

## DIVERSITY NEWS

May 2006

**Yvonne:** Every federal agency is required by law to take affirmative action in order to eliminate the under-representation of women and minorities in the federal workforce.

**Thomas:** And federal agencies are also required by law to provide all employees (and applicants for employment) with fair and equitable treatment in all aspects of personnel management—without regard to race, religion, national origin, sex, marital status, age, political affiliation, or handicapping condition.

**Yvonne:** But there's no law requiring federal agencies to create and maintain a flexible, inclusive work environment that works well for everyone. So, why should agencies even consider doing that? In this edition of Diversity News, we'll be talking about the business case for diversity management. That is, the rationale for creating a work environment in which individual differences are understood, appreciated, and—where necessary—accommodated. An environment in which ALL employees can reach their potential and maximize their contribution to meeting their organization's strategic goals and objectives

**Thomas:** After that, we'll take a look at the diversity calendar—to check for important events and observances in May.

**Yvonne:** The size and diversity of the U.S. population is increasing. The U.S. Census Bureau estimates that, between the years 2000 and 2004, the U.S. population grew by a little over 4 percent, with the number of ASIAN Americans and the number of HISPANIC Americans growing by over 16 percent each!

The Census Bureau also estimates that, by the year 2010, the composition of the U.S. population will be 65 percent White, 13 percent Black, and nearly 5 percent Asian. In addition, the Census Bureau estimates that more than 15 percent of the total U.S. population will be Hispanic. And some parts of the country are ALREADY seeing much higher concentrations.

Census Bureau also estimates that, between the 1990 census and the 2000 census, the number of Americans with disabilities increased by 25 percent—growing faster than any other segment of the population!

Race, ethnicity, and ability are just the tip of the diversity iceberg. Other employee differences include age, education, marital status, PARENTAL status, political affiliation, communication skills, religious beliefs, military experience, sex and sexuality, and a whole lot more!

There is no doubt about it: The U.S. population is becoming increasingly diverse. And adjusting for that diversity has become more than just another business choice: it is a business necessity.

**Thomas:** Organizations may choose to support workforce diversity for one of two reasons: to reap rewards, or to avoid punishments. We'll talk about the anticipated benefits of diversity management in a minute, but first let's look at the costs of diversity MIS-management.

Certain forms of discrimination are against the law. Treating employees (or applicants for employment) differently on the basis of their age, sex, race, religion, national origin, marital status, political affiliation, or disability can result in charges of discrimination. And THAT can result in expensive fines—and embarrassing publicity!

Over the past ten years, discrimination complaints filed with the Equal Employment Opportunity Commission—the EEOC—have held fairly steady at around 80,000 complaints per year. Of the cases that the EEOC has chosen to take to court during that time, the average settlement has been more than 250 THOUSAND dollars. Clearly, discrimination can be costly.

Creating and sustaining a workplace environment in which employees' differences are truly valued—an atmosphere in which all employees feel included, appreciated, trusted, and respected—can significantly reduce the likelihood of unlawful discrimination.

**Yvonne:** Legal expenses and adverse publicity aren't the only costs related to diversity mis-management. A workplace that demonstrates little respect for employee diversity may also experience problems related to employee retention and recruitment—with increased costs associated with absenteeism, lower productivity, increased training requirements, and employee turnover.

In addition to the DIRECT costs associated with recruiting and selecting replacements for employees who leave an organization, there are INDIRECT costs resulting from the loss of productivity during the transition phase—as former employees leave and new employees are brought on board.

Employees who are leaving, especially those who believe they have not been treated fairly, have little incentive to maintain a high level of productivity.

And their replacements, who have to learn their jobs—as well as become familiar with the organization's structure, the workplace culture, and formal and informal rules of behavior—will require time, effort, and investment in order to become highly productive.

And even THOSE costs don't take into account the value of lost expertise, lowered morale, and diminished customer service (and satisfaction) when high-performing employees leave.

**Thomas:** Many businesses and organizations have learned from their own experiences that diversity initiatives designed primarily to meet LEGAL requirements can enhance employee and organization performance.

Some of the benefits most often cited include: avoiding litigation, enhancing an organization's image and reputation, improving customer relations, improving COMMUNITY relations, improving marketplace competitiveness, and becoming an employer of choice.

Other reported benefits associated with effective diversity management practices include: better decision making, improved teamwork, greater creativity, increased productivity, and improved quality of products and services.

These benefits, however, are not obtained automatically. You can't just throw a bunch of people together and reasonably expect that something magical will happen.

Whether diversity has a positive or negative effect on employee performance depends on several aspects of an organization's culture, including human resource management practices.

Diversity is more likely to improve performance when employees are trained to deal with group process issues, such as: team building, decision making, problem solving, conflict resolution, and dealing with differences in communication styles.

**Yvonne:** Workplace flexibility means that employees and their supervisors have some choice and control over when, where, and how work gets done.

Of all the work-life benefits that organizations offer to employees, flexible work arrangements such as flextime, job sharing, telecommuting, and part-time work are often cited in research studies as the most helpful.

