

## DIVERSITY MANAGEMENT

### ABSTRACT

Diversity has come to mean different things in different organizations. True diversity management articulates and raises performance standards by requiring organizations to learn to recruit, train and support people. This study examined the diversity attributes in the workplace. A questionnaire was sent to 350 chief executive officers of Fortune 500 companies in order to get their perspectives on the policies of their corporation in diversifying senior management. The response rate was 20%.

All the Chief Executive Officers who responded in the survey indicated that they wanted their organization to be diversified because it made business sense—that is, an opportunity to increase competitiveness and organizational effectiveness by maximizing talent, fostering innovation, and tapping into the creativity of an increasingly diverse workforce which ultimately leads to increase profits.

## *Introduction*

*Business Week's* December 9, 1996 issue, in a special section titled, "Diversity: Making the Business Case," discussed how America's increasingly diverse workforce is an opportunity to increase competitiveness and organizational effectiveness by maximizing talent, fostering innovation, and tapping the skills and creativity of an increasingly diverse workforce. The article focused on what actions corporations are taking to position themselves to be or continue to be successful in the 21<sup>st</sup> century in light of a study by Johnson and Packer (1987) on the makeup of the workforce in the near future. That study suggested that the homogeneous work force, long composed of and led by White males born in America was changing.

Diversification—that is, the integration of the workforce with nonwhites and women remains a pressing problem that can be seen in many areas. One example is the class-action lawsuit filed by Black employees who work in Texaco's finance department (Sullivan, 1997). The employees claimed that they were denied promotions and advancement because of their race. The Equal Employment Opportunity Commission found that the White Plains-based oil company had granted significantly fewer promotions between 1992 and 1994 to Blacks than to other workers. This lawsuit resulted in the company moving very quickly to address the under-representation of minorities. Some companies are making these changes on a voluntary basis because they recognized that it good for business; others, unfortunately, must be forced to do so.

## *Managing Diversity*

The question that plagues many in corporate America and elsewhere is, “What is diversity and what does diversity mean to organizations?” Diversity is not easy to discuss or describe. The definition of it is still evolving, as is the field to which it is devoted. In

speaking of diversity, is one referring to a work force that includes all levels of management in which the proportions of men and women and ethnic and racial groups are the same for the population in general? Are there other dimensions of difference that should be included, such as cognitive styles? What aims and methods should the field include? Should action be addressed primarily to the individual, the organization, or society in general?

Diversity has come to mean different things in different organizations. True diversity management articulates and raises performance standards by requiring organizations to learn how to recruit, train and support people. Problems of white male backlash, and the labeling of diversity as “women’s issues”, or minority concerns” are linked to a failure to confront diversity as a strategic issue. Successful diversity management is built around four principals:

- ◆ Relevance-Focus on diversity practices that contribute to business performance.
- ◆ Coherence-Get the right message across to a diverse workforce which reads the organization in different ways
- ◆ Involvement-Develop employees able to take responsibility for their own careers.
- ◆ Inclusion-Everyone (e.g. women, minorities, white men, parents, non-parents) should benefit.

Diversity means that an organization is comprised of people with distinctively different group affiliations (e.g. gender, ethnicity, and age), life styles (e.g., employees with and without families) and competencies (e.g., technical, non-technical, and creative). Although we commonly think of diversity in terms of majorities and minorities, that is, groups with large or small memberships, diversity can also simply mean variety in personal values, communication styles, and experiences. Finding ways of working with diverse people involves valuing and utilizing differences as well as finding a common ground for integrating a mix of people into organizations.

Valuing diversity is not a code for affirmative action or quotas. Diversity is not a numbers game, but rather a means of accepting and profiting from differences. A key feature of diversity management is the recognition that individuals have enduring differences that affect their motives and relationships. It's about managing people who are not like you and who do not necessarily aspire to be like you.

