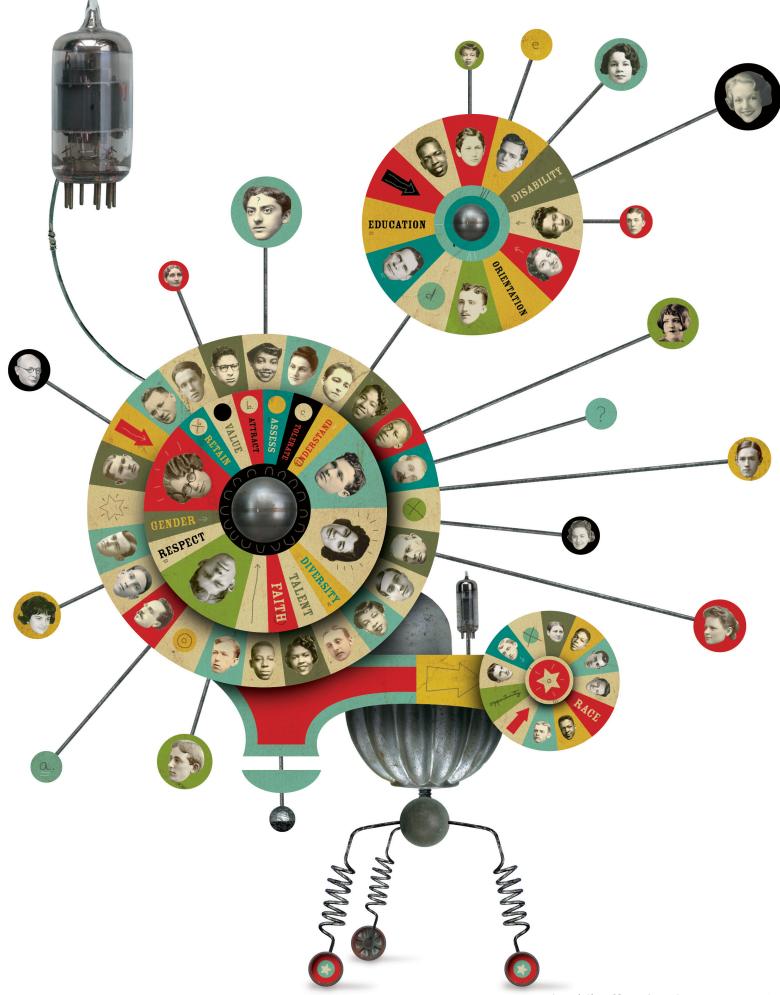
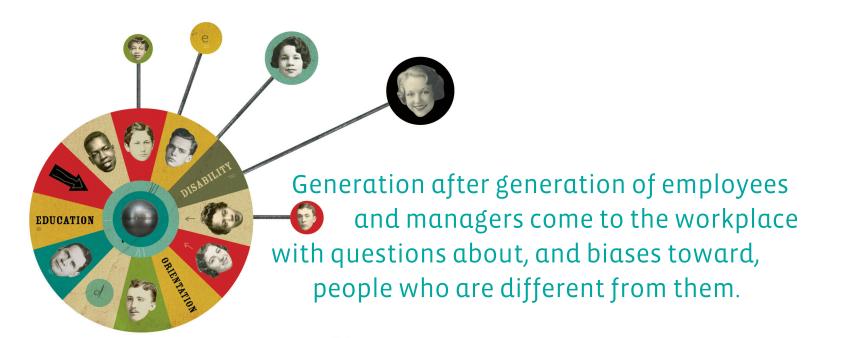
Diversity: Why Vere Yet Not Nearly There Yet

As a vice president with IBM, J.T. (Ted) Childs Jr. helped build a truly diverse workforce and demonstrated the real bottom-line impact of people of different races, creeds, and orientations working together. Now principal of his own diversity consulting firm, Childs talks tough and encourages us to wake up when it comes to embracing diversity, because we're not nearly there yet.

By J.T. (Ted) Childs Jr.





For the past century, our discussion about equal opportunity which has evolved into a conversation about workforce diversity—has been limited to race and gender. In the United States, those are the historic issues that have been the cornerstone of our civil rights debate. That limited focus on race and gender has been the result of two outcomes: management that did not satisfactorily address race and gender and wanted to hold on and "get it right," and management that was unable to accept the emergence of other, new, "people-oriented" diversity issues. Take for example the gay and lesbian issues that struggled to gain a strong corporate footing and then evolved to include bisexual and transgendered people. The acceptance of these latter two communities of people posed an emotional and intellectual difficulty for a generation of executives born in the 1940s and 1950s.

