
Dao Management Consulting Services, Inc

The Power of Diversified Businesses

Diversity is a commitment to recognizing and appreciating the variety of characteristics that make individuals unique in an atmosphere that promotes and celebrates individual and collective achievement (*The University of Tennessee Libraries Diversity Committee Spring 2001; Revised January 2003*).

Studies show that future workforce will have significant demographic variations. Companies report competitive advantage as the key driver of diversity efforts. Diverse markets require diverse strategies; organizations must know the markets they seek to serve and reflect the same diversity within.

Future workforce will have huge demographic variations:

The inflow of immigrants has been largely responsible for a continuing increase in the racial and ethnic diversity of the workforce. Hispanics and Asians are the fastest-growing racial and ethnic groups in the population and workforce. In the case of Hispanics, a high birth rate is partly responsible for that, but immigration is the main driver (*Census 2000*).

In addition, the steadily increasing female labor force participation rates, combined with decreasing male rates, have brought the labor force close to gender balance. The rise in female rates holds for married women and single women alike. It holds as well for women with and without minor children, and, for the latter, it holds whether they are married or not and no matter how old their children are (*Department of Labor, USA*)

People QuickFacts (*Census 2003*)

	New Jersey	USA
Population, 2006 estimate	8,724,560	299,398,484
➤ White persons, percent, 2006 (a)	76.4%	80.1%
➤ Black persons, percent, 2006 (a)	14.5%	12.8%
➤ Asian persons, percent, 2006 (a)	7.4%	4.4%
➤ Persons of Hispanic or Latino origin, percent, 2006 (b)	15.6%	14.8%
➤ White persons not Hispanic, percent, 2006	62.6%	66.4%
➤ Foreign born persons, percent, 2000	17.5%	11.1%

Why Diversity so Important

- Diversity provides a richer variety of approaches to work and problem solving.
- Diversity strengthens an organization's resilience in changing environmental conditions
- Diversity allows challenges to long-accepted views
- Diversity creates dynamic work environments through variety of perspectives
- Helps organizations understand how to effectively interact with all of its client base
- Informs organizational practices that create community support in all populations
- Helps manage perceptions of historically underserved markets

A survey conducted by SHRM and Fortune, both concluded that diversity:

- Improves corporate culture by 83%
- Improves employee morale by 70%
- Increases creativity by 59%
- Decreases interpersonal conflict by 58%

- Enables movement into emerging markets by 57%
- Improves productivity by 52%
- Exceptional performance within groups of medical colleagues representing a wide variety of “values, experiences and disciplines.” (1956)
- Mixed gender groups consistently outperformed single-gender groups. Different viewpoints caused inventive solutions to emerge. (1961)
- Routine problem solving better handled by homogeneous groups, less-defined problems better suited to heterogeneous groups. (1984)
- Diverse ethnic groups produced more effective solutions than homogeneous groups. (1992)
- To be successful, your organizational culture must be open to diversity; otherwise this effort will fail.
- Managers, supervisors and front line staff need training and education on valuing and managing diversity.
- Integrating diversity into an organization’s culture is not easy; the outcomes of a diversified organization are worthwhile all the efforts.
- Leadership must value and commit to a long-term vision of diversity.

Bottom Line

- Diversity can create stronger, more productive organizations
- Innovation is a by-product of diversity
- Innovation is key to vitality in the 21st century

Diversity & Inclusion Part of your Strategic Plan

Diversity and Inclusion, is not just a HR initiative. Organizations looking to become competitive, productive, and innovated must look at Diversity as a quality initiative. Diversity is the new way of business creativity and performance.

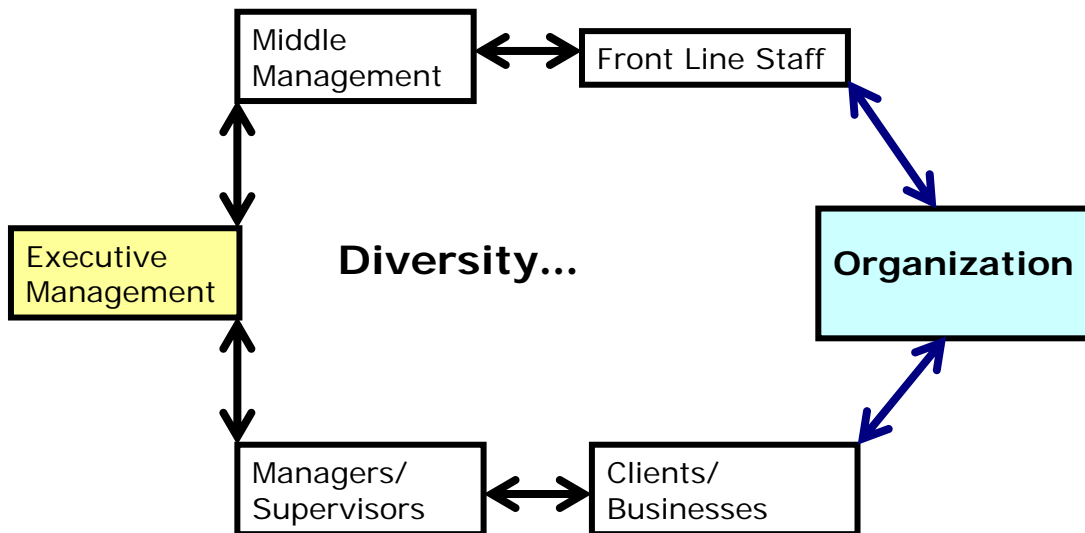
THE U.S. POPULATION IS BECOMING INCREASINGLY DIVERSE (U.S. CENSUS BUREAU, 2003). MANY MULTINATIONAL COMPANIES RECOGNIZE THE NEED TO MANAGE THEIR DIVERSE WORKFORCES AS EVIDENCED BY THE PROLIFERATION OF DIVERSITY PROGRAMS BEING IMPLEMENTED IN MULTINATIONAL CORPORATIONS (WENTLING AND PALMA-RIVAS, 2000).

The Influence of Strategic Diversity...

Recent research suggests that firms that effectively manage their workforce diversity may experience positive outcomes. For example, research indicates that firms with higher percentages of women managers report relatively higher financial performance (Shrader et al., 1997) and greater effectiveness (Richard and Johnson, 2001). Recognizing these evolving workplace trends, numerous scholars have addressed issues related to diversity in organizations (e.g., Carter, 2000; Cox, 2001).

Diversity & Inclusion Part of your Strategic Plan

Synergetic Model



Copyright © 2008 Dao Management Consulting Services, Inc

What is Next...

- Executive support for diversity initiatives
- Tactics to smooth the transition to a more diverse work culture
- Provide education programs from top to bottom
- Create and maintain a consistent pro-diversity message
- Form a diversity council that looks at large-scale organizational issues

"You can and should shape your own future; because if you don't someone else surely will."

"No one will thank you for taking care of the present if you have neglected the future."

-Joel Barker

"Innovation provides the seeds for economic growth, and for that innovation to happen depends as much on collective difference as on aggregate ability. If people think alike then no matter how smart they are they most likely will get stuck at the same locally optimal solutions. Finding new and better solutions, innovating, requires thinking differently. That's why diversity powers innovation. "

-Scott E. Page, Professor, University of Michigan