Diversity management means inspiring, developing, and supporting people well (whether they are assimilated or not) to produce a more effective organization. Managing diversity includes:

- ◆ Capitalizing on differences in style, skills, and experiences among organization members to achieve common organizational goals.
- ◆ Dealing with the inevitable, inherent conflicts that such differences can create when people of different backgrounds are interdependent.
- ◆ Promoting sufficient diversity in style, skills, and experiences to support and a high performance organization.

Successful diversity efforts need to address all three. Managing diversity is not a “woman issue,” a “minority concern” or “anti-white male.” When “diversity programs” take on these slants, they are not truly managing diversity. `

Diversity is seen as an opportunity to increase competitiveness and organizational effectiveness by maximizing talent, fostering innovation, and tapping into the skills and creativity of an increasingly diverse work force. Companies are finding a variety of ways to do so, and are being driven by a number of business realities. Effective diversity strategies can help businesses: increase market share, compete more effectively globally, create better organizational structures and policies, enhance recruitment, retention, and development efforts, move toward full-utilization of all employees, improve morale and commitment, smooth transitions in mergers and acquisitions, and be more responsive to technological and business climate changes.

Companies are making a strong business case for diversity and many are taking the lead in demonstrating how diversity is becoming an important strategy for success.

In order for diversity in any organization to be successful the following has to occur:

*Management accountability*- This begins with the Chief Executive Officer. The CEO must drive this issue in standing firm and directing the organization along that pathway otherwise nothing would be accomplished.

*Internal readiness*-There must be strategies to remove barriers such as resistance to change.

Employees must be informed of what or why the change.

The organizational infrastructure should mirror the change.

Diversification must be well known and understood by all.

*Community relations*- There must be programs which involves the community and the company such as developing a relationship with the YMCA, YWCA, local colleges and universities and various other groups.

Utilizing these needs would enable the organization to be very competitive and ensure its survival in the future.

### ***Diversity versus Affirmative Action***

Morrison et al (1993) said that it must be absolutely clear that the push for diversity is not affirmative action. Sometimes there is the misperception that when one speaks about diversity it is synonymous with affirmative action. Diversity, in fact, is often viewed as an alternative to affirmative action, which has taken on negative connotations in its association with the government's imposition of "quotas" and failed attempts to integrate the various layers of the American workforce. To make diversity a more innovative and appealing idea, some people are reluctant to define diversity as anything more than an appreciation of differences that may improve an organization's performance. These people are reluctant to include the notion of integration or adequate representation in the definition for fear that diversity will be viewed as little more than a new label for affirmative action. Yet, any reasonable definition of diversity must include integration itself, not simply an awareness of its value. People with diverse backgrounds and physical characteristics must be integrated into the teams that plan and carry out an

organization's activities so that their ideas and skills are used and not merely acknowledged.

According to Morrison, Ruderman, and Hughes-James (1993), Diane Ducat, a professor with the City University of New York, referred to the "problem boundary" of changes that lead to diversity. In other words, what is it that "we" are really trying to change? Ducat observed that there are three areas in which change is often seen as essential.

First, the need to respond to organizational inefficiencies. Some people are motivated to address diversity issues because organizations are losing talent. People of color, white women, and other nontraditional employees are leaving faster than white male employees. Turnover is costly, and it may reflect inadequate use of the talent available in the work force.

Second, the need to respond to a changing world. The shifting demographics of the labor market and the consumer market have gotten the attention of executives in many organizations. The globalization strategy of organizations also affects their sensitivity to cultural differences and their willingness to make adjustments in order to be more competitive in the world market.

Third, the need to respond to oppression. Racism and sexism, along with other prejudices, have disadvantaged many groups of people for centuries. A moral imperative requires that organizations take steps to right past wrongs, to make sure that discrimination is eliminated from organizational practices, and to provide opportunities to members of groups that have been oppressed.

The dilemma seen in facing these issues is whether the main goal should be to fix business or to fix the victim. According to Morrison, et al. (1993), these are not necessarily mutually exclusive, but they do cause some confusion, and sometimes conflict. A goal of social responsibility might be construed as interfering with business goals such as productivity. Gloria Bonilla-Santiago, a professor of social work and researcher of issues of Hispanic women and migrant workers at Rutgers University, summed up the feeling of some participants. “We went from slavery to segregation, to affirmative action, to diversity. We are looking for ways to define this whole thing that we do not know how to deal with” (Morrison et al, 1993, p. 4).

