

"Charlie, We've Got a Problem" **Five scenarios that show what it takes to meld diversity values and business goals**

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If diversity is to succeed in an organization, executives must act as models for change. A recent nationwide study found that executives need to overcome their own discomfort about the numerous sensitive issues involved in diversity and make sure their actions are consistent with the message they're sending.

Executives must "walk the talk" by hiring and associating with people whose backgrounds differ from their own and by insisting that their colleagues change the way they treat others. Those who make the attempt, however, are often struck by how closely their behavior is watched and how critical each action is. As with other efforts for change, inertia may be the greatest enemy, lulling managers and employees into doing what they've always done before, even when such practices are out of date or even dysfunctional.

Achieving diversity would be far easier if it were the only item on the executives' agenda. The agenda, however, is already full, and energy is limited. Executives are often tempted to say the right things and open the doors for others to take appropriate action, but that doesn't work.

The following scenarios, based on actual experiences, demonstrate some practices that make a difference. Several of them are presented to executives at Whirlpool Corp. and Sun Microsystems Inc. to get their suggestions for resolving them.

When No Minority Candidates Apply

You are the director of a very busy department trying to fill a managerial opening with a Latino or black employee. Employees from these two groups make up nearly half the department, yet only two have positions in management. During the past few months, however, no black or Latinos have been identified as candidates for the current opening. The department's productivity is beginning to suffer because the position remains vacant. Two white male employees in the department have been recommended as candidates, and both are available immediately. What do you do?

Option A: Go ahead and promote one of the two white male employees, but make a commitment to look for a black or Latino employee for the next opening in management.

Option B: Go to a few managers and employees you trust and ask them to help identify Latino and black employees who could handle the management job. Encourage those employees to apply for the promotion and interview them. Compare them with the white male candidates, and promote the one who appears to be most qualified.

Option C: Identify black and Latino candidates within the department (as in Option B) but also talk to other department directors to find out whether any of their employees from these ethnic groups might also be candidates. Also, use your contacts outside the company to identify additional Latino and black candidates. From this pool, hire the one who appears to be most qualified.

Discussion. Several executives who addressed this scenario rejected the first option but saw both of the other options as possibilities. The second option helps avoid further delay in filling this key position, which may affect company morale. This option was favored over Option C by one executive, who believed that the position should not be

filled by someone from outside. He thought that "bringing in a person of color from the outside at this point would likely result in negative reactions from all members of the department."

Another executive who chose the third option was also sensitive to hiring from outside, but suggested that the director "cast the net for potential candidates as wide as possible but hire from the outside only as a last resort." He noted that the director must aggressively seek internal black and Latino candidates who, because of their low representation in management, might need to be encouraged to apply for the promotion. Not seeing others like themselves in management, they may wonder whether it's worth the effort to apply.

None of these options is ideal. The white men recommended for the promotion may not be as capable as other employees in the department, even though they appear to be the ones that come to mind most quickly. Identifying others who can just as readily handle the job, particularly minority employees, may require extra steps. Relying on last-minute techniques to develop diversity can be awkward. A more systematic approach, planned in advance, is clearly preferable in this case. Such a plan for the future is needed, one executive noted, "to assure that a diverse pool of candidates is available."

When "Loss of Face" Is at Issue

As an upper-level manager, you have recently learned that one of your valued managers is having serious staff problems. The manager, of Chinese ancestry and born in Taiwan, started up a business unit and has expanded it from 12 to 60 employees over the past six years. While you have been pleased with this group's production, you are concerned when you learn from the human-resources representative that employees are complaining that the manager takes credit for their work and is rarely available to deal with employee work problems. Also, some employees who have tried to give him constructive criticism about his behavior have found him to be defensive and unapproachable. According to the human-resources representative, who gathered this information from informal conversations with employees, these problems have existed for at least four or five years, and a number of this unit's employees are considering a work slowdown. The unit's job is to create systems solutions to complex computer problems; a slowdown poses a serious threat to the business. What do you do?

Option A: Conduct a more comprehensive audit of this manager's performance in order to assess the scope and gravity of the problem.

Option B: Counsel the manager, setting performance standards and timelines for meeting these standards.

