HR PRIMER

Chapter 2
Assessment, Performance Management and Succession Planning for a Diverse Workforce
Assessment, Performance Management and Succession Planning for a Diverse Workforce

Companies’ tried-and-true methods for talent management may no longer be sufficient or effective for today’s increasingly diverse workforce. Why? Due to a variety of cultural, generational, technological, and lifestyle factors, this exceptionally diverse workforce is now straining against conventional wisdom and the best practices that have grown out of those beliefs. This reality requires HR executives to deeply examine the premises and design of every aspect of talent management—from executing performance assessments to communicating expectations and feedback to mapping out C-suite succession planning—in order to ensure each activity takes into account the implications of the diversity within their company’s employee ranks.

As an HR professional, you’re well aware of what tools, processes, and methodologies best suit your company’s culture, business goals, and long-range plans. But you may not be noticing the ways in which your organization’s various talent management efforts and programs may be failing to serve your diverse employee population. What are these gaps and how to best address them? In this chapter, we explore the following issues and offer alternative strategies for managing them:

- Unconscious bias of employee performance assessments
- Inadvertent exclusionary impact of preferred corporate communication style
- Accidental perpetuation of exclusion through best practices around succession planning
Removing Unconscious Bias from Employee Performance Assessments

As familiar as employee performance assessments are as the cornerstone of talent management, they are fraught with bias. Take, for example, what a company has determined as strong leadership behaviors. Those defining the desired traits often share a similar cultural background. Many times this inadvertently leads to a narrow view of desirable behaviors. The ways in which people with different experiences or preferred styles may behave as leaders are not taken into account, even though they may be just as effective at leading as those in the mainstream.

Take, for example, the idea that it’s generally assumed that to be a good leader one must be outgoing, outspoken, charismatic, fast thinking, and fast acting—the typical characteristics associated with extroverts. But where does that leave those who are more reserved? Does this mean they can’t be effective leaders within your organization? In an organization with a multicultural workforce, this may mean that those from more introverted or more hierarchical cultures—certain Asian cultures, for example—may be overlooked for leadership and advancement opportunities because they don’t actively bring attention to themselves or fit the biased company mold.

HR executives have long known that one way to mitigate unconscious bias in assessments is to create a performance evaluation process that includes input from key stakeholders such as customers, clients, direct reports, peers, and supervisors. A single key evaluator opens the door for bias, multiple evaluation streams help close it. But this is not enough. The criteria the evaluators are given must also be scrubbed for inadvertent bias.

As managers, we generally hope to base our evaluation of others on their merit as an employee. But research indicates that even the most culturally evolved among us still bring social stereotypes and individual cultural experiences to the work of assessing performance, despite our best intentions not to. Encouragingly, research also has shown that recognizing and acknowledging biases that are unrelated to the person’s performance can reduce the impact of personal biases on performance assessments.

Getting a handle on addressing the impact of unconscious bias requires training. Rohini Anand, senior vice president and Global Chief Diversity Officer for Sodexo, explained during a discussion on this topic that the company offers a great deal of training in this area, including training on microinequities, unconscious bias, recruiting best talent, and conducting performance evalua-
tions. Some training sessions are mandatory, while others are optional. Sodexo’s diversity and inclusion efforts are part of its management process. Managers and leaders are themselves assessed against several competencies, including a diversity competency.

**Re-Evaluate Your Company’s Preferred Communication Style**

In addition to ensuring that bias is removed from employee performance assessments, HR executives need to make sure that managers and coworkers are delivering feedback in a manner that takes into account cultural differences. How those in the mainstream culture prefer to receive and relay information can differ from the preferences of those in underrepresented racial or ethnic communities.

Some employees are uncomfortable being singled out for public recognition. For example, for those from several Asian cultures, controlling one’s emotions is highly valued. There, a display of emotion, as might come during public recognition, might result in “loss of face” for the person being recognized. Other employees may prefer an indirect approach to communication. In Native American cultures, for example, indirect communication is actually preferred. An allegation or accusation may illicit no response at all from a Native American, who would prefer not to be seen as stooping to the accuser’s level. Latino employees may seem to be disengaged in conversations with their managers because in Latin culture, direct and prolonged eye contact is often considered a sign of disrespect. They may look away while their manager is talking to them, not in disinterest, but as an indication of their respect for their superior.³