Another problem in facing these issues is that different organizations are at different stages of readiness with respect to their views on diversity. Bernardo Ferdman, a researcher, professor, and consultant specializing in marketplace and cultural diversity, reflects these stages in the following five approaches to diversity evolution in multinational organizations, which he synthesized and interpreted from models developed in the literature (Adler, 1991; Cox, 1991; Perlmutter, 1969).

1. Parochial: “Our way is the only way”;
2. Ethnocentric: “Our way is the best way”;
3. Polycentric: “Our way is best for us; their way is best for them”;
4. Synergistic: “Our way and their way differ, and we can learn from each other”;
5. Multicultural: “There are a multitude of ways, and there are a multitude of best ways. We can learn from and complement one another.”

This should be a salad bowl effect instead of a melting pot. In the salad bowl, all the ingredients are noticeable such as the crotons, onion, green pepper, lettuce are distinct instead of the blended effect of the melting pot.

### *The Benefits of Diversity Management*

As pointed out earlier, “diversity” is often called just a synonym for “affirmative action.” Clearly the people who have this view are misinformed. According to Rousseau (1995), there are some business reasons accounting for diversity’s strategic advantage.

#### *Improved Access to Emerging Markets*

Access to emerging market niches, such as women business owners, minority customers, dual career families, and older people, is easier when employees personally understand these markets. Perhaps nowhere else is this better demonstrated than in the media. The fastest-growing market in radio and print journalism is Spanish-language stations and newspapers. Even English-language newspapers are finding that it is virtually impossible to provide culturally balanced reporting without ethnic minorities and people of color working in the newsroom. Organizations with a diverse workforce are better positioned to capture new markets.

#### *Greater Flexibility and Innovation*

Among other factors, firms successful in managing diversity also display greater innovation in technology, new product development, and culture change; cooperation and teamwork are higher among women, Hispanics, and other ethnic groups--and in organizations promoting diversity; and diversity helps organizations respond to existing

markets by increasing their innovativeness. Because diversity is an innovation much like changes in technology, strategy, or culture, firms that innovate well are also good at managing diversity. Innovative firms from Xerox to *USA Today* have proportionately more women and minorities in middle and senior level positions than do their competitors. With its novel journalistic formula, *USA Today* is a relatively young organization that is able to capitalize on the emerging heterogeneous new workforce by hiring talent from various backgrounds (technical, marketing, and otherwise). As a new firm, it has no existing cultural rules to follow in recruiting and developing people, and so the result has been flexibility in both format and marketing that has led to expanded market share (Rousseau, 1995).

Women and certain ethnic minorities generally display more cooperative behavior than Anglo-American men. Teamwork may be more culturally compatible for individuals from non-Anglo backgrounds. Research on work groups suggests that heterogeneous groups (where people differ in personality, culture, background, life experiences, or skills) solve problems better and more creatively than homogeneous groups. Diversity is particularly valuable when it broadens the relevant skills and knowledge available for the job (Rousseau, 1995).

A diverse group often recognizes that clients are likely to differ in concerns and knowledge. In addition, men and women, older and younger people, and minority and majority group members tend to understand and communicate with each other differently. Thus, the group is forced to proceed more carefully to reach a consensus. The results are more thoughtfully deliberated decisions and improved results (Rousseau, 1995).

### *Greater Workforce Quality in Organizations That Manage Diversity*

Companies rated as “best places” to work are very effective at managing diversity. Being an “employer of choice” is typically associated with the same organizational practices and benefits suitable to a diverse workforce.

Firms that manage diversity well attract better-qualified and motivated people from many backgrounds--including white men, ethnic minorities, and “creatives” because

1. They offer more flexibility in work scheduling and in life outside of work.
2. Training and development opportunities are greater.
3. Their performance review process is fairer and more objective.
4. Their managers are better at building consensus and supporting teamwork.

