

BOSTON COLLEGE

CENTER FOR WORK & FAMILY

EXECUTIVE BRIEFING SERIES

In this Issue:

Race and culture are critical issues at the forefront of inclusive workplace practices.

- A description of the increasingly diverse workforce.
- The definition of inclusion and how an inclusive workplace is created.
- The drivers behind increasing diversity and challenges to establishing inclusive practices in the workplace.
- Best practices for creating and maintaining inclusive work environments.

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Exploring Diversity: Race and Culture in the Inclusive Workplace

Companies around the world are realizing the strength that comes from promoting a diverse workforce. Though this Executive Briefing will focus on race and culture, the strategies that are recommended for creating an inclusive work environment could apply to any segment of the population including women, employees with disabilities, different generations in the workplace, LGBT workers, or staff with various religious beliefs. This paper focuses on race and culture because these are visible attributes that distinguish employees, are a significant and growing segment of the global workforce, and can be very personal concepts to discuss.

WHY RACE AND CULTURE?

The demographics of the U.S. labor market have shifted significantly. The 2000 Census report served as a call to corporations to heighten their attention to diversity issues within the workforce and throughout the marketplace. Since then, numerous organizations have made attempts to address the needs and values of today's diverse workforce, but the question still remains – Are we hitting the mark? In our efforts to embrace diverse work environments, are we doing a good job at recruiting, retaining, and providing a productive and supportive environment for our workers? If not, how can we seek to promote a work environment that embraces diversity and promotes inclusion? How can we learn to appreciate, incorporate and benefit from the values and strengths of our workers?

Race and culture are not synonymous, although they each can be very emotional and sometimes scary concepts to talk about for different reasons. Instead of avoiding talking about race and culture in the environment and thereby engaging in hurtful practices unintentionally, it is more useful to analyze the organization's philosophy about race and culture in the workplace.

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Discussions about race and culture continue to be difficult, even in the face of our growing knowledge about the need to address such issues. This Executive Briefing focuses on understanding these issues in the context of today's workplace. We hope that you find this dialogue engaging and useful in your organization.

The Linguistics of Diversity

While the terms “race” and “culture” are often implied when one is speaking about issues relating to diversity or inclusion, it is important to separate these terms from the broader definitions in order to provide a meaningful context from which the issues presented in this briefing can best be understood.

- **Race** ... the category to which others assign individuals on the basis of physical characteristics and the generalizations and stereotypes made as a result.
- **Culture** ... the belief systems and value orientations that influence customs, norms, practices, and social institutions, including psychological processes and organizations.
- **Ethnicity** ... the acceptance of the group mores and practices of one's culture of origin and the concomitant sense of belonging.
- **Diversity** ... individuals' social identities including age, gender, sexual orientation, physical disability, socioeconomic status, race/ethnicity, workplace role/position, religious and spiritual orientation, and work/family concerns.
- **Inclusion** ... a sense of belonging: feeling respected, valued for who you are; feeling a level of supportive energy and commitment from others so that you can do your best work.

American Psychological Association, 2002 and Miller, Frederick A. and Katz, Judith H. 2002. *The Inclusion Breakthrough: Unleashing the Real Power of Diversity*. San Francisco: Berrett-Koehler Publishers

“The increasingly diverse U.S. demographics, coupled with a growing global economy, are beginning to force organizations to rethink models of business success and how they will ensure organizational readiness for effectively aligning business strategies with current and future demographic and market realities to achieve growth, profitability, and sustainability.”

MCQUISTON, WOOLDRIDGE & PIERCE, 2004

TODAY'S RACIALLY AND CULTURALLY DIVERSE WORKFORCE

Today's workforce is more diverse than ever. It has transformed over the past several years due to changes in worker demographics, the impact of the global marketplace, and the career and personal life goals of diverse workers. Today's workers are from different racial and ethnic backgrounds and bring varied sets of motivations and priorities towards their employment.

According to the Bureau of Labor Statistics, foreign-born workers (including legal immigrants, refugees, temporary residents and undocumented immigrants) made up over 15 percent of the U.S. civilian labor force aged 16 and over in 2006. It has been predicted that 57 percent of the labor force will be women and people of color by 2014 (NAS, 2007). With projected declines in the general population and in the labor force due to factors such as the retirement of aging workers, it will become increasingly essential for developed nations such as the U.S. to utilize foreign labor sources (Heet, 2003). In addition, many U.S. based companies are doing business abroad, acquiring or merging with international firms, or outsourcing portions of their business to other parts of the world. These factors necessitate the development of a new skill set to foster competent cross-cultural communication.

