Chapter 1

DIVERSITY FATIGUE AND THE UNFULFILLED PROMISE OF DIVERSITY

A couple of years ago I met with two dozen leading diversity practitioners to identify some of the toughest challenges they were facing. Among the usual responses, such as lack of leadership buy-in, no effective outreach strategies and challenges empowering employee network groups, there was a new theme. It was a theme that eventually seemed to dominate the entire discussion, yet none of us could quite put our finger on it. Finally someone said, "Our organization is facing diversity fatigue." That was it: *diversity fatigue.*

What, you may well ask, is diversity fatigue? It encompasses several things, including the Herculean effort required by diversity practitioners to keep the momentum going amid the toughest economic crisis since the Depression. It is trying to repackage and sell the business case for diversity by showing specific return on investment at a time of limited dollars for any corporate imperative. It is trying to figure out how to creatively communicate diversity in an extremely time-scarce environment when people struggle to do more with less. It is maintaining the gains with front-line managers (the so-called frozen middle) who ask, "When will this diversity thing end? Have we not handled it by now?" It also involves the endless task of breaking down silos among groups that have interest only in their particular dimension of diversity. All this is what we call *diversity fatigue.*

In July 2007, a leading North American human resources publication called *Profiles in Diversity Journal* ran a fascinating series of essays entitled "The Pioneers of Diversity." I was honored to be asked to join the group of 30 leading thinkers to comment on the state of the diversity industry at that point. Each pioneer was asked to write a short essay on where diversity came from, where it is now and where it needs to go next.

Not surprisingly, the pioneers agreed on where diversity came from—that is, when the concept first arose: the 1987 Hudson Institute's study *Workforce 2000,* which accurately forecast several dramatic changes to the North American workforce. Interestingly, most of the pioneers also agreed on where we are right now: most felt we are at a stalemate, one we've been stuck in for at least the last decade. At the very least, diversity needed a face-lift, if not a transformation. The most intriguing aspect of the essays, however, was the question of where we need to go next. There was virtually no alignment on this important question.

I decided to use this opportunity to formally introduce and write about human equity, which I had started thinking about in 2001. I called the pioneers' essay "Diversity: Ready to Evolve." I argued that it was time the conversation about diversity evolved from a preoccupation with superficial variations of gender, race and sexual orientation, to focus on the many characteristics that make every person unique. I argued that while the demographic dimensions of diversity could inform who a person is, they could never define that person. I concluded that it was time for human equity, a concept that focuses on maximizing the diverse talents of your total workforce.

It was just recently, on a coffee break from what, until that point, appeared to be a typical diversity executive briefing, that a senior executive of one of the most powerful global Fortune 100 companies turned to me and said: "Diversity is dividing our people. We've got blacks over here, Hispanics over there, gays in one corner, lesbians in the other. It's not working! And we don't know how to fix it. How do I get everyone on the same page when they're only concerned about their own issues?"

Being in the diversity consulting field for over two decades, I might be expected to be frustrated by the executive's comment. *Au contraire!* I was encouraged—and relieved. Finally, someone in a corner office was waking up to the fact that something is broken in the diversity arena. Two or three years ago, you would not have heard this level of candor, even in a private conversation—political correctness would not allow it. Diversity was a sacred cow, and any criticism of it by executives had the potential of leading to accusations of not being committed, not "getting it" or, heaven forbid, being one of those old boys from the white, privileged, sexist, racist, homophobic power network. Thankfully, it would appear that things are changing and some courageous executives are finally willing to move beyond political correctness and confront the brutal truth about corporate diversity.

More and more, C-level executives are asking those responsible for diversity and human resources, "Are we really making progress?" "What has been the return on investment of all this activity?" and "What difference have you actually made?" The truth is, anyone who has been in the field for more than 20 years has quietly been asking himself or herself the same questions and wondering what we should be doing next.

The best leaders know that in today's demanding market they will have to reinvent their organizations at least every three years. In 2010, the IBM Global CEO study found that almost 70 percent of global CEOs think their current business model is sustainable for only another three years; the other 30 percent believed it may be usable for as long as another five years. As the bestselling author Jason Jennings says in his excellent book *The Reinventors*:

> Today a combination of stagnant Western markets, former third world nations embracing technology and becoming manufacturing powerhouses with middle classes larger than that of the US, technology that makes everything increasingly transparent and customers who believe that they can get exactly what they want when they want it at a price they're willing to pay[,] all add up

> to a game changing business environment. Anyone who thinks that they'll get a free pass and that they don't have to constantly reinvent their business has their head in the sand.[1]

After three decades of diversity, important lessons have been learned about how to do it the wrong way. We are now at a critical juncture in the journey and need to make some tough decisions about which road to take. The diversity industry has clearly hit a wall and needs to reinvent itself. It needs a breakthrough if it is going to be relevant to the business agenda over the next decade.

What are the current problems with diversity? Let's borrow from the David Letterman School of Analysis, counting down from 10.