The best companies for women and minorities turn out to be among the most successful recruiters in today’s labor force. These companies aggressively publicize their career opportunities and their family or community orientation. People like to work for an organization that is an exemplar in social innovation. For this reason, success in recruiting qualified people is linked to skill at managing diversity.

Successful diversity management requires that organizations learn how to develop, inspire, and utilize employees. Managing diversity does not mean lowering standards--only firms with insufficient commitment and competence at diversity management will do that. Rather, managing diversity means clarifying performance standards and supporting their attainment. The practices needed to do so improve the qualifications not only of women, minorities, and other “diverse” groups, but of all employees who benefit from these practices (white men included). Firms that have

problems managing diversity generally tend to have poorer quality management practices.

Consider the basic issue of workforce mobility. Career development often involves accepting transfers from one office or division to another. About 60% of all employee transfers involve dual-career couples. Transfers move family units and create complex problems that firms must address to retain workers. Firms that address dual-career issues by promoting work opportunities for spouses, providing relocation support, particularly overseas, and working to integrate the transferred family into the organization, will be more successful at recruiting and retaining qualified people (Rousseau, 1995).

#### *Better Client and Customer Relations*

Many corporations refuse to do business with those organizations such as law firms or equipment suppliers that do not have female and minority representation. Client firms increasingly have policies that encourage business with suppliers and service providers who employ minorities and women. Law firms that fail to recruit minorities have a tough time obtaining and retaining clients who place value on diversity. Similarly, government contractors have had long-standing requirements for ethnic and gender representation. But client-customer relations are more than just a numbers game. Customer service is enhanced by diversity in the workforce. Groups whose members are diverse show greater flexibility in the face of changing demands and more sensitivity to differences in the people they deal with. Xerox, Motorola, and AT&T each place a premium on customer service issues, lead their industries in training and development,

and display a remarkable ability for attracting and retaining a well-qualified and diverse workforce. Service quality is consistently higher among training-oriented firms (Rousseau, 1995).

### ***Beyond the Workforce***

Carrell, Jennings, and Heavrin (1997) stated that the transition from managing a diverse work force as an equal opportunity/affirmative action problem to an opportunity for an organization's success is difficult. In a follow-up to its 1987 study, the Hudson Institute surveyed 645 companies around the United States and found that over 50% of these companies are having difficulty in hiring secretaries and clerical workers, who make up 15% of the work force, and an equal number are having trouble hiring professionals.

Even if there were enough traditional managers (that is, White men) to continue to staff all upper-management positions, attempting to place nontraditional employees in nothing but low-level jobs was not likely to work. Morrison, White, and Van Velsor (1992) stated that many nontraditional employees have ambitious career goals, and their satisfaction with the organization depends on their advancement and the advancement of others like them. Organizations that continue to reinforce the traditional White male management group will be judged as extremely unfair by men of color and women in general, who expect a fair return on their educational and career investment. Such organizations will be judged negatively by people of all backgrounds who believe that workforce diversity must be reflected at the supervisory level and who demand that human potential be recognized regardless of how it is packaged.

In another follow up to the study by Johnston and Packer (1987), Judy and D'Amico (1997), stated that the prior study was like a map, one that described the terrain that America's labor force must traverse early on in the 21<sup>st</sup> century. It laid out the general contours of the employment landscape, not the fine details or the specific landmarks, depicting the many roads to what the authors called Workforce 2020. Some routes will be superhighways and some will be dead ends for American workers, and the map helped distinguish one from the other.

Along their roads to the future, many workers--more than at any time in U.S. history--will reach the glittering destinations. They will enjoy incomes unimaginable to their parents, along with working and living conditions more comfortable than anyone could have dreamed of in centuries past. But many other workers will be stymied by the pitfalls along the road or baffled by the diversions. Their standard of living may stagnate or even decline (Judy & D'Amico, 1997).