Understanding the incredibly diverse motivations and priorities of today's workers is necessary in order to develop strategies for retaining organizational talent. A 2005 study by Storke, et al. showed that while employees in general placed high values on advancement and learning, employees from racially and culturally diverse backgrounds emphasized these issues even more than White employees. Additionally, when asked about their “ideal job”, employees from diverse groups emphasized opportunities for advancement, learning new skills, and working for an organization that has good education and training benefits. Furthermore, when asked to provide their priorities over the next 3-5 years, these employees were more likely than White employees to list being promoted, taking on new challenges at work, continuing their education and training, and advancing in their current career.

Defining the “Inclusive Workplace”

According to Michèle Mor Barak, Professor at University of Southern California and author of *Managing Diversity: Toward a Globally Inclusive Workplace* (2000), an inclusive workplace is one that

- Values and uses individual and inter-group differences within its work force
- Cooperates with and contributes to its surrounding community
- Alleviates the needs of disadvantaged groups in its wider environment
- Collaborates with individuals, groups, and organizations across national and cultural boundaries.

“Diversity describes the spectrum of human similarities and differences. It refers to the composition of people associated with the organization. Inclusion, on the other hand, describes the way an organization configures opportunity, interaction, communication, information and decision-making to utilize the potential of diversity. It refers to the organizational environment.”

WORKPLACE DIVERSITY NETWORK, 2000

THE INCLUSIVE WORKPLACE

While an organization can be diverse, one cannot assume that it is inclusive. Researchers at the Workplace Diversity Network (2000) suggest that the concept of inclusion should take into consideration not only the ways in which an organization interacts with its employees, but also the policies, structures and programs offered, and the ways in which the organization interacts with customers, clients, partners, and vendors. According to these researchers, an inclusive workplace possesses the following:

- A demonstrated commitment to diversity
- A holistic view of employees
- Access to opportunity
- Accommodation of diverse physical and developmental abilities
- 360 degree communication and information sharing
- Shared accountability and responsibility
- A demonstrated commitment to continuous learning
- Participatory work organization and work progress
- Alignment of organizational culture and process
- Collaborative conflict resolution processes
- A demonstrated commitment to community relationships

How are companies describing their commitment to the inclusion of race and culture in their organizations?

Alcatel-Lucent – We achieve our shared purpose by embracing the full richness of our people’s differences. We believe the diversity of our people enriches our work experience and is the source of our innovation and our competitive advantage. We adhere to Alcatel-Lucent’s core values and treat everyone with dignity and deepest respect.

Chevron Corporation – We express our belief in the value of diversity through principles, practices and accountability. This begins with The Chevron Way, which states, “We learn from and respect the cultures in which we work. We value and demonstrate respect for the uniqueness of individuals and the varied perspectives and talents they provide. We have an inclusive work environment and actively embrace a diversity of people, ideas, talents and experiences.”

Our principles endorse a spirit of inclusion and foster an environment where everyone can reach their full potential. We are committed to being recognized as a global leader that backs its words with accountable actions and quantifiable results.

Ford Motor Company – Diversity embodies all the differences that make us unique individuals. At Ford Motor Company we recognize diversity as a strategic advantage in today’s global marketplace. We are committed to building an inclusive culture that leverages all of the many elements of diversity; encourages innovation; allows employees to perform to their fullest potential; and, ultimately, drives business results.

Turner Construction – We will build and maintain an inclusive, diverse workforce that effectively accepts, utilizes and values our employees. We will maintain an environment where employees can contribute creative ideas, seek challenges, assume leadership roles and continue to focus on meeting and exceeding business and personal objectives. We will provide opportunities and training that allow each individual to achieve their maximum potential.

WHAT ARE THE DRIVING FORCES BEHIND CREATING INCLUSIVE WORK ENVIRONMENTS?

Pepsi Bottling Group's (PBG) CEO has a very strong commitment to diversity. He chairs the company's diversity council. The objectives of the council are to

- 1) build an inclusive workplace,
- 2) look like the marketplace,
- 3) capture multicultural consumers and
- 4) connect with the community.

Diversity has become ingrained into the business strategy to which the CEO feels is central to the future success and growth of PBG. This is reflected in the organization's growing population of diverse customers, consumers and communities it serves. (Visconti, L. 2007)

Businesses are being challenged to develop strategies that meet the needs of changing demographics and a growing global economy. Propelling the need for the creation of inclusive work environments are several factors: the increased participation in the global marketplace, the attraction and retention of racially and culturally diverse top talent, and employees' desires to be a part of inclusive workplaces.