In contrast, the disability community was accepted as part of the moral debate but has not yet gained credibility as an important part of our talent pool: We are still more likely to hire the disabled because we feel sorry for them and less out of respect for the enormous talent they bring to the workplace. Too many people have not had experience with someone with a disability and therefore are themselves

handicapped by their inability to see the simple word "ability."

What is particularly striking is that we have not solved any of these issues and are not close to doing so. Generation after generation of employees and managers come to the workplace with questions about, and biases toward, people who are different from them. This is a clear message that we are not only not teaching the lessons we have learned by interacting with people who are different from us—lessons learned in the classrooms, sports competitions, battlefields, and workplaces — but we also are passing on the biases of past generations. We simply are spending too much time and money in work-related classrooms addressing core equal opportunity issues—that is, race and gender—that were addressed in the 1960s.

This rich menu of unsolved "people" issues has been joined by other "people-important" issues. Among them are education, age, faith, language, work-life balance and its unique blend of issues (such as culture, flexibility, and dependent care), and, perhaps most importantly, poverty as seen through the lens of health, housing, hunger, and the environment. In a world with an insatiable appetite for talent, communities with bad air and water, poor living circumstances, and

inadequate schools cannot contribute to producing their fair share of the talent pool nations require to compete in the global marketplace.

And then we have the emergence of the global company's acknowledgement of its "business-important" diversity issues of thought, culture, geography, and immigration. While some will argue that these issues are the business community's effort to sabotage our focus on the "people issues," particularly to diminish our focus on ethnicity and gender, these business issues are a critical component of a global workforce diversity strategy and, if omitted, will doom that strategy to failure.

We cannot hold onto the past as a singular menu of focus. We must be flexible in accepting emerging issues—there are more to come—while remaining vigilant in sustaining our focus on core issues. We must also demonstrate a tolerance of issues that may not be central to our personal interests. Diversity is, after all, the ability to tolerate, respect, and value that which is new or unknown up until such new approaches represent a break with our own ethics and integrity. And we should be very cautious about allowing another person's religious beliefs to be the basis for crossing the ethics-and-integrity line.

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What is important about this array of issues? They all connect to the four basic goals of a global workforce diversity strategy. I recently met with the CEO of a major company. We began with him giving me his definition of the goal of a workforce diversity strategy. He stated it as follows:

"To identify the key internal and external constituencies and ensure they view our company as a superior member of business and social community."

I think when he looked at my face he saw an expression that was the "deer caught in the headlights." He said, "You don't like it?" I said, "I just met you, but I want to be candid. I think there are only four goals of a diversity strategy—global or U.S. based: One, to identify, attract, and retain the best people of each group. Two, to create a workplace where that talent can perform at their best to respond to your customers and maximize your shareholder value. Three, to assess and understand the diversity of your marketplace and ensure you are responding to your customers as they are, not as you want them to be, and that they see themselves in your vision, actions, and workplace. Four, to use your external contributions to eliminate disadvantage and increase the diversity of the candidates in the talent pool."

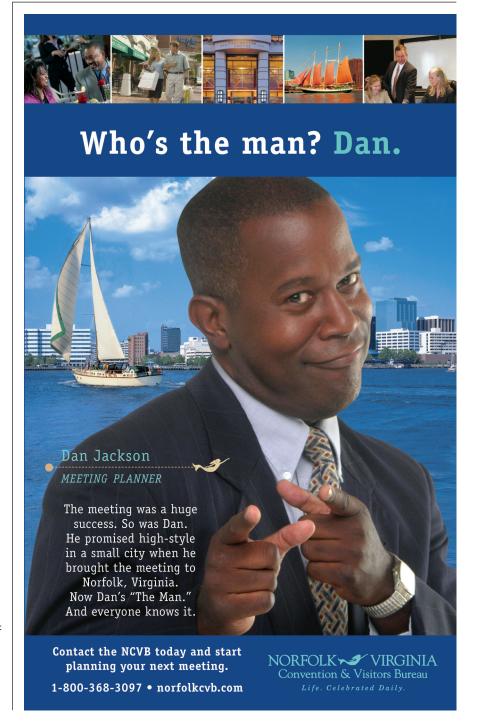
The total tone of our discussion was elevated. It was a strategic discussion about business.

Why are those four goals the foundation of a meaningful diversity strategy? Because globally, and within individual countries, we have people differences: racial, ethnic, cultural, gender, geographic, religious, and deep philosophical differences. Employers want the best people representing all of those differences. And those differences are yielding substantial, meaningful outcomes. Here are 10 examples:

- 1. In the United States, 49 cities have at least 100,000 people, and the ethnic minority population is the majority of that city.
 - 2. In 18 of America's top 50 cities,

and in nine of our state capitals, the mayor is a woman or ethnic minority.