What makes America's voyage to the workforce of 2020 unique is not merely the heights to which some will climb or the difficulties that others will endure. Two qualities give a truly unprecedented character to the roads ahead. First, the gates have lifted for almost every American who wishes to embark on the journey of work. Age, gender, and race barriers to employment opportunity are rapidly eroding. What little conscious discrimination remains will be swept away soon--not by government regulation but by the enlightened self-interest of employers. Second, more and more individuals now undertake their own journeys through the labor force, rather than "hitching rides" on the traditional mass transportation provided by unions, large corporations, or government

bureaucracies. For many workers, this "free agency" will be immensely liberating. But for others, it will provoke anxiety and anger. For all workers, the premium on education, flexibility, and foresight has never been greater than it will be in the years ahead (Judy & D'Amico, 1997).

The U.S. labor force will continue its ethnic diversification, though at a fairly slow pace. The share of African-Americans in the labor force probably will remain constant over the next 20 years. Asian and Hispanic shares will grow, particularly in the South and West, but their gains will not be dramatic on a national scale. The workforce of 2020 will be somewhat browner but its most noticeable new tint will be gray.

In summary, Johnston and Packer's (1987) study offered a bifurcated vision of the U.S. labor force in the early 21st century. As the next 20 years was envisioned, the skills premium appeared even more powerful now than it did to those authors. Millions of Americans with solid grounding in math, science, and the English language would join a global elite whose services would be in intense demand. These workers would command generous and growing compensations. But other Americans with inadequate education and no technological expertise--how many depended in large part on what was done to improve their training—would face declining real wages. Wise macroeconomic policy and burgeoning local markets for goods and services in some parts of the U.S. would stave off large-scale unemployment and dependency, but too high a ratio of unskilled to skilled workers in the American workforce will lead to a further division of American society into haves and have-nots (Judy & D'Amico, 1997).

Morrison, Ruderman, and Hughes-James (1993) stated that these are powerful incentives to change, as they are based on workforce demographics and simple fairness. But there is another powerful incentive: The marketplace. As labor force demographics change, the demographics of the marketplace also change. The consumer market for goods and services is increasingly diverse; formerly small markets are becoming substantial ones that large corporations want to go after.

The changing political landscape is also prodding change within organizations with respect to diversity. Blacks, Latinos, other people of color, and women in general now hold many elected and appointed offices, and in these positions they have influence over factors that affect how well an organization produces and markets its goods and services, such as taxes, advertising options, and even the fees that an organization may charge. Some managers believe the progress in increasing diversity within their organizations is due in part to the growing number of nontraditional politicians in their areas, especially in cities where people of color occupy political offices (Morrison, 1992).

### ***Senior Management Commitment***

Townsend (1984) stated that the vast majority of corporations were operating with loaded dice against Jews, Blacks, and women of all races and creeds. He further stated that it must be clear to everyone in touch with reality that it is time to unload the dice, and this had to start with a conviction in the CEO. But if the CEO wants more than a scurry by each division to find a token Black, the CEO would have to follow up his bulletin as far down the line as he could and for as long as he was chief executive. Stamping out

racism will be a process, not an act, and the chief resistance will be in the personnel office.

Morrison (1992) echoed that reality, indicating that efforts to increase minority representation in corporate America must begin with the CEO. The CEO is the first person to initiate the change in the culture and mindset of the organization. He or she must make a public declaration for change and be prepared to punish subordinates who do not follow through. The commitment of an organization's leaders to diversity is so important that it warrants emphasis as a separate step in the diversity process. This does not mean that commitment occurs only at this point in the process. The spirit and actions that characterize commitment are needed at every step. To take the first step of discovering diversity problems without any semblance of commitment from top management would indeed be foolhardy; identification of the problems without any follow-up to solve them would undoubtedly increase the problems.

Some management experts would recommend not collecting any data unless top management is willing to act on the information. One question for executives to ask themselves even before the first step begins is, "Am I willing to take the findings seriously and act on them?" The words and actions of commitment apply broadly to the entire process of effectively increasing diversity. Commitment is included here because revealing problems related to diversity sometimes increase leaders' commitment to solve any problems unearthed and to pursue the next steps with focus and vigor.