Companies must be able to acclimate rapidly to the conditions and demands of a dynamic new world of business.

Because the global marketplace is characterized by a diversity of people, products, and markets, organizations must be equipped to respond to changing market conditions, technologies, and ideas. As organizations become more involved with global partners, due to changing economic policies, political changes, and foreign sourcing, they need to be able to adapt to changing market realities. By increasing their recruitment of diverse employees, companies can gain competitive advantages by establishing connections with a broader customer base. This can be achieved through leveraging the varied cultural and sociopolitical knowledge and linguistic skills possessed by diverse employees that are essential to creating and maintaining ties with diverse communities. At **DuPont Merck**, the sales of an anticoagulant drug in the Hispanic markets were low. A Hispanic manager identified that the drug was labeled exclusively in English, the manager translated the label into Spanish resulting in a significant improvement in sales. Now, educational materials for the drug are translated into 15 languages and bring in millions of dollars in new business. (Hart, M. A., 1997).

Employee Resource Groups, Employee Councils, or Affinity Groups can contribute to the development of new products and marketing initiatives to serve new market segments. As defined by **AstraZeneca**, Employee Resource Groups are "Voluntary associations of employees who support corporate values and work together to enrich the concept of community in a diverse business environment" (Krupka, 2006). These groups are often involved in identifying innovative business solutions.

Work-Life and the Racially and Culturally Inclusive Workplace

Creating and maintaining inclusive work environments requires that companies not only foster diversity in the workplace, but also address issues of race and culture that impact employees' lives outside of work as well.

Why is it important to address the racial and cultural dimensions of work-life?

By viewing the diversity among employees as strengths and demonstrating a willingness to accept the different worldviews of their employees, organizations can benefit in many ways. Research indicates that organizations retain diverse workers if they consistently (a) respect and acknowledge the unique contributions that diverse workers bring into the workplace, (b) demonstrate a willingness to accept the different worldview of their employees, and (c) acknowledge and attend to racial and cultural issues in the work and personal lives of their employees (Storke et al., 2005).

"Employees of Color are equally serious about work and life outside of work. Outside of work, family — specifically extended family — are key areas of focus and concern. For Employees of Color, being part of a generally diverse organization and one in which they see others like themselves is more important than for White/Caucasian employees."

STORKE ET AL., 2005

“The increasingly diverse workforce brings to the workplace a wide variety of family arrangements and family needs.

The balance between work and family responsibilities can be very distinctive in different societies.

Accommodating the work-life needs of the global workforce is the most important challenge we face as researchers and as managers in the 21st Century.”

MICHÄLLE MOR BARAK, PROFESSOR AT
UNIVERSITY OF SOUTHERN CALIFORNIA, 2006
EXCERPTED FROM INTERVIEW FOR SLOAN WORK
AND FAMILY RESEARCH NETWORK

While many racially and culturally diverse professionals hold leadership roles (e.g., mentoring, community involvement) in their lives outside of work, companies have been hesitant to recognize, value, or help employees transfer these skills into the workplace (Hewlett, Luce & West, 2005). A Harvard Business Review article, entitled *Leadership in Your Midst: Tapping the Hidden Strengths of Minority Executives* (2005) found that this lack of recognition can lead diverse employees to feel invisible in the workplace and, in conjunction with their contributions outside of the workplace, can lead to feelings of overextension and burn out.

How can companies address the racial and cultural dimensions of work-life?

Work-life programs that focus on flexibility and allow for individualized schedules promote healthy work-life balance for employees of all races and cultures. Flexibility is rooted in diversity, looking at each individual and their unique needs. Work-life programs that are sensitive to individual and family needs show how companies can assist in addressing diverse influences in workers' lives. For example, Chinese males are obligated to provide filial care for their elderly parents as a form of repaying their parents for bearing the emotional and financial cost of raising them. However, fulfilling this cultural obligation is becoming increasingly difficult for many Asian workers in the United States, therefore, they have begun to hire home care workers to fulfill their caregiving obligations (Lan, 2002). Companies need to take into consideration cultural variations in caregiving, and the subsequent impact that these differences may have on the lives of their employees when creating work-family programs.

THE BUSINESS CASE FOR INCLUSIVE WORK ENVIRONMENTS

Racially and culturally inclusive work environments benefit organizations in a variety of ways. Research studies have shown a strong link between companies' successful attempts to address issues of diversity and business growth, profitability, and sustainability.