Option C: Reorganize the unit into several units, thus reducing the number of people who report to the manager.

Option D: Hire an outside consultant to assist in problem solving and team development.

Option E: Tell the employees that this manager has proven his value to the company and they just have to accept that his style isn't perfect.

Discussion. At first glance, it may seem obvious to start with Option A, proceed to Option B and then, possibly, combine Option C with other alternatives. However, this approach contains serious flaws.

There are two problems with Option A. First, the unit's performance is in serious jeopardy. A comprehensive audit, analysis, and action plan could take several months. Second, the unit's manager probably no longer trusts human resources, the department most likely to conduct the audit. While a manager of any background would probably distrust

and be embarrassed by and audit of his or her own unit, this situation is aggravated by the fact that the manager is Asian. The manager's "loss of face" is, in many respects, irreparable.

Option B also has problems from a diversity perspective. Some of the managerial issues are, in fact, culturally based. For example, the perception of taking credit for others' work stems from the manager's practice of thanking peers when they compliment his subordinates' work. From the manager's Asian perspective, this saves the subordinate the embarrassment of being singled out for individual recognition and being placed above the group. The manager believes that, in many respects, all effort involves the group and only the group should receive the credit.

Being seen as defensive and unapproachable also has a cultural underpinning. Many cultures, including traditional Asian culture, do not separate the individual from behavior, as is the case of in mainstream American culture. In this context, direct criticism, which is what the manager heard from a few employees, was taken as a personal attack, and his reaction was hostile. Effective feedback must be given in a less direct way. Option C not only presumes the manager can't handle so many direct reports, it is also likely to be perceived as undercutting his authority. In traditional Asian culture, a manager possesses status and rank, so therefore deserves respect. Reducing the size of the business unit undermines all three -- status, rank, and respect.

Option E is a common way of handling this kind of conflict, judging from many contests for the "worst boss" and prominent stories in newspapers that describe how some executives abuse their subordinates. Employees get unmistakable signals that as long as a manager is making a profit, less-than-ideal behavior will be tolerated. Despite its popularity, this is a poor solution to making an organization as productive as possible. Many managers are unaware that their behavior is offensive and dysfunctional, and some will change if they are given guidance. Therefore, Option D is the best choice, provided the outside consultant is culturally aware and sensitive, understands organization and team development, and can develop rapport with the Asian manager.

When a Top Salesman is on the Make

Three years ago, you were assigned to turn around a troubled division of your company. The changes you have made have paid off: your division outperformed all other divisions in sales last year, and for the first time you are getting the recognition and resources from headquarters that you feel you deserve.

Your personnel manager has just told you about a complaint from a female customer-service representative. She says that your top salesman made advances to her several times, even though she told him from that start that she was not interested in socializing with him. This salesman was responsible for nearly 30 percent of the last year's sales. The personnel manager wants you to talk to the customer-service rep. What are your options?

Option A: Ask the personnel manager, as a trained professional, to handle the situation and let you know how it was resolved.

Option B: Meet with the customer service rep and the personnel manager to determine what happened. Meet with the salesman and the personnel manager to get his perspective. If you and the personnel manager conclude that the salesman violated the company's policy on sexual harassment, fire him on the spot.

Option C: Arrange the two meetings as in the previous option and, if your conclusion is the same, give the salesman a strong warning about his behavior. Apologize to the customer-service rep and assure her that such behavior will not be tolerated in the future. Send a reminder to all employees about the company's policy and offer a refresher program on sexual harassment.

Discussion. The executives who responded all chose the third option. The first option appeared to be a cop-out. The second option, however, may be extreme. One executive noted that, "It seems too severe for the facts presented and would likely result in a wrongful-termination lawsuit (unless, perhaps, the salesman was the customer-service rep's boss)." The third option seems most fair and responsive.

Several modifications were offered, however. The warning to the salesman, for example, should clearly state that any repeat occurrence will result in his termination. The warning could also include a "bonus reduction, salary increase delay, or other severe measure" and perhaps individual counseling as well. Legal guidance in this kind of situation can be helpful in determining what kind of response would indicate the seriousness of the salesman's actions. Counsel may even advise immediate dismissal of the salesman after additional facts are uncovered. As a general precaution, the refresher training could also be mandatory, especially if similar incidents are reported or if the original training was conducted two or three years earlier.