THE TOP 10 PROBLEMS WITH DIVERSITY TODAY

10. Diversity cannot be achieved simply by focusing on improving the representation of women.
9. There is a hierarchy of inequity in diversity that breeds inter-group competition.
8. Success in diversity cannot be measured simply by tracking cosmetic changes in demographic representation.
7. Diversity has been dominated by an American-specific agenda and mindset, despite it being a global issue.
6. Diversity is too focused on "superficial" differences such as race, gender and sexual orientation.
5. Diversity in practice is about equity for some, rather than equity for all.
4. Diversity virtually ignores the importance of leadership behavior.
3. Diversity has not moved beyond awareness education about race, gender, culture and sexual orientation.
2. Diversity is based on a deficit paradigm.

1. Jason Jennings, *The Reinventors: How Extraordinary Companies Pursue Radical Continuous Change* (New York: Penguin Group, 2012), 4.

And the last—and most significant—problem with diversity today (drum roll, please) . . .

1. Diversity focuses on groups rather than the individual.

Let's take a closer look at these problems.

Problem 10: Diversity cannot be achieved simply by focusing on improving the representation of women.

In 1962, research scientist Felice Schwartz created Catalyst, which soon became the leading not-for-profit gender research think tank in the United States. Today, this impressive organization works globally with offices in the United States, Canada and Europe, and has more than 400 preeminent member corporations looking to Catalyst for research, information and advice about women in the workforce.

Catalyst is based on a hypothesis Schwartz put forward, also in 1962. She believed that the reason women had not made it to the executive positions in the Fortune 500 multinational corporations was not rooted in mal intent. Rather, it was simply an issue of ignorance. Maybe, she hypothesized, the leaders of these organizations were unaware of the appalling state of affairs surrounding gender representation. That is, they just didn't have all the facts.

In 1993 Catalyst conducted the first census of women in board positions and three years later introduced the Census of Women Corporate Officers and Top Earners. These annual counts are based on the belief that if a credible census of the executive boardrooms and positions were conducted and the numbers were shown to the male executives, they would surely act. These leaders of conscience would be "shamed" into fixing the problem if it was indubitably proven to exist. Thus, the annual Catalyst Census of Women Corporate Officers and Top Earners, which will soon celebrate its 20th anniversary, was born.

I first attended the very prestigious Catalyst dinner about a decade ago as a guest of one of our international clients, who joined almost every other Fortune 500 company at this impressive event.

I had the pleasure of listening to the then global president of Catalyst present the data from the think tank's latest census. She explained that really what she was about to present was the report card on gender issues in the North American corporate world over the past three decades.

"Let's start with the CEO office," she began. "How many women are currently CEOs of a major Fortune 500?"

I thought to myself, "By now it's got to be over 10 percent," so 50 women, I figured.

"One!" she announced with relish. "Not 1 percent," she emphasized. "One. Carly Fiorina at HP."

She continued by asking about the level just below CEO. "How many women are direct reports to the CEO?" She was referring to those at the executive vice president level.

Okay, this has to be about 10 percent, I reasoned.

"Four percent!" she announced. She continued to work her way down level by level—5 percent, 7 percent, 9 percent . . . not reaching double digits until the director level, and not reaching close to gender parity until the senior manager level. At this rate, she noted, it will take us 250 years to get to gender parity in the executive offices of the Fortune 500 companies.

If I wasn't already totally shocked by her research, I was by what she said next: "We've just got to work harder." My head began to spin, and all I could hear was Dr. Phil's voice in my head asking, "How's that working for you?"

"You're telling me that after more than 50 years of researching this issue of gender representation in corporate America and almost 20 years of presenting the representation numbers, the best answer you've got for us is *Do more of the same, but just do it harder*?" I thought about Einstein's wonderful definition of insanity: doing the same thing over and over and expecting a different result. "Don't you get it, lady? Something is broken!"

In the diversity field, gender is considered the crucible. It was reasoned that if organizations could overcome the attitudinal and systemic issues that lead to the gender representation disparities illustrated by the

Catalyst numbers, then they could apply these solutions to all the other underrepresented groups in the workforce. So here we sit, 50 years after Schwartz hypothesized that women were underrepresented at executive levels simply because of ignorance, almost 20 years of credible, comprehensive, bulletproof Catalyst research and almost nothing has changed. In fact, at a recent Canadian Catalyst dinner, I heard the global CEO and president make a virtually identical presentation—only this time she had it recorded on video.

Improving gender representation was always the hope for other underrepresented groups in organizations. If the glass ceiling was broken for women, it would not be long before it was broken for other equity-seeking groups. However, as we can see from the annual Catalyst numbers, progress has been glacial and it may be time to look to another strategy to diversify the workforce.

Problem 9: There is a hierarchy of inequity that breeds inter-group competition.

Years ago, when I was in government pushing for the kinder, gentler Canadian version of Affirmative Action, which we called Employment Equity, I watched an impressive presentation about the discrimination faced by gay men in the workforce. The group presenting had done an admirable job of collecting enough data to prove that homosexuals were in fact facing as much discrimination in the Canadian workforce as any other equity-seeking group. Thus, they argued that they too should be considered a designated group under the proposed employment equity legislation.