Commitment from the top of an organization to reduce differential treatment and to foster diversity at higher management levels may be the most important factor in the

success of the diversity effort. The commitment of top management was the only key element of the diversity effort that managers in all 16 of the organizations polled by Morrison (1992) reported. Other ingredients, such as growth and profitability of the organization, the availability of resources for this initiative, and the capability of the individuals involved, were mentioned as important contributions to the diversity effort, but not as often and not by representatives of all the organizations.

Top management's role includes defining the fundamental approach the organization is to take in regard to diversity. They need to encourage commitment throughout the organization, and make sure that whatever strategy is behind a diversity effort should be explicit and widely known. Although there may be considerable disagreement over the strategy chosen, even an unpopular strategy, if explicit, may be preferable to an ambiguous one that promotes confusing or conflicting actions because of differing assumptions (Morrison, 1992).

Top management is usually thought of as the CEO or president of an organization and all executive vice presidents or senior vice presidents reporting directly to the CEO or president. In fact, top-management commitment typically refers to this small group of executives, but there are other executives who sometimes wield considerable power over the extent and pace of diversity within an organization. They include members of the board of directors, as well as managers who control a substantial unit of the organization, such as a region, product division, or subsidiary.

Boards of directors can affect progress on diversity in various ways. Rachman (1993) said that the board of directors, which supposedly represents the best interest of

the owners-shareholders of the company, is responsible for guiding corporate affairs and selecting officers. The board has the power to vote on major management decisions, such as building a new factory, hiring a new president, or buying a new subsidiary. Its primary function is to oversee and evaluate the performance of management in running the company, and if that performance is not adequate or satisfactory, to do something about it. Directors sometimes have the option of approving the appointment of certain key executives and may choose to demand demographic diversity within the senior management team. Board members may also initiate or approve basic organization policies, such as those related to employee bonuses or benefits and they may insist that new or existing administrative policies be reconstructed to help foster diversity.

### *Mail Survey*

In addition to the interviews, the researcher conducted a mail survey of CEOs of Fortune 500 organizations. Since the CEOs are the visionary leaders of their respective organizations, it was imperative that their views on diversifying upper management be taken because the direction of the organization starts with them; they are the ones who set the agenda.

According to Salant and Dillman (1994) the greatest strength of mail surveys is that they require the fewest resources. Respondents--not interviewers--fill out the questionnaires, and fewer people are required to conduct the survey. The skills needed are primarily clerical: typing, sorting, and processing correspondence.

Mail surveys are the easiest to do for researchers who have neither experience nor professional help. One can spend weeks or even months designing the questionnaire and preparing to make follow-up contacts. But when the survey starts, there is little to do besides crossing names off the mailing list, processing incoming questionnaires, and preparing the next mailing. In contrast to telephone and face-to-face surveys, mail surveys do not require decision making on an immediate, high-pressure basis.

Another strength of mail surveys is that they are less sensitive to biases introduced by interviewers as well as to the tendency for respondents to give answers they think the interviewer wants to hear.

According to Ary, Cheser, and Razavieh (1985), the primary purpose of research is to discover principles that have universal application; but trying to study a whole population to arrive at generalizations would be impracticable, if not impossible. Some populations are so large that their characteristics cannot be measured; before the measurement could be completed, the population would have changed.

Fortunately, the process of sampling makes it possible to draw valid inferences or generalizations on the basis of careful observation of variables within a relatively small proportion of population. A measured value based upon sample data is a statistic. A population value inferred from a statistic is a parameter. The population is any group of individuals that have one or more characteristics in common that are of interest to the researcher. The population may be all the individuals of a particular type or a more restricted part of that group (Ary et al., 1985).

