

Cover Story

Invest in Diversity, Maximize your Returns

By Stefanie Smith

The world's most successful corporations embrace diversity efforts as valuable investments. But the question remains for both executives and managers implementing initiatives: How can these investments generate the greatest returns for all employees, customers, and stakeholders? Consider the following to maximize the impact of your commitment.

How can leaders increase diversity program acceptance and success?

- *Start at the top.* Corporate programs only succeed with visible commitment at the highest levels. This means active involvement by the Board of Directors and executive management. Individuals at this level should have specific responsibilities related to setting and achieving diversity goals.

- *Communicate about diversity early and often.* Effective programs build support through a uniform understanding of intent and purpose and ensure that participants are recognized as the valuable resources that they are. Information about diversity programs should be communicated throughout the organization and convey that universal standards of excellence and professionalism apply to all vendors and all employees. Communication works two ways. By welcoming feedback and responding candidly, you can address potential concerns and foster constructive dialogue. Moreover, you will likely receive valuable recommendations from a variety of perspectives and business areas. The more talented people provide ideas, the more benefit to your programs and your company.

- *Define specific leadership objectives.* Esteemed leaders, regardless of gender or race, consistently deliver: 1) solid strategic decisions in response to external and internal driving forces; 2) positive returns on resource and financial investments; 3) efficient operational execution through reliable processes; and 4) clear and effective communication. In addition, leadership goals particular to each organization reflect culture, industry, structure, geography, and market strategy.

In some cases, minorities and women are held back by vague or subjective critiques. Defining leadership ideals in objective terms promotes an environment in which all professionals are measured by the same standards. Does advancement require high-level customer contact, technical knowledge, or public speaking excellence? Articulating skills and aptitudes in forthright and concrete terms establishes a rational foundation for discussion and a pathway to greater achievement.

How can you best nurture talent and fulfill potential among minority and female professionals?

The quick answer to this question is "the same way you nurture talent and fulfill potential with any professionals." As companies refocus on the bottom line, they find core management practices are once again key to success, if not survival. Ensuring that these practices are in place furthers the interests of employees and management at all levels.

- *Clarify current position responsibilities and performance targets.* Maintaining up to date job descriptions is still critical in the 21st century. Individuals may be performing roles that are not recognized, concentrating on non-essential functions, or continuing unchallenged rather than exploring how to deliver more substantive results. To present a full picture of how a role contributes value to the department and to the organization, position descriptions should define not only general responsibilities, but also strategic purpose, supporting tasks, performance criteria, and current priorities. Properly defining and optimizing roles requires time and attention, often involving internal or external specialists. But the return is substantial, ensuring that staff and managers are "on the same page", and providing a valuable management and development tool. (See side bar.)

- *Document actionable development objectives.* Without a framework for measuring progress, diversity initiatives may risk being more about lip service than tangible gains. Professional development should be documented in individualized action plans, with input from internal or external coaches, senior managers, and other supportive parties, such as lateral colleagues or even business partners. These plans should align with, but not replicate general performance

management goals to promote development of the skills required for advancement.

- *Mentor individuals to support professional growth.* Investing in future executive diversity means preparing minorities and women for both upward and lateral promotions.

Companies truly dedicated to this goal create positive and secure mentoring relationships in which professionals can openly discuss challenges, brainstorm ideas, and receive objective feedback. To have realistic impact, improvement must be a mutual goal between the minority and female professionals and those assisting them to reach their management potential. One alternative is to provide external executive coaching. Another alternative is to develop a collaborative internal mentoring structure, in which mentorship is separated from line reporting and performance management to preserve an open and safe discussion environment. One challenge here is that some of the best role models may not have the adequate time or professional freedom to provide sustained and confidential counseling, so internal and external resources can sometimes be efficiently combined.

In either coaching approach, mentors and coaches do not have to be women or minorities themselves, but should be experienced in working through diversity issues and sensitivities. Professionals choosing to avail themselves of such benefits must be ready to accept constructive input and that ethnicity and gender may not be the underlying cause of some criticism or suggested development needs. Likewise, their colleagues and managers must be willing to accept that they may consciously or unconsciously be perpetuating stereotypes, making insensitive comments, or tolerating inappropriate behavior. While difficult, it is better to air real or perceived problems than to let them intensify. Each time a team resolves a particular conflict, it proves their overall ability to find solutions.

