

## Is There a Business Case for Diversity? Yes - But It's Not in the Numbers

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Try applying traditional metrics like cost and return on investment to find the value of diversity, and you're likely to come up empty handed, according to a panel of African-American executives at Wharton's 33rd Annual Whitney M. Young Memorial Conference.

Still, the panelists noted, diversity has a growing importance in the workplace, and minority workers need to focus on their own development in critical areas to see the real value of diversity come to fruition. These areas include finding a mentor, showing confidence, balancing corporate identity with activism, and participating in and moving forward the conversation about diversity.

In response to the question posed by the panel's title -- "Is There a Business Case for Diversity?" -- Clarence Mitchell, a partner in Accenture's Communications and High Tech market unit, noted that it's difficult to take anything that is human-related, such as diversity, and quantify it. "You can do it anecdotally, but it is very difficult for anything around diversity and inclusion to stand up to a traditional business case. There is a danger when you set up the expectation of that kind of payback."

Stacey Adams, global diversity director at Rohm & Haas Co., the specialty materials manufacturer headquartered in Philadelphia, agreed with Mitchell's assessment, adding that each company must tailor an approach to diversity that suits the company's industry and its own strategy.

For example, she pointed out that Rohm & Haas operates in a business-to-business environment. Therefore initiating diversity efforts to appeal to customers is more difficult than it would be in a consumer-products company. In the past, she said, the company focused mainly on compliance with guidelines for minority representation in the ranks of employees. In recent years, Rohm & Haas has begun to take a more sophisticated approach to corporate diversity and is now looking at the diversity of its suppliers and its customers' customers. The company is also beginning to consider the impact of globalization on its diversity initiatives.

Adams pointed out that the company's Indian-born chief executive, Raj Gupta, encourages managers to pay close attention to diversity. "He brings a whole level of understanding. He is a huge advocate, and we get pressure from the board. We are being held to a different standard in moving from compliance to managing diversity."

Freda Campbell, assistant vice president in the Global Diversity and Inclusion office at Credit Suisse, said her firm's large, consumer-oriented clients, such as Coca-Cola, Pepsi and Starbucks, demand diversity in the companies they hire for investment banking and other services.

"They want to know that the companies they are giving their money to have the same level of concern [for] diversity. From that perspective, there is a business case," she said. "Internally, the business case is more difficult to sell. That's the part we find challenging. Every year the case is stronger, but there is a long way to go before we can quantify something that is so qualitative."

On Wall Street, she added, companies are beginning to place value on diversity in training and recruitment, but often fall short of the next step when it comes time to hand out prime assignments. "Are we going to give these people the bigger deal? How much of a risk are we going to take on this new pool of talent? We're at a place where this is still an unanswered question."

### **Cross-Cultural Mentors**

In order to access the kind of opportunities that Campbell described, employees from diverse backgrounds need to take responsibility for managing their own careers in the context of their industry or individual company, according to Reginald Van Lee, senior vice president in the New York office of consulting firm Booz Allen Hamilton.

"For people of color, it's important to choose a company carefully and their role within the company," he said. "The world is more diverse. Consumers are more diverse, and we are moving up in the corporate structure. It's unavoidable. But not everyone is at the same evolutionary phase."

Panel moderator Kimberly Reed, diversity recruitment officer at Deloitte & Touche's Philadelphia office, asked the panelists about mentoring in the corporate world. "Who is the onus on for mentoring -- for insuring that people of color get an interview and perhaps get a role within your organization?" she asked.

Van Lee said he is always mindful that he did not reach the level he has attained at his organization without the help of others who had gone before him. "I know I didn't get here on my own. I feel I have an obligation." At the same time, he noted, he often comes upon minority employees who receive a lot of attention while they are being recruited, but feel lost once they are hired and the courtship stops. He said the onus is on them to find mentors and take control of their own careers.

"They say, 'I'm here. I want all this attention. I got all this attention in recruiting, and now they're not hugging me.' Well, it's time to hug yourself." He added that studies show African Americans are not as quick to ask for help or guidance at work as their white counterparts. "We will wait in the back of the room. By the time we ask for help, it's almost too late. We have to

use the network and we're not very good at that."

Campbell said African Americans have to be more open to mentoring across cultures, adding that the few minority executives in a corporation are often besieged by people who need mentoring. Often, she refers newcomers to people in the firm who are white but open to diversity and inclusion. "You have to say, 'This person may not look like me, but I know this person believes in what I do.' There are people who are not of color who believe in the cause."