Now, this was more than two decades ago, so the likelihood that any politician in his or her right mind would make homosexuals a designated group under affirmative action was "snowball in hell" territory. It was a compelling presentation nevertheless. Yet, I sat in the audience, having a different conversation in my mind.

"You know, that's mildly interesting about homosexuals," I said to myself, "but frankly what they have to say doesn't affect me. Women have got theirs and I want mine. You gay guys will get yours right after my group (i.e., visible minorities). If it's between your group and mine—mine comes first."

Years later, my hero, Nelson Mandela, would name this interesting condition "the hierarchy of inequity," whereby my inequity is more pressing or more important than your inequity—a very human but counterproductive mindset. More on that later.

Many of the leading Fortune 500 corporations have created internal networking groups for women, ethnic minorities, gays, people with disabilities, Aboriginals, and so on. At least one major global corporation boasts more than 100 internal advocacy groups, including one for straight, white, able-bodied males (SWAMs). What, you may ask, are these groups up to? Are they working on improving the bottom line of their company? Maximizing shareholder value? Identifying productivity inefficiencies? Nope. By and large, these groups are concentrating on their own agendas and how to get the corporation to pay more attention to their issues—which ultimately means paying less attention to the issues of the other groups.

Recently, an "inclusiveness change agent" in a major Fortune 500 company confided to me that she had been chastised by her head office's executive champion for gender issues about losing focus because of the time and effort she spent on inclusiveness. "You are watering down our progress on gender by focusing on these other groups," she was told.

I actually think this is a very human response. Self-interest always trumps the interest of the collective. There are few purely altruistic acts, if any. The view is usually "What's in it for me?" and people ultimately will focus on issues on the agenda that most concern them. The establishment of diversity networking groups was a promising phase a decade ago, but now we have to ask what these groups are doing to improve the capacity of the organization to attract, excite and retain the very best talent regardless of gender, race, culture, sexual orientation, nationality and so on. In a study of more than 800 companies in the EEOC (U.S. Equal Employment Opportunity Commission) data base over a 30-year period, diversity affinity groups and networking programs did little to improve the position of underrepresented groups into management or executive positions. Despite that fact, these networks continue to be one of the most popular diversity interventions.[2]

Problem 8: Success in diversity cannot be measured simply by tracking cosmetic changes in demographic representation.

This is a lesson I wrote about almost two decades ago in my book *Diversity at Work* and it is still as valid today as it was then. Most people think diversity is just about fixing the numbers. Demographic changes in representation may be signals that attitudinal or systemic barriers are being removed, but the focus on cosmetically changing demographics will not lead to the promise of diversity, which has always been improved business outcomes.

Long before Clarence Thomas became the lightning rod for sexual harassment, he was equally despised as a vocal opponent of quotas and using numerical representation as a measure of success. In 1980, he was appointed to chair the U.S.-based Equal Employment Opportunity Commission, and equity-seeking groups across the country shuddered when he announced an embargo on quotas. His intention was to reduce the government's reliance on numerical representation as the primary focus of affirmative action. He argued that the reliance on numbers was a "weak and limited weapon" against inequity in the workplace. In his words, "The numbers distort the real issues surrounding discrimination. This approach fails because it allows an employer to hide continued discrimination behind good numbers."[3] Although I don't consider myself a fan of Thomas, I think he may have had a point.

Indeed, a quick review of the latest trend in the U.S. multimillion-dollar discrimination class action lawsuits indicate that Thomas may have been on to something. Look for the pattern. Those organizations that sign the most expensive anti-discrimination settlements one year magically make it to the top of the Best Diversity Employers list the next year.

2. Frank Dobbin, Alexandra Kalev and Erin Kelly, "Diversity Management in Corporate America," *American Sociological Review* 6, no. 4 (2007): 21–27.

3. Quoted by Thomas Sowell in *The Quest for Cosmic Justice* (New York: Free Press, 1999), 40.

They have a deathbed conversion, somehow managing in one year to significantly improve their representation of women, minorities or other groups within the organization. These are numbers that did not shift for years, yet now the progress is so remarkable that the employer can actually move to the head of the class in the numbers-conscious diversity industry—with a little help from some well-placed advertising investments in the website or publication that features the award.

This is not to say that organizations should ignore representation. Representation is one of several measures of progress, but it is not the most important metric. Despite being the focus of the diversity industry, demographic representation has proven itself to be a lagging, non-predictive and often imprecise metric.

Problem 7: Diversity has been dominated by an American-specific agenda and mindset, despite it being a global issue.

A number of years ago, I was asked to speak at a major corporate social responsibility conference in Brussels. It was one of my first times speaking about diversity outside North America. Just before delivering my speech, I met the gentleman who was to introduce me. He was a European managing director of a large U.S.-based multinational. He had a copy of my bio in his hand, with portions highlighted so that he would be able to read it more easily from the podium. He looked confused. "Mr. Wilson," he said, "I've read your bio, and I'm still trying to figure out what you actually do."

