

Setting Standards for Organizational Diversity Work

It's a Lot More Than Culture Fairs and Ethnic Food

Julie O'Mara and Alan Richter, Ph.D.

Summary

One of the best strategic organizational tools for measuring “How are we doing?” in the diversity and inclusion arena is benchmarking against current global best practices. The recently published *Global Diversity & Inclusion Benchmarks* (O'Mara & Richter, 2006) provides fourteen categories of best practice and provides a useful way of rating an organization on any or all of these benchmarks.

Some organizations around the world excel at approaching diversity and inclusion in a way that helps meet their organizational goals. However, some organizations aren't sure what to do and flounder.

Some put the majority of their efforts into events such as culture fairs, ethnic lunches, and cultural performances at meetings and assuring that the gender and race of their employees mirror their marketplace. While there's nothing wrong with the above activities, especially if they are part of a strategy to meet organizational goals, these activities are not the essence of quality diversity and inclusion work.

The field of diversity, like the fields of training and organization development, is often criticized for being weak on measuring results. But that criticism is not only about the process of measuring, it's about having the right goals and having standards of achievement. Before measurements can be determined, realistic, meaningful goals must be set. This is where having a set of standards based on best practices can be very useful. Knowing what constitutes excellent work as opposed to substandard work helps organizations set and achieve meaningful diversity and inclusion goals.

Once meaningful goals are set, measuring their achievement becomes less mysterious. It becomes a relatively simple matter of determining how you will know when the goal is achieved and then putting measurement processes in place. The key is having the right goals based on the organization's business or service needs and challenges.

Exhibit 1. Defining Diversity and Inclusion

"Diversity" and "inclusion" are defined broadly. "Diversity" refers to the variety of differences and similarities among people, such as gender, race/ethnicity/tribe, age, religion, language, nationality, disability, sexual orientation, work style, work experience, job role and function, thinking style, personality type, socio-economic status, and so forth. "Inclusion" refers to how these differences and similarities are respected and create an equitable, healthy, and high-performing organization or community in which all individuals and their contributions are valued.

By "global," we simply mean that these benchmarks are universally applicable, not specific to a country or culture. However, cultural and country differences will greatly impact which categories you select and prioritize.

Examples of Diversity and Inclusion Standards

Examples of high-level standards, which are also referred to as benchmarks, include the following:

- Diversity has become part of the fabric of the organization. It is ingrained in the business and is not seen as an isolated program, but rather as a key to growth and success.
- Senior managers are seen as change agents and role models. They routinely discuss the importance of diversity as a core organizational strategy, and they provide consistent, visible leadership.
- The organization lives its diversity values as it supports the raising of issues and concerns, and encourages ideas from all employees.
- The organization accepts diversity in language, dress, physical expression, non-traditional schedules and leave, including parental leave, as fully legitimate.
- Reward and compensation systems have been designed specifically to reduce bias in retention and development of high-performing talent.

The above five examples are from standards at the top level in five of the fourteen benchmarking categories in *Global Diversity and Inclusion Benchmarks* by Julie O'Mara and Alan Richter (see Exhibit 2). The GDI Benchmarks tool is available at no charge on the authors' websites: www.omaraassoc.com and www.qedconsulting.com. Anyone can use this tool provided they credit the authors and agree to keep them posted on how GDI Benchmarks is being used.

Exhibit 2. The Fourteen Global Diversity and Inclusion Categories

1. *Vision, Goals, and Policies.* Covers the organization's overall concept of and approach to diversity, including its formal articulation of the value of diversity, the requirements of managing diversity, and how diversity is embedded in the fabric of the organization.
2. *Leadership and Accountability.* Covers the responsibilities of the organization's leadership in shaping, guiding, and supporting the organization's diversity initiatives. It also covers the accountability methods for leadership and for the organization as a whole.
3. *Infrastructure and Implementation.* Explores the way the organization structures or organizes its diversity function so that it can carry out its diversity goals effectively. This covers diversity staffing, diversity councils, and diversity networks.
4. *Work Schedules and Rules/Flexibility.* Describes the way work is organized and the extent to which there are flexible work arrangements for employees, including rules about taking leave.
5. *Job Design, Classification, and Compensation.* Explores the way jobs are designed, classified, compensated, and assigned. It includes assessment of reward and recognition systems and the degree to which an organization is healthy and equitable.
6. *Employee Benefits and Services.* Gauges the benefits and services provided to employees to meet their specific needs and concerns.
7. *Measurement, Research, and Assessment.* Evaluates the way diversity and inclusion are measured, whether the organization does the research to support diversity strategies, and the organization's assessment processes around diversity, inclusion, and organizational culture.
8. *Recruitment, Staffing, and Advancement.* Describes how the organization ensures diversity and inclusion in the hiring and selection process, and whether it creates an inclusive culture that enhances professional excellence and supports a healthy rate of retention.
9. *Diversity Training and Education.* Explores diversity and inclusion awareness, skill-building training and education, and the integration of such training in the overall training and development of all employees.
10. *Diversity Communications.* Describes how diversity is articulated and promoted, both internally and externally.
11. *Performance Improvement, Training, and Career Development.* Explores the extent to which performance improvement, training, and career development are equitably provided to enable all employees to succeed in their careers.
12. *Community and Government Relations.* Covers the organization's efforts to establish links with and invest in the communities it interacts with. This category also covers government relations and social responsibility.
13. *Products, Services, and Supplier Relations.* Gauges the organization's recognition of the diversity of its customer base and its effectiveness in designing and delivering appropriate products and services to current and future customers. This includes the processes of selecting, contracting, and interacting with the organization's suppliers and vendors.
14. *Marketing and Customer Service.* Surveys the organization's recognition of the diversity of its customer base and its sensitivity to the nuances of language, symbols, and images used in its marketing strategy, thereby attracting and satisfying its prospective and current customers.