When Female Managers Present Risks

Your company is going global and has recently opened operations in Japan and Mexico. As president, you want to develop alliances and markets in these countries quickly, but you also want to support the company's commitment to give women equal opportunity. You need to fill several key management positions in both locations, but very few women are managers in these countries and you understand it is risky to ask local employee to report to a female supervisor. You have indications that there are qualified male and female candidates in the United States as well as in Japan and Mexico. What are your options?

Option A: Send some men and women from other company operations in the United States for 75 percent of the new positions and hire some local men for the other 25 percent. Begin positioning high-potential women as managerial candidates to be promoted in three or four years when the new operations are well established. Also, start to conduct diversity training right away.

Option B: Choose U.S. men or local men for 75 percent of the positions and women for the remainder. This will make a statement regarding the company's position on managerial opportunities for female employees before traditional ways become entrenched.

Option C: Fill the positions with men, but put a couple of women in the "No. 2" roles. Make it clear to everyone that these women are the successors. Mitigate the risk, but let your new colleagues learn first-hand how effective women can be.

Discussion. Any of these options may be the most effective, according to circumstances. If local women have the same level of experience as their male peers, or if qualified women from other company operations are available, then appointing a few women to managerial positions right away is much less of a problem. As one executive commented, "Successful cross-cultural diversity efforts require mutual respect, not abandonment of beliefs. It is not appropriate to let this cultural barrier bar a woman's access to such an opportunity."

As a newcomer, however, careful steps should be taken to avoid alienating the local work force and potential customers. The solution involves balancing these two sides. Are Options A and C likely to play out as intended, or is it

more likely that, after three or four years, the women will be stuck in the managerial pipeline? It may be that the only way to make sure that women have opportunity is to take bold action now, using a version of Option B.

When Expediency Rules

As the head of a large strategic division, you are in the difficult position of choosing a new senior-management team. The need for this newly formed team is the result of merging two large divisions into one. Your division has four vice presidents; the other division has three. Given the new organizational structure, you must choose a total team of four vice presidents. The other division's vice presidents consist of one white woman, one white man, and one black man. You have limited exposure to them in terms of skill, experience, and style. Your own team of vice presidents is composed of all white men, with whom you have worked closely easily and closely for a number of years. On what basis do you choose your new team?

Option A: Select those you know and trust, given the new challenges facing this new division.

Option B: Thoroughly research the backgrounds of the vice presidents from the other division and then make your selection.

Option C: Conduct a rigorous skills assessment of what will be required of the new vice presidents and then match their skills to the jobs. This may lead you to applicants other than the original seven.

Option D: Go for diversity and make sure at least one or two of the new vice presidents is a white woman or a black man.

Discussion. Our observations indicate that most senior managers act on Option A. They may, however, agree in principle with several other options. They appear to be acting within their "comfort zone" and choosing the expedient. This choice, of course, eliminates the other options.

In terms of effectiveness, a combination of Options C and D is preferable. While Option C requires time and thought, it is most likely to produce a team selected on objective criteria linked to business needs. Removing cronyism and "who you know" from the decision-making process also supports diversity by allowing everyone an equal footing based on skills and experience. Option D shows a genuine and visible commitment to diversity. It also considers the difficulty of looking beyond the familiar in staffing. The vice presidents from the other division might be seen as less able because they are less familiar; similarly, a black or a woman might be discounted unless there is an explicit commitment to diversity. Bringing diversity into the executive ranks offers the executive team additional perspectives and experiences, provided that the team values diversity rather than conformity.

According to Lora Colflesh, vice president of human resources operations at Sun Microsystems and familiar with mergers in several organizations: "In merger situations, making good decisions fast is critical. It may be expedient in the short term for the leaders to choose people with whom they are comfortable and know they can count on. In the longer term, however, these may not be the best selections for the business. Selecting people from both divisions who best fit the new assignments sends a strong message about the respect for the businesses and for individuals. It also creates a sense of fairness and sets the tone for all the other personnel and business decisions that will need to be made."