"Oh, I'm a diversity consultant," I offered, assuming that would clear everything up.

"Diversity?" he queried. "This is Europe! We don't have diversity here. We don't have African–Americans here. We don't have Hispanics here. Diversity is not relevant to us."

A few years later I was working on an assignment for a French bank in Bahrain. The CEO was a French national who had spent more than 30 years in the United Arab Emirates. He was a fascinating leader whom people described as being as much Arab as he was French. He was the perfect bridge between the two cultures. He was the type of leader that really "got" human equity the first time he heard about it. He immediately became a vigorous champion for the introduction of a human equity intervention, starting with his direct reports. He asked me to meet individually with his 15 executives to explain human equity to them.

Fourteen of the meetings were routine and finished within days of the CEO's request. The fifteenth meeting was next to impossible to schedule and then even more difficult to confirm. I assumed this particular leader was simply extremely busy, so I decided to "camp out" at his office in case he found a few spare minutes in his schedule. After being announced, I sat in his waiting room for most of the afternoon. His assistant was very apologetic and explained that her boss was always very busy. She offered me several alternative dates, but as I was leaving the next day, I continued to wait him out.

Finally, after his assistant had left, he surfaced from his office. He invited me in, saying, "I only have a few minutes, but I understand you are here to talk to me about diversity. That's the American stuff about women and minorities, right?"

"Well, it used to be," I said. "It has evolved a bit over the past 20 years."

"Evolved to what?" he asked suspiciously.

"To human equity," I responded.

"What is human equity?"

I proceeded to try to cram 20 years of evolution into the space of two minutes. I spoke to him about the distinction between diversity, inclusion, human capital and human equity, giving him a crash course on optimizing human potential.

He clearly was engaged and within 20 minutes we were in deep conversation about human equity. Ninety minutes later he confessed that he had had no intention of meeting with me, despite his boss's request. He had no intention of supporting some American consultant bringing an American idea of affirmative action that did not fit his company's corporate culture. He indicated that while he still had no interest in diversity, he was very intrigued by this idea of human equity.

These two incidents confirmed for me one of the biggest problems with diversity: it is perceived as an American issue based in American civil rights history, a history that has been dominated by issues of gender and race and, more recently, sexual orientation. These are issues that will not resonate in countries where differences in language, class or religion are far more relevant to the diversity conversation. For example, the French/English debate, one of the most enduring issues of difference in Canada, rarely fits into the American diversity agenda.

From September 2011 to December 2011, the Conference Board asked almost 800 global CEOs to rank in descending order the top challenges they anticipated their companies facing in the coming years. The resulting list for European CEOs is:

1. Innovation
2. Human capital
3. Global political/economic risk
4. Government regulation
5. Global expansion
6. Cost optimization
7. Customer relationships
8. Sustainability
9. Corporate brand and reputation
10. Investor relations.

In light of the continued labor shortages caused by declining fertility rates and the social issues caused by immigrants brought in to meet these shortages, it is quite amazing that diversity has missed the European CEO list. I believe it is because this issue is still seen as an American one—and not relevant to the European business agenda.

The European managing director who was to introduce me at the Brussels conference was not an ignorant man. He was well read, educated and business savvy. How was it, then, that he had come to the conclusion that this diversity thing was only relevant in America? My guess would be because he was asked to implement a diversity program created by his American head office, by Americans, to deal with American issues. Now, don't get me wrong, I love Americans.

Some of my best friends are American. But I have seen many "global" organizations that simply don't get it. You can't sit in a head office in New York, Washington, Dallas, Seattle, Atlanta or wherever and design a global diversity strategy without including others in the world. It's not only illogical, it's irresponsible.

Recently, one of our U.S. clients took over a major technology company in India that has more than 20,000 employees. These 20,000 people will not become Americans just because their head office has shifted from Mumbai to Chicago. Their cultural values will remain the same and, more importantly, so will their corporate cultural values, unless the new head office makes a concerted effort to integrate this new acquisition into its culture. Our consultancy, TWI Inc., spends a lot of time on helping our clients understand the impact of being a truly global organization. As we tell our clients, the guiding rule of dealing with culture is this: what seems reasonable and logical in one culture may be totally irrelevant in another.

Most failed mergers and acquisitions happen not because the numbers are wrong but because the corporate cultures clash. And that is when both are within the same hemisphere. Global acquisitions, outsourcing, offshoring and supply-chaining will generate some of the most challenging diversity issues we have ever seen. As such, most existing diversity strategies designed for the U.S. domestic market will prove insufficient in this challenging new global environment.

We will come to see that this is where the promise of human equity comes in. Human equity evolves the diversity discussion about groups into the critical area of human capital—the second most important anticipated challenge of the Conference Board study. CEOs in Europe, China, India and the United States wake up at night in a cold sweat worrying about the lack of qualified talent to meet their innovation and future leadership needs.