- 3. In the United States Senate, there are 16 women, two Asians, one black, and three Hispanics.
- 4. In the United States House, there are 71 women; four Asians; 42 blacks, including the first Muslim member of Congress; 27 Hispanics,
- up from 10 at the beginning of this decade; one Native American; and three gay and "out" representatives.
- 5. While we have appropriately acknowledged Nancy Pelosi as the first female Speaker of the U.S. House of Representatives, we have given less fanfare to the major shift in key house leadership and com-



mittee chairmanships: Black men as Majority Whip and leading the Ways and Means, Judiciary, and Homeland Security Committees; a Hispanic man leading Intelligence; a Latina leading Small Business; and a gay man leading Financial Services.

- 6. The 100 million ethnic minority people in the United States comprise a larger group than the individual population of many nations, including all European nations, and they have a collective buying power of \$1.8 trillion. The gay, lesbian, bisexual, and transgender community has buying power of \$513 billion, and the disability community has buying power of \$461 billion. Women's buying exceeds \$1 trillion.
- 7. There are, according to Dun & Bradstreet, 1,800 businesses in America that are owned by women or minorities that have 100 or more employees or generate \$20 million in annual revenue.
- 8. Globally, there are 69 countries that now have some form of workforce diversity legislation. They are crafting legislation intended to define their expectations of corporate conduct, and 24 of those countries require the submission of reports. They are doing so because of the emergence of key "people issues." The European community has provided leadership in this space. Race, gender, disability, sexual orientation, and religion have all emerged as issues to be addressed. Brazil, with the largest black population in the world after Nigeria—yes, more black people than the United States—and the largest Japanese population outside of Japan, has created an Office of Racial Equality to provide leadership and focus on this complex set of issues. Japan, long a bastion of male dominance, has changed laws dealing with gender workplace issues to create not just the perception but the reality of fairness—a talent-driven necessity.
 - 9. And while the United States

is immersed in a national debate about immigration and protecting our borders, typical of our arrogance, we feel our immigration debate is the important one. But France, Germany, the United Kingdom, and other countries are also being influenced by immigration—by people from Africa and the Middle East to name two sources. New people, different colors, new cultures: The workforce of tomorrow will not look like the workforce of yesterday—in many places.

10. Companion to a country-bycountry debate about immigration must be a discussion about language. In the United States, we spend considerable time declaring English to be the national language. I believe that is a flawed debate. English has a strong foothold in this country and will not easily be displaced. But a nation anchored in an immigrant heritage must have an elasticity of tolerance about language. And given the global nature of the marketplace, we must have a national dialogue about requiring American children to master a second language before they can complete their high school education.

Children around the world speak their native language—and English. China has a major push to teach their children English. In the past, when we were the manufacturing and financial capital of the world, we could dictate, and arrogantly did, the language of the world. Today we share those roles. In a global marketplace, those children of other nations will be more competitive for jobs than American children, and we will have no one to blame but the parents, and educators, of those children who did not think or act strategically.

Globally, and particularly in the United States, there are two core issues: talent and customers. That we are no longer "the world's manufacturer" is evident to all informed observers. The United States is competing with nations that can produce

more workers and more buyers of products than we can. What we bring to the table is our talent. America's team is her workforce, and it competes 365 days per year, 24 hours a day, seven days a week. For global companies, the debate is not about the quality of the U.S. workforce. It is about the workforce in each country where they do business. A global company requires a network of thriving local economies to be successful.

The key to that success is talent. Ensuring that all of the people in each nation have the ability to aspire and achieve a quality education and the resulting opportunities for employment access and advancement is mandatory. Doing so will enhance the taxpayer base and customer community. I don't care what country you are from, what your philosophical beliefs may be, or where you pray-I just want the best of your group to work for my clients and have a fair opportunity to advance. Why? Because I want all of your group to spend their money with those clients, and that means that it is important that your people, all people, be able to look into each company and see people like themselves from the mailroom to the boardroom.

Where that look does not yield a clear vision of fairness, you should not spend your money—that form of economic boycott is the ultimate arbiter of shareholder value and the ultimate form of binding arbitration.

J.T. (Ted) Childs Jr. was with IBM for more than 39 years, most recently as their vice president of global workforce diversity. He will be a featured thought leader this month at ASAE & The Center's Annual Meeting & Exposition in Chicago, which runs from August 11 to August 14. Childs currently is principal of his own diversity consulting firm, Ted Childs, LLC. Email: ted@tedchilds.com

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