(O'Mara & Richter, 2006)

Overview of Global Diversity and Inclusion Benchmarks

Wanting to help organizations improve the quality of the diversity work they do, O'Mara and Richter worked with an expert panel of forty-seven persons from around the world to build on an original set of benchmarks created by The Tennessee Valley Authority in the early 1990s. This original work was limited by being U.S.-focused and in great need of updating. O'Mara and Richter set out to update those standards, make them global in scope, and applicable across all kinds of organizations.

The fourteen categories cover a wide range of topics. In using the benchmarks, one can select from the fourteen categories offered—not all need apply, nor are they to be weighted equally. Different organizations will choose different categories and weightings for those categories, which recognizes and respects the diversity of interests and approaches globally.

Benchmarks usually incorporate best practices (or those perceived to be best practices at the time, although these can change). Organizations that do benchmarking may look upon these benchmarks as prescriptive for success or simply as descriptive of current best practices. The descriptive approach is safest, as the context is usually critical in assessing importance and relevance of the benchmarks. In one context one might ignore a best practice, while in another context it may be a critically sought factor. From a global perspective, therefore, it is imperative not to blindly follow these benchmarks, but to first evaluate the relevance and importance of them to your organization.

The best practices in each category are shown in the descriptors at 100 percent. For each category, the benchmarks are divided into five levels that indicate progress toward the best practices in that category—from 0 percent (where no work has begun) to 25 percent to 50 percent to 75 percent and then on to the best practices at 100 percent. For example, if your organization's practices generally match the 50 percent level in a category, you can consider your organization to be at the 50 percent level of the best practice in that category. It is important to stress that the 100 percent level is not an end-point, but rather the current best practice. To become a pioneer, an organization will go beyond the 100 percent descriptors and will then, hopefully, be benchmarked in the next update with those pioneering ideas set at 100 percent.

Exhibit 3 shows an example of the five levels of benchmarks in the Leadership and Accountability category.

Exhibit 3. Benchmarks for the Leadership and Accountability Category

0%	<input type="checkbox"/>	There is little or no leadership, involvement, or accountability regarding diversity.
	<input type="checkbox"/>	Leaders strive to treat everyone the same and express that no diversity issues exist.
25%	<input type="checkbox"/>	The organization views diversity as a staff function.
	<input type="checkbox"/>	Managers and supervisors accept some responsibility for diversity, especially as it relates to equal opportunity.
	<input type="checkbox"/>	Leaders require scripts to discuss diversity.
	<input type="checkbox"/>	Reactive measures are taken to deal with difficult diversity situations.
50%	<input type="checkbox"/>	Managers and supervisors view managing diversity as one of their responsibilities. Some employees and managers take individual responsibility for diversity.
	<input type="checkbox"/>	Some leaders in the organization are active in diversity initiatives.
	<input type="checkbox"/>	Senior management willingly makes speeches and public statements, but these are usually limited to diversity-specific functions and groups.
	<input type="checkbox"/>	Senior management actively sponsors diversity networks.
	<input type="checkbox"/>	Leaders understand that diversity is about treating people fairly rather than the same (equally) and strive to accommodate differences.
75%	<input type="checkbox"/>	Many managers, supervisors, and employees are involved in diversity issues and rewards and recognition are given to diversity champions or advocates.
	<input type="checkbox"/>	Leaders support employee involvement in diversity networks.
	<input type="checkbox"/>	Leaders often make internal and external scripted and extemporaneous speeches or statements relating to diversity to a variety of groups.
	<input type="checkbox"/>	The board of directors is diverse, engaged in diversity issues, and holds the leadership team accountable for achieving the diversity vision.
	<input type="checkbox"/>	Most managers receive some coaching in diversity and provide coaching to others.
	<input type="checkbox"/>	Diversity is automatically incorporated into talent management processes.
100%	<input type="checkbox"/>	Management pay, bonuses, and promotions are tied to a variety of diversity indicators. Leaders are accountable for a balanced workforce, business performance, and providing tools and resources.
	<input type="checkbox"/>	Managing diversity is considered an essential leadership competency.
	<input type="checkbox"/>	Senior managers are seen as change agents and role models. They routinely discuss the importance of diversity as a core organizational strategy, and they provide consistent, visible leadership.
	<input type="checkbox"/>	Leaders and board members publicly support diversity-related initiatives, even if they are perceived to be controversial.
	<input type="checkbox"/>	Leaders and board members understand that the work of diversity is systemic and designed to change the organization's culture. They see themselves as owners, not just sponsors, of the organization's diversity work.