It turns out that moving this message beyond America relies a lot on the terminology. While diversity and sometimes inclusion are seen as U.S. concepts, human equity does not have the same baggage. While there is a relationship between diversity and human equity, these are quite different concepts. At the end of this book is a glossary of terms to help readers understand fully what we are talking about as we move beyond diversity into the lesser-known area of inclusion and the brand-new area of human equity.

Problem 6: Diversity is too focused on "superficial" differences such as race, gender and sexual orientation.

One of the most exciting projects I have worked on in the past 20 years was for NASA. At one of the strategy sessions, I had the good fortune to listen to a scientist who had worked on the human genome mapping project. He explained that one of the first things scientists had to do was figure out the various possible combinations of human DNA. He explained that in the old days, the conventional wisdom was that there were infinite combinations of the billions of molecules of the double helix. But this imprecise estimate needed to be quantified in order to precisely map the full genome. He pointed out that roughly 3 billion pairs of biochemicals make up the double-stranded DNA commonly known as the double helix, but that there are a multitude of variations to these combinations. He pointed out that it is this multitude of variations that makes everyone unique. Upon doing the math, the scientists estimated that there are 10 to the power of 2.5 billion possible combinations of human DNA. He went on to say that if you divide this number by the current population in the world (7 billion), you will see the diversity of the human family.

I almost fell off my chair. I knew this was the next step in the journey. In *Diversity at Work*, I attempted to explain that this discussion was not really about how many women, minorities or LGBT (lesbian, gay, bisexual or transgender) people you have in your workplace. This discussion is really about talent. If you have 5,000 employees, then what you have is 5,000 individual units of talent. If leadership could figure out how to tap into each unit of talent and unleash that talent for the mission of the organization, that would substantially impact on any business outcome on the leadership agenda anywhere in the world.

Not long after hearing about the impressive DNA combinations, I was reading an excellent article by Marcus Buckingham entitled "What Great Managers Do." Buckingham writes: "Differences of trait and *talent* are like blood types. They cut across the superficial variations of race, sex and age and capture each person's uniqueness."[4] Wow, I thought. Talent comes in all packages—precisely 10 to the power of 2.5 billion. However, my talent is not defined by my race. My race does not define who I am, nor does my gender, age, nationality, sexual orientation or any other diversity dimension. These superficial characteristics may *inform* who I am, but they do not *define* who I am. Just as they didn't define me 100 years ago, they do not define me today.

Over the past 20 years, diversity has devolved into conversations about how many women, minorities, gays and lesbians you have in your workforce. This totally misses the point. What this conversation is really about is tapping into the 10 to the power of 2.5 billion possible combinations of human DNA globally. And since no single demographic group has a monopoly on any kind of talent, you will inevitably see a change in demographic composition simply by properly harnessing total human capital. Diversity's traditional focus on changing the demographic composition of the workforce has been putting the cart before the horse. If you focus on truly identifying and leveraging talent, the long-awaited demographic changes will come. This thought of leveraging total human capital is far more exciting than simply changing the demographic composition of the workforce.

Problem 5: Diversity in practice is about equity for some, rather than equity for all.

I argued in *Diversity at Work* that one of the most valuable lessons we have learned from years of legislated and now litigated fairness is the need to include all employees in a diversity program, including SWAMs (straight, white, able-bodied males). I attempted to argue that you can't pursue equity for one, two or even 10 groups. You are really striving for equity for all. I asked, "If discrimination against my black grandfather was wrong 100 years ago, then how can discrimination against my neighbor's white

4. Marcus Buckingham, "What Great Managers Do," *Harvard Business Review* 83, no. 3 (2005): 70–79, 148.

son today be justified? In order to create total equity in our society, all discrimination must be attacked."

Over the past 17 years, this is the area where I have had the most battles. One of my many critics is quoted as saying, "I don't know how he can justify his position . . . how can he compare a white man's parenting needs and the needs of people of color? There is a huge difference between them and the problems and barriers that exist to people of color getting and staying in the work force."[5]

Maybe, but let's at least check in with the white, single dad before jumping to this conclusion.

Recently, I was invited to speak at an internal diversity conference where the audience was made up of the company's eight employee resource groups (ERGs). As mentioned above, establishing employee resource groups is a common diversity practice where groups are organized to represent the interests of various components of an organization's workforce based on demographic identity. Each ERG was asked to make a presentation on its progress to date and plans for the future. I was suitably impressed that the organization had ventured beyond the usual constituencies of gender, race and sexual orientation to create several other non-traditional employee resource groups. For example, there was an ERG for English as a second language employees, an ERG for new and young employees and even an ERG for faith-based employees. From the outside it appeared as if the organization's diversity strategy was inclusive and the established, sanctioned ERGs covered all bases. However, upon closer inspection, I saw that one very important group was missing—the straight, white, able-bodied male (SWAM).