Adams has seen studies indicating that when there are few minorities working at top levels in a company, African Americans developed networks with people working below their own level. "They were connecting with people who did not have the ability to influence or help their careers -- not that those people cannot provide insights and experience," she said. "When we connect across levels, we're connecting with people who might be in a downward spiral. That tells me we're not getting the information out about who in the organization can help mentor."

### **"Sit in the Front Row"**

Van Lee described a study by his company that found corporate executives had three common perceptions of their African-American colleagues. One was that they were not analytical enough. "Sign up to do the spreadsheet," he urged the audience.

Second, was a tendency not to look others in the eye, which Van Lee believes is a vestige of slavery. Finally, he said, the comments indicated African Americans did not have a strong presence. He encouraged those in the audience to learn to speak up and accentuate their own, authentic, personality, but without falling prey to arrogance or "going overboard."

Mitchell said minority employees are not confident enough, often sitting in meetings unsure of how much to say. He suggested that if they don't have a clear role to play at a meeting, they should ask the person conducting the meeting if they can be responsible for at least one aspect of the discussion. "The tendency is to sit in the back and hope nobody notices," he added. "Here's one simple thing you can do: Sit in the front row. Don't sit in the back."

Adams said once they have been recruited, black executives need to think about upward mobility within the company and learn to ask for what they want. "I see a real gap. Black folks don't know the rules of how to negotiate for things." White executives school one another on how to negotiate compensation and bonuses, she noted. "We feel bad asking for stuff that everybody else is getting. We have to teach people how to get their piece."

Adams added that she has seen dangerous overconfidence among black graduates of some of the top business school schools who seem to think their degree alone should guarantee career success. "Don't let that become an issue," she cautioned. "That's a quick way to be seen out the door."

External coaching is another way for black executives to learn how to project a confident, yet authentic, sense of self at work, according to Adams. "For coaching to work you must bring authenticity. People can sniff out hypocrisy."

### **The "Fine Line" of Activism**

Reed questioned the panelists about whether outside activities connected to advocacy can hinder blacks at the office. She noted that she has a part-time position at a local talk radio show, and during election season she walks a fine line. "I have to be very careful, because at the end of the day I work for Deloitte. I chose corporate America. I chose Deloitte. There are [outside] things I love to do, and I still do them, but you still have to be mindful."

Adams said there seems to be more openness in corporations about mixing community and corporate life. "In other organizations, I've been labeled a 'radical' because of my outside life, which was very different than the perception people had about my corporate life. They couldn't make the connection. They were saying, 'Stacey seemed to be one of us.' Today, we look at [that kind of situation] very favorably, because there are probably untapped talent pools out there that we want to connect to."

For his part, Mitchell urged discretion, recounting the story of a black man who ran into conflict after sending a politically charged e-mail over the office system. "Very intelligent people can make an error," said Mitchell. "Clearly, you have to use discretion. If you want to be in [a political] organization that's one thing, but if you get loose and forgetful and let the line blur, it can cause problems, not only for you, but for the people with whom you share a cause."

Mitchell said African Americans in a corporate setting should watch out for one another and caution someone who seems to be approaching the line. "When you see someone not using the proper amount of discretion, help them out. Let them know what they're doing is not right. I've had to do that, and it was never comfortable."

### **A Necessary Conversation?**

Finally, Reed asked if the panelists believe the day will come when diversity is such an accepted part of corporate America that the panel's topic would not be raised.

"We will always need to have the conversation because people will easily forget," said Van Lee, who noted that Jews continue to discuss the Holocaust to make sure it is not forgotten. He warned that corporate America will be tempted to look at a few high-profile executives, such as Time-Warner chief executive Richard Parsons, and believe the problem of racial inequality is solved.

Van Lee added that although he has a high-powered job and dresses the part, "When I walk out on the street, I'm just a Negro. We can't forget that." When he was a student, he was passionate about civil rights, but today he does not sense the same level of concern among black students. "Students want to think that we're all the same, that we're equal -- until they're reminded that we're not. Then it's too late. Even after you solve the problem, you have to have the conversation."

Adams, too, said that discussions about diversity and race must continue. "If we stop having the conversation, I think we'll go backward."

Mitchell suggested that African Americans not become distracted by the broader issues of race to the extent they ignore the power to enact change through their daily work lives. "Increasingly we are in the position to do something. The challenge for us is not to be the person standing in the back of the room. When you have some authority, be bold about using that authority. People who have power and are afraid to use it don't deserve to have power."

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