A sample is a small proportion of a population selected for observation and analysis. By observing the characteristics of the sample, one can make certain inferences about the characteristics of the population from which it is drawn. Contrary to some popular opinion, samples are not selected haphazardly; they are chosen at random so that chance or the operation of probability can be utilized (Salant & Dillman, 1994)

The researcher sent 350 questionnaires to Fortune 500 companies CEOs. The names of the CEOs and their companies were taken from the Fortune 500 list through the Internet, and the addresses for the companies were found in library files. The researcher made a copy of the list of CEOs from the Fortune 500, who were then randomly selected by picking one of every three or four names and going through this iteration until 350 CEOs were selected. A cover letter and a questionnaire were sent to those Fortune 500 CEOs (Appendixes A and B). There was a return of 20%.

Once the replies were received, the researcher assembled the responses into a format that made possible analysis of all the responses. The format was the construction of a table revealing every question that was on the survey. Backstrom and Hursh-Cesar (1981) stated that data compilation may be done manually or by machine methods. The basic compilation operations involved counting, sorting, and comparing. This data compilation was done manually, with the researcher perusing each response at least thrice, seeking similarities and annotating them under the corresponding question. The data were sorted, counted, and compared repeatedly to prevent unnecessary errors. All the similarities were tabulated and recorded on index cards focusing on the patterns to see what the corporations were doing in light of the fervor for diversity management, what

training and sensitivity programs were in place, or if none were, when they were expected to be in place. The information from the survey would either enhance the knowledge and opportunities available to the Black professional aspiring to policy-making positions within the corporation or cause them to move to another organization that they deem more upper management diversity friendly (see Table, Appendix G).

# SURVEY

1. In your opinion, what are the advantages and disadvantages of diversity at senior management?
2. Has your Board put any pressure on you to increase diversity at senior management?
3. Have you experienced pressure from other quarters? If so, where has it come from and how have you been able to respond?
4. What motivates you to support the inclusion of minorities and women in top policy-making and decision-making levels?
5. What management challenges do you face when you move to increase the representation of minorities and women in top management of the organization?
6. How do you motivate you in-place managers to change the way they think about staffing? Give examples.
7. Are social relationships more important than formal corporation programs?
8. What formal programs are in place regarding recruitment, development, and succession?
9. What were or are the major obstacles you met in promoting the inclusion of minorities and women in senior management? Give examples.
10. Is diversifying senior management good for business? Why?
11. What are your goals in this area?

*APPENDIX A1*  
*TABLE OF CEOs RESPONSES*

Table 1

Top responses and number of Chief Executive Officers who responded

<i>Questions</i>	<i>Responses</i>	<i>No. of CEO's</i>
#1	<input type="checkbox"/> Another Perspective (Different Perspective) <input type="checkbox"/> Broader range of options <input type="checkbox"/> Variety of experience, thoughts, outlooks and opinions <input type="checkbox"/> Enhance decision making based on knowledge of diverse consumer markets.	30 30 30 30
#1	<input type="checkbox"/> Time and energy consumption <input type="checkbox"/> Challenge to assimilate with existing structure <input type="checkbox"/> Perceived as "force compliance program" and loss of camaraderie	22 19 16
#2	<input type="checkbox"/> Board pressure had not been necessary to encourage them to promote diversity at the top or anywhere in their organizations. <input type="checkbox"/> Reported that they and their boards had agreed that diversity was necessary in a competitive market place.	32 32
#3	<input type="checkbox"/> All the CEO who answered this and the previous questions stated that they did not see it as pressure but merely as encouragement which came from the following groups: <input type="checkbox"/> Board of Directors/Shareholders <input type="checkbox"/> Human Resources <input type="checkbox"/> Minority employees <input type="checkbox"/> Community & Advocate groups <input type="checkbox"/> Self-imposed pressure	32 32 29 27 20 20
#4	<input type="checkbox"/> CEO supported diversity at the top and they stated that the most significant motivation has to do with what is good for business. <input type="checkbox"/> They responded that: there is a need to find the best people out of the largest pools possible <input type="checkbox"/> A need to reflect the marketplace and the customers <input type="checkbox"/> A need to tap the full potential of employees <input type="checkbox"/> The leadership of an organization must reflect its constituent - employees, customers, community. <input type="checkbox"/> The changing demographics of the market place, and the need to reflect the total work force	32 28 28 26 20 18
#5	The CEOs cited the most significant management challenge as <input type="checkbox"/> Retention of minorities <input type="checkbox"/> Changing the existing culture <input type="checkbox"/> Motivating managers to change their way of staffing	30 27 25