It turned out that I was not the only one who had noticed this "oversight." In fact, I was informed that a new employee resource group dedicated to SWAMs had organically formed in one of the company's regional plants. The group was called WOMEN. This was an acronym standing for "White, Original, Men's Employee Network."

5. Speech by Antoni Shelton, Executive Director of the Urban Alliance on Race Relations, 2007.

The organization's leadership and other employee resource groups were not amused. The possibility of sanctioning this upstart group was not even considered.

I thought this was an interesting take on diversity and inclusion. This particular company was in a resource-based industry that has been dominated by straight, white, able-bodied males for the past century. So how was it that this group was not seen as worthy of being part of the organization's well-developed and long-standing ERG network? The unarticulated and somewhat politically incorrect answer is that this group apparently faces no employment barriers, no discrimination and no unfair treatment, which is the reason SWAMs have held power positions in most organizations for so long. In other words, "They had their turn, and now it's our turn." It's an approach that has never been successful, whether you are talking about Kosovo, Rwanda or legislated equity. I would suspect that this model of SWAM exclusion is prevalent in most organizations pursuing diversity today.

I was amused to see that every resource group at this ERG conference had an almost identical mission statement. The mission of the women's group was "to help the company become the employer of choice *for women*." The minority group's mission was "to help the company become the employer of choice for *people of color*." In fact, other than the target group being different, all eight ERGs had exactly the same mission.

In my opinion, this created a zero-sum approach to diversity. For every member of my group that "wins," one member of seven other groups must lose. Earlier I mentioned a condition called the hierarchy of inequity referred to by Nelson Mandela. This is the notion that the exclusion or bias I face as a black man is somehow more important than the inequity my fellow white male employee may face because of his age, education or historical group membership. The hierarchy of inequity breeds the insidious and destructive mindset that, until you are finished dealing with the unfairness facing *my* group, you should not start dealing with the inequity facing any other group. As I mentioned above in the discussion of Catalyst, this may be a counterproductive perspective. One inequity cannot take precedence over another in any system. We must be willing to take on inequity when we find it even if does not impact directly on our personal group.

In cases like the company cited above, a good place to start may be with the group that has traditionally been excluded from the diversity strategy—that is, straight, white, able-bodied males. My last words of advice to the leaders of the organization were to fully sanction the WOMEN group and make it a part of the solution rather than a resentful example of an exclusive diversity strategy.

Problem 4: Diversity virtually ignores the importance of leadership behavior.

The diversity industry's lopsided focus on representation has led to its missing one of the most important variables in the creation of an equitable and inclusive workplace. After years of examining interventions that make a real difference, I am convinced that if an organization has not properly handled leadership behavior it will not succeed in changing the corporate culture.

In 2004 Robert Sutton's widely read *Harvard Business Review* article "More Trouble Than They're Worth" and his follow-up book in 2007, *The No Asshole Rule*, introduced the idea of a relatively small group (i.e., about 10 percent) of mean-spirited leaders who have enormous impact on the work environment. This group of leaders, now commonly called boss-holes, abuse their power and authority to get their way, using fear to motivate or manipulate workers.

In one blog post, Sutton explains his use of the not-so-politically-correct term *asshole*:

> I was determined to use the word asshole in the title because, to me, other words like "jerk," "bully," "tyrant," "despot," and so on are just euphemisms for what people really call those creeps. And when I have done such damage to people (indeed, all of us are capable of being assholes some of the time), that is what I call myself. I know the term offends some people, but nothing else captures the emotional wallop.[6]

6. Robert I. Sutton, "Why I Wrote *The No Asshole Rule*," *Harvard Business Review Blog Network*, March 17, 2007.

In my experience, the typical diversity programs that focus on representation and tactical group initiatives pay little attention to identifying and dealing with the boss-holes. This may be because it is much more uncomfortable to confront the behavior of this group who are generally unconsciously incompetent (that is, they don't know what they don't know) about their behavior. While their behavior may be transparent to them—they don't even notice it—it is never transparent to the people who work for them. However, because of their level in the organization, it could be a career-limiting move to tell them about their behavior. Another problem is this 10 percent are the most hopeful that they are leaders in these areas. In fact, we will see that these lowest 10 percent leaders mark themselves perfect scores on behavior related to dignity and respect, equitable opportunity, and ethics and integrity, while their colleagues mark them substantially below the norm (more on this in Chapter 7). Because of their unconscious incompetence, members of this group feel that the problems related to equity and inclusion rest anywhere but with them.

There is a famous merger in the legal industry that occurred more than a decade ago that people still talk about. A leading Canadian law firm looked to merge with an established American law firm based in New York City. At the celebration event for the merger, a founding partner of the New York firm sexually harassed nine female partners from the Canadian firm. The next day these nine women jointly took their complaint to the CEO and gave him an ultimatum—"It's either us or him, and if it's us, we will not be going quietly." Within a week, the partner's letter of resignation appeared on the front page of one of the largest newspapers in the country.