Racially and culturally inclusive work environments help facilitate the overall organizational growth of companies.

A study conducted by the Society for Human Resource Management (Aghazadeh, 2004) found that:

- 91% of employees reported that diversity initiatives helped their organizations compete in the marketplace
- 79% believed their diversity programs improved corporate culture
- 77% said that diversity programs improved recruitment efforts
- 52% indicated that diversity programs facilitated more effective client contact

Increased diversity in work environments has a positive impact on business profitability.

Organizations that embrace inclusive work practices and directly address the racial and cultural diversity of their employees have been found to benefit from experiencing both a substantial increase in profit and employee productivity. Companies with diversity practices collectively generated 18% greater productivity than the U.S. economy overall according to a 2004 study of the National Urban League. Studies have shown that there is a strong correlation between employee diversity and greater business performance in areas such as worker productivity, net operating profits, gross revenues, and shareholder value (McCuiston et al., 2004).

Companies should reflect their consumers' diversity within their own workforce in order to remain competitive.

Diverse workers bring knowledge about different cultures. Companies staffed by employees from different races and cultures are more likely to access and develop their markets through their knowledge of multiple political, social, legal, economic and cultural environments. Thus, having a diverse workforce also means increased profit for companies when employees demonstrate that they are able to relate to and understand the cultural values and language of their customers (White, 1999). Customers demonstrate greater loyalty to companies where they feel valued and understood (McCuiston et al., 2004).

“If your objective is to create an inclusive workplace that supports people of diverse backgrounds, you must provide tools that help managers and employees to be effective in this environment. Flexible work arrangements are an excellent example. Employee Assistance Programs and Resource and Referral services send the message that companies recognize that employees have diverse needs that require support. Work-life programs convey that employees are valuable assets and that companies understand the human factor in performance.”

ANN ANDREOSATOS, DIVERSITY CENTER OF EXCELLENCE, PROCTER & GAMBLE 2006
EXCERPTED FROM INTERVIEW FOR SLOAN WORK AND FAMILY RESEARCH NETWORK

STRATEGIES FOR EFFECTIVE INCLUSIVE WORKPLACE PRACTICES

Beyond the recruitment of racially and culturally diverse employees, strategies for effective inclusive workplace practices require organizations to demonstrate their commitment to issues of diversity in the workplace, providing professional supports such as mentoring and/or networking opportunities for racially and culturally diverse workers, and implementing organizational changes that reflect the respect and value that the organization has for its workers.

An organization must be willing to fully communicate its commitment to the issues of race and culture in order to establish an inclusive work environment.

An organization's commitment to diversity can be reflected through its mission or vision statements, antidiscrimination and compliance policies, and action plans for an inclusive work environment that are realistic and operationalized. Additionally, organizations can utilize advertising, public relations and their websites to further communicate their commitment to an inclusive workplace not only to their employees, but also to their consumer bases. This communication should include ongoing training and seminars focused on diversity in the workplace provided for employees at all levels of the organization.

An organization must be willing to provide organizational supports that can assist in fostering professional growth of diverse workers.

Researchers suggest that organizations must establish and encourage supports for employees from racially and culturally diverse backgrounds that can include: Mentoring aimed at supporting professional development, Support networks, Employee Resource Groups or Affinity Groups and training and career development opportunities to assist with the advancement of employees (Barak, 2000; Sparks, 2006; Sue, 1998).

Organizations must promote inclusive work environments by establishing a system of rewards and consequences.

Organizations need to establish reward systems to encourage behavior change and provide a system of compensation and benefits for adherence to inclusive work environment practices (Sparks, 2006). To do so, an organization could establish measures of inclusive practices as a component of employees' performance evaluations and/or standards that are necessary to meet in order to advance within the corporation, or provide rewards and recognition from the organization. At **Verizon Communications**, 5% of bonuses for directors and above are related to diversity (Cole, 2004).