Table 1 (continue)

<i>Questions</i>	<i>Responses</i>	<i>No. of CEO's</i>
#6	<input type="checkbox"/> Diversity training classes <input type="checkbox"/> Management recruitment at job fairs <input type="checkbox"/> Incentive/compensation <input type="checkbox"/> Internships/scholarships/search firms <input type="checkbox"/> Beginning at the top as a business priority/decision.	32 28 28 26 25
#7	<input type="checkbox"/> Resounding "No" <input type="checkbox"/> Left unanswered	21 11
#8	<input type="checkbox"/> The programs were monitoring data for compliance <input type="checkbox"/> Recruitment with clear objectives <input type="checkbox"/> Identify underrepresented departments and set expectation for hiring <input type="checkbox"/> Identify high potential employees <input type="checkbox"/> Target recruitment <input type="checkbox"/> Mentoring formal talent interview <input type="checkbox"/> Internship and minority exchange program.	30 28 28 27 27 26 25
#9	The major obstacles are: <input type="checkbox"/> Identifying high potential employees <input type="checkbox"/> Selecting from qualified candidates <input type="checkbox"/> Resistance to change from senior managers <input type="checkbox"/> Amount of experience and readiness of candidate	28 27 27 24
#10	<input type="checkbox"/> CEOs who responded combined this question with question #1 stating that new ideas and perspectives open the way for new products and new ways to improve efficiency.	30
#11	<input type="checkbox"/> There were no specific goals. <input type="checkbox"/> Goals were more minority officers and better representation in the executive group.	26 6

## Conclusion

Practitioners argue the cost for creating diversity initiatives is low, especially in the potential gains that it offers. They say that not responding to work force and workplace realities far outweighs costs of implementing initiatives. Costs come in missed market and product opportunities, failed marketing attempts, inability to enter foreign markets, low morale and productivity, absenteeism, high turnover, and litigation. The proof of impact of diversity initiatives is not necessarily the argument for the business case. Rather, work force and workplace realities provide the compelling argument for business leaders.

With diversity becoming the buzzword and corporations saying that they want to be representative of a diverse customer base, those in the upper echelon recognize that a problem exists which needs to be rectified. The next step taken to correct or to find solution is left to the CEOs of these major corporations. The CEOs' perception from the survey suggests that they want a diversified workforce reflected in every level of management. They believed that this is good for business and the corporation. Now it is left to the CEOs to initiate the changes that they envision would help move their organization to the next level.

The Federal Glass Ceiling Commission (1995) stated that the perception of the CEOs whom they interviewed is that there is a shortage of high potential, college-educated Black men. This would indicate either that there are not many Black men attending college or that those who attend college are not seen by the CEOs or recruiting officers as having high potential to be successful in the corporate arena. This perception by CEOs could be considered a way of avoiding the notion of increasing the numbers of Black professionals in the upper levels of the corporate world.

Another notion of CEOs is about the failure to retain Black men in the positions that normally lead to top management positions. The attrition rate at the executive-trainee and middle-management level is high. CEOs say that sometimes middle-level Blacks leave to accept better offers, but in other cases the reason or reasons they choose to leave remain a mystery to the CEOs. This means that those corporations are not providing the necessary guidance or training that would assure Black professionals that at that corporation there are career achievements for them. Evidently, Black professionals believe that they are not adequately compensated, since they are leaving for better offers and there seem to be a lack of guidance or assurance from their (Blacks') superiors concerning their role as far as progressing through the ranks.

Within the system, CEOs must be held accountable since they believe that this is good for business. Customers must be able to identify and hold companies accountable for change by not spending their money with those organizations. Government must have committees in the Commerce Department that would work with companies to foster a diverse program of representation.

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