The firm had accepted his resignation, acknowledging that his behavior was inappropriate and violated the firm's policy against sexual harassment. But there are many organizations that tolerate this type of behavior because of the leader's high-level position or because that person is a valued or tenured member of the leadership group. This leads these organizations into a common trap: when individuals reach positions of influence where few employees have the power to tell them about their unacceptable behavior without fear of reprisal or retribution, the unacceptable behavior continues and possibly even escalates.

Psychological studies have shown that boss-holes such as the partner of the New York law firm reduce productivity, stifle creativity and cause high rates of absenteeism and turnover. Research also shows that 25 percent of bullied employees and 20 percent of those who witness the bullying will eventually quit because of it or "quit" by staying in their jobs but essentially checking out—something known in organizational psychology as *psychic absenteeism*.

Diversity practitioners have spent a lot of time looking at the representation of women and minorities, putting employee resource groups together and improving policies on outreach and selection, yet the group encompassing the lowest 10 percent of leaders has remained virtually untouched. Finding and helping the boss-holes move out of their unconscious incompetence is the most important thing an organization can do to move toward equity. Chapter 3 further discusses this idea of the lowest 10 percent, and the importance of good leadership—and shifting leadership behavior where necessary.

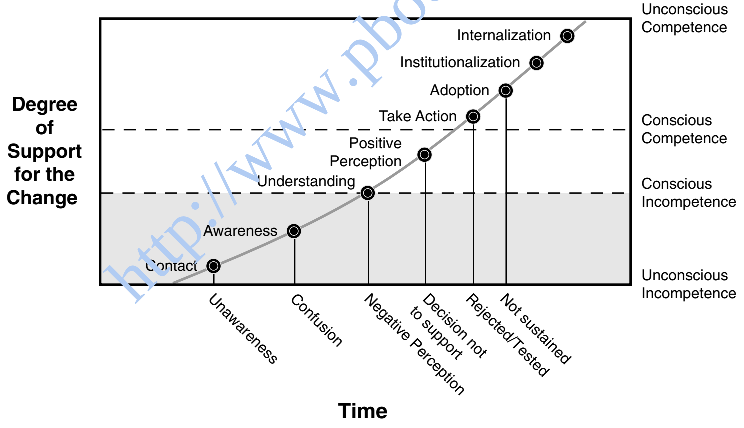
Problem 3: Diversity has not moved beyond awareness education about race, gender, culture and sexual orientation.

Over the past 20 years, many organizations have offered diversity awareness training programs designed to help their organization move toward a more equitable and inclusive work environment. Diversity awareness education generally moves people from a state of unconscious incompetence (where they don't know what they don't know) to a state of conscious incompetence (where they know what they don't know).

Organizations that are further along in their journey to an equitable and inclusive work environment understand that awareness training is only a first step in the education process. These organizations adopt an integrated approach that leads people beyond awareness to understanding, and then beyond understanding to behavioral change. We often remind our clients that a workplace environment does not change because people begin to think differently, a workplace culture changes when people begin to act differently, that is, when they become consciously competent.

Although diversity education has focused on improving awareness about race, gender, culture, sexual orientation and so on, sustainable organizational change is the result of behavioral change, especially that of managers and leaders. Our firm's experience is that progress toward an equitable and inclusive work environment is more likely to happen when key opinion leaders move beyond awareness and understanding to exhibit actions and behavior that demonstrate the commitment to equity and inclusion. To do this, the organization needs to move beyond a course in diversity to create a full human equity curriculum that will involve employee skills transfer, including the introduction of new management tools designed from a positive psychology perspective.

Stages of Commitment to Change—Fostering an Inclusive Environment



Adapted from ODR, Inc.©

In an integrated approach to education, a critical mass of managers and leaders move beyond awareness and understanding to the point where they take action to operate with conscious competence. With the requisite skills and competencies, managers and leaders can effectively create sustainable organizational change and move beyond the group focus of diversity.

Problem 2: Diversity is based on a deficit paradigm.

One of the biggest problems with diversity is its focus on righting the historical wrongs of certain groups. Diversity, like most of today's management paradigms, is deficit-based, dealing with what is wrong with certain groups in the world of work. Notwithstanding the platitudes about celebrating differences, a scan of the academic research related to diversity will uncover less than inspiring titles such as "Issues in Managing an Increasingly Diverse Workforce," or "A Field Study of Diversity, Conflict and Performance in Work Groups" or "The Relationship Between Race, Organizational Diversity and Absenteeism." While there is no doubt that there is value in this type of research, it cannot help but create the feeling that diversity is something to be fixed, managed or handled. This, more than anything else, fuels the problem of diversity fatigue.