- *Provide exposure and opportunities to apply leadership training.* Leadership training counts most beyond the classroom or coaching environment, when real costs and benefits are at stake. However, depending on available opportunities, promotions are not always the first step. Project management builds essential skills – from leading productive meetings to knowing when

to escalate issues – and is an excellent means of demonstrating leadership abilities and established expertise. Identifying minorities and women to lead high-profile projects such as M&A, IT upgrades, or new product launches can dramatically increase cross-functional experience, visibility, and confidence. Yes, there is an inherent calculated risk that failure could lead to regression to preconceived notions of roles and capabilities. But every accomplished leader has faced risk and learned from challenges along the way. It's part of the process, and part of the progress.

How can supplier diversity programs reinforce business strategy?

- *Deliver business value.* Make sure that your diversity programs respond to the current needs of your business units. For example, recruiting the right resources, reducing supply costs, or improving quality generates goodwill for your programs and quantifiable benefits to your company. Start by speaking with key leaders to find out what they need. Document their responses to verify your understanding, and then collaborate on a plan to achieve these objectives. Actual results speak louder than any mission statement possibly could. This service-oriented approach will encourage their participation in diversity initiatives as they reap the rewards.

- *Publicize tangible success.* When your company benefits from vendor diversity programs, publicize the results internally and publicly. Positive press is good for you and for the participants in your diversity programs. Even more significantly, it shows that your firm attracts talent and quality from a variety of sources which is channeled into lucrative results for customers and shareholders.

- *Transcend the procurement perspective to achieve organizational goals.* Include professional services in your supplier diversity programs to seek out opportunities to integrate diverse people, not just their products, into the workplace. Contracting minority and female service professionals to provide tools and guidance clearly demonstrates that industry or functional knowledge expertise is neither race nor gender specific. When diverse attorneys, bankers, recruiters, consultants, auditors, or publicists

effectively complement internal resources, it sends a signal not only to other minorities and women, but also to the entire organization.

Casting a wider net for professional service providers also makes practical sense. The best working relationships are designed to achieve training and development goals along with project goals. External experts serve as role models and catalysts, helping employees to crystallize thoughts, absorb new ideas, and draw on experience to derive better solutions.

Working with external experts to execute strategic or tactical initiatives enables internal professionals to reach their potential more quickly as they enhance their leadership skills, build confidence, and apply acquired knowledge to future situations. Thought leadership by minorities and women is more than an effective means of changing established attitudes or stereotypes – it is a means of introducing new creative and intellectual energy and achieving specific business objectives. Everyone wins.

The bottom line? If aligned with basic business goals, diversity can be profitable and enriching all around.

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to optimize processes and attain measurable improvements from cash flow to sales effectiveness. Her program and tools for managing due diligence through post-merger integration has been used by leading companies to implement successful M&A transitions. Ms. Smith has provided solutions for Morgan Stanley, American Express, KPMG, WinStar Communications, Western Forge, Grant Associates, Direct Marketing Enterprises, and the ASPCA. She

SIDEBAR:

When ensuring that people are properly recognized, don't limit your scope to executives and officers. You can uncover value in diversity at all levels.

Not long ago, I was engaged on an operations and sales improvement project for the president of a Morgan Stanley business division. While I primarily worked coaching and consulting with his senior managers, my attention was caught by his administrative assistant's knowledge and perceptive comments. I invited Marta to lunch and we discussed her dream to become an "exempt employee", which would afford increased benefits, education reimbursement, and professional status.

The president agreed to let me work with her to formally update her job description, a process she initially found painful at best. Yet, as we translated her notion of "calming down customers" into "listening to customer concerns, initiating resolution, and following up", it became clear that she was adding even more value than anyone realized. We completed an updated, accurate description of her role, built in professional growth objectives, and recommended the title of Administrative Coordinator. Upon review, Human Resources concurred, and she was promoted two levels and given "exempt" status.

The results speak for themselves. Marta is now supervising her own staff, attending internal management training, pursuing university level classes, and implementing procedures to improve the overall quality of service. She also contributes significantly more to the division and is a role model for other minority women seeking advancement. As discussed in the accompanying article, many factors came into play in this success story. She defined her current role, clarified a leadership development path and received dedicated mentoring. Executive management recognized her contribution and HR responded. The combination led to an excellent result that unequivocally benefited not only the individual, but the firm.

So, what opportunities do minorities and women in business require to progress and succeed? The same opportunities as anyone else.

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