amount of hard work to celebrate them as best practices. However, it is my belief that many of these practices are ineffective.

If you have read the list in the sidebar you may be trying to understand how any of these best practices can be a mistake. Good question. To answer it we need to look at the context for diversity work in the corporate environment

The belief that every individual should be treated fairly without regard to race, gender, and sexual orientation is not a new concept in Corporate America. Corporate values and operating principles have historically included "respect" as part of an inventory promoting a healthy culture. Diversity took its rightful place in the corporate risk arena because our legislative and regulatory framework put it there. When discrimination-based class-action litigation took center stage on our management landscape, diversity was given a burning platform. Corporations could not afford to ignore or even misunderstand it because of the attendant risks that these cases made quite real.

Every conscientious firm had to aggressively confront diversity as an operational issue. Operational issues need owners who are charged with execution. Their performance must be measured because we all know that if you cannot measure it, you cannot manage it. Like all such issues, stakeholders must be part of the process and part of the solution. The resulting best practices are derivative of this sound and logical approach. Each of the listed best practices can demonstrate how seriously their firm takes its diversity responsibilities. Each practice provides tangible evidence that their firm is committed to addressing the issue. In sum, the firm recognizes the problems of diversity and is executing good faith operational solutions with transparency. While this approach is sound, it is not enough.

Why these practices may be "mistakes"

SIDEBAR

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"It is my belief that many of these practices are ineffective."

The reason they can be “mistakes” is that succeeding in these best practices can suggest that the firm’s diversity problem is solved when it is not. Diversity ceases to be a problem when diverse employees feel included and valued. Inclusion is the only real diversity solution. It requires a cultural engine that proactively promotes differences on every level—from race, gender and sexual orientation to style, personality, perspective, and thought process. Inclusion fosters open and candid disagreement and feedback. No viewpoint is marginalized. The power of diversity is unleashed through inclusion because the workplace becomes an incubator for innovation on every level. And that is the ultimate business case for diversity.

“The power of diversity is unleashed through inclusion because the workplace becomes an incubator for innovation on every level.”

A diversity scorecard can reflect specific areas where diversity is lacking. This alerts the firm where to focus its efforts, which is very useful. However, when the scorecard reflects best-in-class numbers, it does not necessarily mean that diverse employees are not being marginalized. Measuring whether the diverse employee is heard or valued is not as simple as reflecting their presence. The scorecard numbers can include compensation, promotion trending and hierarchy that

can help get closer to a real answer. Even then measuring whether the diverse employee community feels included is problematic. Therefore, a good scorecard reported to the board of directors and the investor community can provide a false sense of success in achieving diversity when the scorecard numbers are good, but the voice of employees is marginalized. In that situation the impressive scorecard merely plasters over the problem.

Hiring and promoting qualified candidates

The same analysis applies to recruiting and promoting diverse candidates. The hiring of these candidates reflects the firm’s commitment to diversity. These candidates, like the shareholders and board, will find the firm attractive based on its public commitment to diversity in the firm’s annual report. Once hired and promoted, the real question is whether their contribution is actively sought in the operation of the business. Do they have the same level of influence as similarly positioned majority candidates? Without a culture that prioritizes inclusion, this will not happen, and strong hiring and promotion numbers will mask the problem.

A firm whose diversity practices are publicly recognized enjoys a compelling brand enhancement with investors, clients, employees, and business partners. The firm must live up to its reputation, or the brand is at risk. Hiring high-profile diversity thought leaders naturally contributes to this enhancement if the firm has an authentically inclusive culture. However, it is extremely dangerous to hire such talent in a non-inclusive culture because that will render them nothing more than a corporate hood ornament. In addition, the abrupt departure of such leaders when their inability to fit into the culture becomes apparent can devastate the brand's credibility. Even the creation of diverse employee networks, while well intended, can serve to silo these employee groups if mismanaged. True inclusion demands the richness of the connections and differences across these groups.

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Similarly, winning diversity awards widely enhances the firm's brand, but winning an award does not guarantee an inclusive workplace. Awards reflect the firm's ability to effectively present its diversity work. Period. There is a limit to what the awarding organization can do to verify inclusion in an organization, both because they are a third party and because of the inherent difficulties of measuring inclusion.

Limitations of Other Diversity Best Practices

Compliance must have a role in diversity management, and it makes sense to empower the legal department to monitor compliance. And training is vital to managing the risk since managers must know the governing body of rules. This is no different than any other type of compliance training. An inclusive culture, however, is not borne out of compliance or training.

Finally, creating a diversity team in human resources “outsources” the solution to human resources when inclusion must be infused throughout the fabric of the organization. Inclusion requires firm-wide ownership and leadership to succeed.

“The 10 best practices are mistakes when they represent the end state of diversity solutions for a firm.”

These 10 best practices are mistakes when they represent the end state of diversity solutions for a firm. They are the natural first step in addressing the diversity problem, but they are only a first step. They create a diverse population. They do not solve the diversity problem. These practices become dead-ends creating yet another diversity problem of un-empowered diverse voices if the culture does not prioritize inclusion. Equally significant is the fact that these

“solutions” can serve to hide diversity problems. They then become big mistakes because you have a larger, diverse community being marginalized in a firm that markets its diversity prowess.

How to meet the challenge

Meeting the diversity challenge certainly requires the commitment demonstrated by these practices. However, to truly succeed in meeting the diversity challenge a firm must create, live, and breathe inclusion. Inclusion must be part of the DNA of the culture. This requires leaders who lead, think, create, and value inclusion as part of their execution model. This kind of cultural DNA cannot be bought off a training shelf nor is it a project to be managed. Inclusion is not simply something one does. That is compliance. Inclusion is something one lives. Δ

SIDEBAR

The 10 Biggest Mistakes in Diversity Management

1. Launching a diversity scorecard that reflects best-in-class numbers of minorities throughout the firm
2. Regularly reporting the diversity scorecard to the board of directors
3. Featuring diversity in the annual report
4. Actively recruiting and promoting diverse candidates
5. Hiring a world-class diversity thought leader to be your spokesperson
6. Winning awards for best practices in diversity
7. Launching comprehensive diversity compliance training
8. Empowering your legal department to aggressively monitor compliance
9. Giving ownership and reporting responsibility of your diversity team to human resources
10. Creating and funding diverse networks

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