In this book we look to the relatively new science of positive psychology as a way out of this dilemma. In 1998 Dr. Martin Seligman was the chair of the American Psychological Association. He confronted the psychological establishment with a challenge. Seligman's challenge was based on the premise that the existing model of psychology was unbalanced. He argued that since the Second World War, psychology had been dedicated to what was wrong with people and the work of psychologists had been focused on trying to fix their patients; in his words, "trying to bring people from minus 200 to zero." Seligman evidenced his perspective with a review of the academic literature. He found a startling 21 to 1 ratio between deficit-focused articles and those aimed at the positive. There were 5,584 articles about anger, 41,416 about anxiety and 54,040 focused on depression. On the other side of the equation, there were only 415 articles related to joy, 2,400 related to life satisfaction and a measly 1,700 related to what some call the ultimate reward, happiness.

As Seligman put it: "The science of psychology has been far more successful on the negative than on the positive side; it has revealed to us much about man's shortcomings, his illnesses, his sins, but little of his potentialities, his virtues, his achievements, his aspirations or his psychological height. It is as if psychology had voluntarily restricted itself to only half its rightful jurisdiction and that the darker, meaner half."

I believe the same could be said of the field of diversity. It has been far more focused on the negative side of differences in the workplace rather than looking at how to optimize on differences at an individual level. Looking to the strengths-based work of positive psychology pioneers such as Seligman, David Cooperrider and Chris Peterson, and referencing Gallup's early research on strengths-based management, the evolution to human equity promises the first management paradigm approached from a positive psychology perspective.

Problem 1: Diversity focuses on groups rather than the individual. In 1999 Dr. Janet Smith was asked to create a task force on diversity for the Canadian federal government. She pushed back, saying diversity was not the issue but inclusion was. When she was asked to define inclusion she used a definition that in an inclusive environment each person (not each group) is valued because of his or her unique difference.

Up until that point the diversity conversation had focused on groups, for example, my group of men, your group of women, my group of minorities, your group of lesbians, etc. This is where the diversity conversation has been for the past two decades. This has led to each group fighting for its rightful place in the organization and has led to concerns regarding tokenism for some groups and accusations of reverse discrimination against others. And yet, not much has changed in who runs the most powerful organizations today.

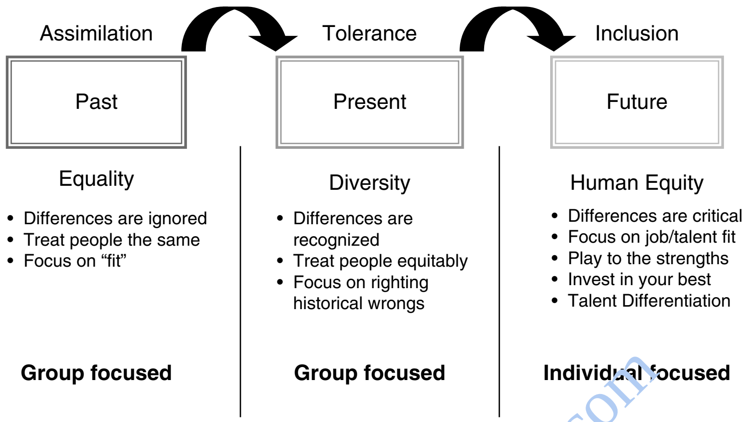
According to Catalyst, women CEOs represent less than 4 percent of the Fortune 500 companies today. One of the most influential African–American networking groups, the Executive Leadership Council, has pointed to the fact that the percentage of African–Americans in senior executive positions has actually decreased over the past decade. The vast majority of Fortune 1000 corporations' leadership positions are still dominated by one demographic group, that is, SWAMs. According to the Equal Employment Opportunity Commission, SWAMs represent a majority of managers, with white females barely making 30 percent and blacks, Hispanics and Asian–Americans each representing less than 5 percent. Organizations have experimented with hundreds of diversity measures focused on improving the conditions of selected groups and it is time to move beyond the group focus of diversity.

I am more than my group. While my group identity may inform who I am, it cannot define me. The fact that I am a black male over the age of 55 does not mean I cannot master the use of social media or become an effective president. The same stereotypes we talk about fighting in diversity have raised their head again but in more politically correct garb. In order to access the full promise of the diversity of talent in the workplace we need to evolve beyond the group conversation of diversity, using whatever you now know about a particular group to apply it back to the individual.

In my earlier book, *Diversity at Work*, I called for a shift from the "Age of Equality" to the "Age of Equity," where people get treated equitably and differences are recognized not just because it is the right thing to do but because it will directly impact on the productivity and competitiveness of the organization.

Today I call for yet another shift, a shift that moves beyond the conversation about diversity into the conversation about human equity, where differences are not just recognized but are seen as critical for organizational success. This shift uses positive psychology strategies to focus on job/talent fit. Most importantly, this shift moves beyond the group focus of diversity toward the individual focus of human equity, which allows for talent differentiation, differential investment in high performers and the opportunity to discover and play to the strengths of each employee.

The Required Shift



Source: Trevor Wilson, *Diversity at Work: The Business Case for Equity* (Toronto: John Wiley & Sons Canada, Ltd., 1996)

In the next chapter we will look at the evolution of this conversation by reviewing a measurement tool called the Equity Continuum. That chapter will further trace where we have come from, where we are now and where we need to go to move toward human equity.