How the GDI Benchmarks are Being Used

Jason Mak, diversity and equity manager for the City of Eugene, Oregon, United States, used GDI benchmarks as a tool to help set a new vision for diversity work in the city. Eighty employees representing six departments and multiple levels in the organization met and used all fourteen categories of the GDI benchmarks to rate the results of their diversity and inclusion work to date. "When they started working with these GDI benchmarks, many of the raters realized that what we thought was good work, wasn't yet at the standard we now realized it needed to be. We were setting our goals too low with too much focus on activities that weren't going to make that much of a difference," Jason explained. The next step in their process was to imagine that it was five years in the future and they had reached the highest standards at the 100 percent level. The question they responded to next was: "What was done in years 1, 2, 3, 4, and 5 to reach the 100 percent level?" That reflection and projection process helped define their diversity and inclusion strategy for the next five years.

Nolitha Fakude, executive Director of SASOL and head of its human resources worldwide, based in Johannesburg, South Africa, was responsible for organizing a global diversity workshop for the Group Executive Committee of around a dozen global leaders. In the course of this workshop, five benchmarks, previously selected, were presented to participants who worked in three separate teams. Each team's objective was to rate SASOL from their perspective on these five benchmarks and see whether there was consensus on the scores as well as to comment on the level of satisfaction with those scores. Although the scores on all five categories were relatively high, reflecting the company's strong ongoing commitment to diversity, what did emerge was the gap between the rating for the South African-focused business versus the international arm of SASOL, which had significantly lower comparative scores. This immediately set the stage for SASOL to pay closer attention to its diversity strategy outside of South Africa, especially as the company grew internationally.

Helena Traschel, head of diversity management and consulting at Swiss Reinsurance Company, headquartered in Zurich, used just one benchmark, Leadership and Accountability, at a large leadership meeting to obtain feedback from this large group of leaders at the company on how they perceived themselves against best practices in this area. Although there were variations in the rating, the outcome was the strong realization that SwissRe was not at 100 percent and had room for improvement in this area of diversity. The exercise served as a useful catalyst to further strategy and action planning for leaders at the company.

As the above three examples show, the specific way these GDI benchmarks can be used varies. Generally, uses fall into these areas:

- To set and stretch standards
- To engage employees and promote accountability for progress
- To determine short-term and long-term diversity goals
- To develop or align organizational competency models and capabilities to maximize diversity efforts

When using these benchmarks, keep in mind that they are based on relatively limited experience—those of the authors and the forty-seven-member expert panel. Use these benchmarks only to guide your organization. Avoid making individual compensation decisions or judging the effectiveness of an individual based on them.

Conclusion

Using a researched set of standards for diversity and inclusion, such as the *Global Diversity and Inclusion Benchmarks*, can help organizations around the world meet their organizational goals. It also helps assure that, when measurements are put in place, the organization is measuring the strategies and activities that help achieve meaningful business or service goals. These strategies and activities need to be reviewed and updated from a global perspective to serve as effective benchmarks encapsulating current best practices.

Reference

O'Mara, J., & Richter, A. (2006). *Global diversity and inclusion benchmarks*. www.omaraassoc.com and www.qedconsulting.com

Julie O'Mara, president of O'Mara and Associates, an organization development consulting firm, specializes in leadership and managing diversity. A former national president of ASTD, she is currently writing a book on diversity best practices around the world to be published in 2009 by Pfeiffer. She is co-author of Managing Workforce 2000: Gaining the Diversity Advantage, a best-seller published by Jossey-Bass, and author of Diversity Activities and Training Designs, published by Pfeiffer.

Alan Richter, Ph.D., president of QED Consulting, specializes in consulting and training in the areas of leadership, values, culture, and change. He has designed innovative curricula for global diversity and intercultural effectiveness. He is author of the Global Diversity Game and the Global Diversity Survey and presents at conferences around the world. He has an M.A. and a B.A.B.Sc. from the University of Cape Town and a Ph.D. in philosophy from Birkbeck College, London University.