Corporate Voices for Working Families, a nonprofit organization created to address issues affecting working families, recently published a report on workplace flexibility.

Drawing on the experience of 29 American firms, the report presents evidence the companies have collected about the positive impacts of flexible workplace practices. Positive outcomes such as retention, employee engagement, job satisfaction, and financial performance are consistent across different industries.

Organizational studies have found that employees who have even a small measure of flexibility in when and where work gets done have significantly greater job satisfaction, stronger commitment to the job, and higher levels of engagement with the company—as well as significantly lower levels of stress.

And based on this research, these organizations conclude that workplace flexibility has saved individual companies millions of dollars in prevented turnover.

**Thomas:** INCLUSION refers to the way an organization configures opportunities, interactions, communication, information, and decision-making, in order to fully utilize the potential of its workforce diversity.

ACHIEVING inclusion means creating the structures, policies, and practices in organizational life that recognize the existence of multiple perspectives, and that signal the importance of learning from differences.

The Workforce Diversity Network, a joint project of the Cornell University School of Industrial and Labor Relations and the National Conference for Community and Justice, has identified a dozen qualities that inclusive organizations possess:

A demonstrated commitment to diversity. A holistic view of employees and the organization. Access to opportunities for employees' personal and professional growth. Accommodation of diverse physical and developmental abilities. Three-hundred-sixty-degree communication and information sharing. Equitable systems of recognition and reward. Shared accountability and responsibility. Demonstrated commitment to continuous learning. Participatory work organization and work processes. Alignment of organizational culture and processes. Collaborative conflict resolution processes. And demonstrated commitment to community relationships.

**Yvonne:** Sirota Survey Intelligence has been conducting employee surveys for more than 30 years. Their survey questionnaires typically address issues such as leadership effectiveness, basic employee treatment, performance management, rewards and recognition, process quality, and work-life balance.

Analyzing its huge database of survey responses, Sirota has identified a compelling case for diversity management, which is explained fully in the book, "The Enthusiastic Employee: How Companies Profit by Giving Workers What They Want." According to Sirota, organizations that create an environment of inclusion can expect their business to be one that fosters innovation; creates a safe work environment; increases employee engagement, commitment, and pride; sees a positive impact on customer satisfaction, and improves financial performance.

Sirota's research shows that there are certain employment needs and expectations universally shared by employees across the globe: equity, achievement, and camaraderie. And the need for EQUITY is related to employees' perceptions of inclusion and tolerance of others.

According to Sirota, there is an extraordinarily high correlation between customer satisfaction and employee responses to the survey item, "Individual differences are respected and valued in this organization."

**Thomas:** In the Department of Veterans Affairs Strategic Plan for 2003 through 2008, one of the objectives states VA's intention to recruit, develop, and retain a competent,

committed, and diverse workforce—in order to provide high-quality service to veterans and their families.

But how does an organization RETAIN a competent, committed, and diverse workforce? From the results of more than six years of employee survey research, Career Systems International has identified the top ten reasons why employees stay on the job and remain engaged in their work:

Exciting, challenging work; career growth and development; working with great people; fair pay; supportive management; respect and recognition; good benefits; meaningful work; pride in the organization; and a great work environment. Other retention factors include flexibility, autonomy, job security, and work-life balance.

And based on that same survey research, the book, “Love ‘Em or Lose ‘Em: Getting Good People to Stay,” identifies more than two dozen strategies for engaging and retaining employees.

**Yvonne:** In the diversity calendar this month, May is Asian Pacific American Heritage Month. This year’s theme is “Celebrating Decades of Pride, Partnerships, and Progress.”

Asian Diversity Career Expos will be held May 1st in Santa Clara, California, and May 5th in New York City.

The fifth annual Asian Pacific American Federal Career Advancement Summit will be held in Washington, D.C. on May 3rd.

And the Federal Asian Pacific American Council will be holding its 21st annual National Leadership Training Conference in Honolulu, Hawaii, from May 8th through May 12th.

**Thomas:** In New York City, the Conference Board will be hosting a conference on inclusive solutions for diverse workplaces on May 11th and 12th.

And from May 22nd through the 24th in Rochester, New York, the Workforce Diversity Network will be hosting a conference on the business case for diversity.

You can find more information on those events, and on other observances and conferences, on the Diversity Management Web site at the address shown below. Just click on the link to the calendar.

**Yvonne:** That’s all we have for this edition of Diversity News. Be sure to check back with us next month when we’ll be looking at affirmative action, equal employment opportunity, and diversity management—how they differ and why their differences matter.

**Thomas:** Until then, for more frequent doses of diversity news, sign up for our free weekly e-mail news service: NewsLink. Just send an e-mail message to the address shown below, with the words SUBSCRIBE NEWS in the subject line.

**Yvonne:** And check out our bimonthly newsletter, Diversity@Work, available as a download on our Web site or by e-mail from our office.

Also, we want to hear from you! If you'd like to share your story ideas, comments, or suggestions, please e-mail us at [dmeeo@va.gov](mailto:dmeeo@va.gov) with the words DIVERSITY NEWS in the subject line.

Until next time...

**Both:** Have a great month!