Promoting and Supporting Inclusion in the Workplace: An Example of an Inclusive Workplace Practice at Ford Motor Company

In an effort to encourage the ideas and contributions of all of its employees, **Ford Motor Company** sponsors Employee Resource Groups (ERGs) which were designed to, "Provide support and fellowship, identify barriers, contribute to employees' professional development, and provide organized activities for employees of diverse backgrounds." These groups provide a variety of opportunities for employees including the ability to present diverse perspectives on business initiatives, mentorship, networking and community outreach and service. The following is a sample of a few of the ERGs offered at Ford:

Ford Employee African-Ancestry Network (FAAN)	<ul style="list-style-type: none"> • FAAN promotes leadership development through seminars, mentoring, counseling and "Dialogues on Diversity" with senior management. • Members support summer internship programs and recruiting at minority-focused career events.
Ford Gay, Lesbian or Bisexual Employees (GLOBE)	<ul style="list-style-type: none"> • GLOBE has chapters in Great Britain, Germany and the U.S. providing worldwide networking and confidential employee support • Members actively champion diversity education, recruiting and marketing.
Ford Hispanic Network Group (F-HNG)	<ul style="list-style-type: none"> • F-HNG, through service and support, strives to be a positive force in the Hispanic community. • Programs include hosting professional development events and sponsoring speakers on diversity initiatives.

Ford Multicultural Alliance, 2006

"Diversity policies are most successful when they are solidly integrated throughout the organization, with executive leadership, ongoing training and support and accountability as the vehicles."

VALLARIO, 2006

CHALLENGES TO IMPLEMENTING INCLUSIVE PRACTICES

There are several challenges to implementing effective inclusive practices at the individual, group, and organizational levels.

Implementing effective inclusive practices comes at a monetary expense.

In order to effectively implement inclusive work practices, organizations need to demonstrate a willingness to commit financially to increasing diversity within their workplace. This includes allocating resources for diversity trainings for employees at all levels, increasing recruitment of racially and culturally diverse individuals, developing advancement opportunities for all employees, and hiring staff and consultants who are knowledgeable about diversity issues and committed to maintaining an inclusive work environment (Wheeler, 2001).

Change, in any form, can produce resistance.

Inclusive work practices can not be effective if individuals and organizations are resistant to change. Therefore an organization which is committed to making the workplace more inclusive should directly address issues/obstacles which may be impeding change within the workplace, such as individual employees' discomfort in acknowledging racism and bias in the workplace, and selective organizational hiring and promotional practices which exclude racially and culturally diverse individuals (Gaerner & Dovidio, 2005; Triandis, 1995). One way that organizations devoted to diversity and making their work environments more inclusive can address these obstacles is by targeting certain policies and practices that unfairly place racially and culturally diverse employees at a disadvantage compared to mainstream employees (Barak, 2000).

Without support from the top, strategies for developing inclusive work environments are unlikely to succeed.

Effective inclusive practices require support and commitment from top executives, and visible representation of racially and culturally diverse employees in executive positions. At **Johnson & Johnson**, commitment to diversity is demonstrated by their board being 31% women, strong retention of managers across racial and ethnic groups, and mandatory diversity training for its entire workforce which is held once a month for a whole day (Visconti, 2007).

CONCLUSION

Corporations must rapidly adjust to the growing needs and values of today's diverse workforce in order to recruit and maintain a pool of highly qualified workers in their organizations. Not only can racial and cultural diversity throughout the organization bring different perspectives to management, leadership, and executive decision-making, but diversity can also serve as a catalyst for increasing the company's consumer base. While challenges exist in transforming an organization into an inclusive organization, such challenges can be met by a demonstrated and trustworthy commitment to diversity, innovative programming and training around issues of racial and cultural diversity, and the establishment of organizational supports for employees from diverse backgrounds. CEO Kenneth Lewis of **Bank of America**, a company voted #1 in commitment to Diversity by Diversity, Inc. magazine, summarizes these points so well: "Our commitment to diversity is a commitment to individuals and to the team. It's about creating an environment in which all associates can fulfill their potential without barriers, and in which the team is made stronger by the diverse backgrounds, experiences and perspectives of individuals. It's about giving all of us - individually and together - the best possible chance to succeed (Visconti, 2007)."

A Publication of the Boston College Center for Work & Family

About this Series

Written for an executive level audience, the Boston College Center for Work & Family Executive Briefing Series addresses topical and strategic issues of particular relevance to the current business climate. The series highlights research findings, data trends and best practices in a concise format, aiming to foster action-oriented dialogue within organizations. Each issue features an accompanying PowerPoint presentation that captures key points and includes a section for practitioners to customize and add organization-specific data.

About the Center

Since its founding in 1990, The Boston College Center for Work & Family has been a national leader in helping organizations create effective workplaces that support and develop healthy and productive employees. The Center provides a bridge linking the academic community to the applied world of the work/life practitioner and has three main focus areas: research, membership, and education. The Center is committed to enhancing the quality of life of today's workforce by providing leadership for the integration of work and life, an essential for business and community success.

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