When it comes to negative feedback, in mainstream culture, the compliment sandwich—say something positive, point out the negative, and then close with another positive comment—has become a standard way of addressing a performance issue. While this approach may be effective for employees in the dominant (White) culture of an organization, the intended message can be lost on those who are used to a more direct communications style. In Black culture, for instance, people tend to say what they mean—no sugar coating or beating around the bush. A Black worker who has been served a compliment sandwich may miss the important performance critique. With two positive comments and just one negative, the take-away message is that overall they are doing a good job, and they may dismiss or not even register the fact that there is an area in need of improvement.
L’Oréal USA is one company that recognizes the differences that can exist in the communication styles of the company and its employees. To help new employees adjust to the global cosmetic firm’s often demanding culture, the HR team follows employees’ progress for the first two years. If a new worker starts having problems with their work, on-the-job relationships, or with the L’Oréal culture, the talent manager reaches out to the employee to help them understand the culture—reviewing what happened, what’s was said, and what it means. The company refers to this as “decoding,” and while there’s no formal training on decoding, HR and line managers do attend two-to-five-day seminars on the L’Oréal culture. Even after the two-year period ends, employees continue to be helped by the talent managers.

Factor in Diversity in Succession Planning

As we have seen, the qualities that companies have determined for success can be culturally biased. This bias can also impact the succession planning process. While it’s clear the organization, with the help of the HR executive, needs to ensure a broader spectrum of acceptable behaviors it must also do more to guide and develop its diverse workforce to increase the chances of this diversity being represented in the pool of future leaders.

But this guidance can’t default to traditional mentoring where the more tenured executive is there to create “Mini-Mes.” Many an underrepresented employee has had a senior leader who has taken an interest in them and their future advancement, which can be a limited view of mentoring. Mentoring enables company leaders to get on familiar terms with promising underrepresented talent, however we suggest revising the way traditional mentoring is structured. Along with senior leaders handing down corporate wisdom to their mentees, those being mentored should be encouraged to share their insights and perceptions with senior executives. Instead of a one-way, top-down relationship, this revised mentoring process becomes a two-way, reciprocal relationship that benefits both the mentor and the protégé. The chapter on talent development goes into greater detail about reciprocal mentoring.

In addition to being informed, leadership also must be visible. The promotion of high-potential employees from underrepresented groups into leadership roles puts talent management resources at center stage and telegraphs to employees and external audiences that the organization is serious about diversity and inclusion. Groups, such as women, racial and ethnic minorities, people with disabilities, and others who do not fit the traditional corporate mold, will gain more access to mentors who better understand and appreciate their unique con-
tributions. These individuals also can serve as role models for their fellow leaders and others coming up in the ranks.

Like many companies in the 1970s and 1980s, IBM worked to eliminate discrimination by ignoring cultural, racial, and other differences among its broadly diverse employee population. When Lou Gerstner became CEO in the early 1990s, he put an end to the “diversity blindness,” by creating a diversity task-force initiative to “uncover and understand” differences among employees. In the two decades since, the number of the company’s female, minority, and self-identified gay, lesbian, bisexual, and transgender executives has grown exponentially.

Gerstner and other IBM leaders became actively involved with developing high-potential minority and female senior managers and junior executives. Under Gerstner’s leadership, the company began to challenge notions about when specific employees were ready for general management assignments, often opting to think outside of the box by placing, say, a female executive who could take on a bigger job in her functional area into a more development-rich position in general management.

One of IBM’s diversity-related talent-management practices is the “five-minute drill,” which takes place during the discussion of managing talent at the corporate and business-unit levels. During senior team meetings, leaders are required to be ready to discuss any high-potential manager. A concerted effort is made to ensure that employees from many different demographic groups are discussed, not just the obvious candidates. The practice makes executives more aware and, ultimately, more accountable for identifying and encouraging the careers of high-potential minority managers both in their own areas and across the business. As a result, IBM executives are now more open to considering underrepresented and often overlooked individuals for promotion into executive jobs.

Employing people from various social and cultural strata has helped IBM serve its customers better. The organization witnessed an expansion in its market by obtaining business from small- and medium-sized enterprises owned by women and minorities. The unique selling position of the company was the heterogeneity of its diversified workforce, which generates a wide variety of thoughts and ideas that the company considers important for its success.5

When it comes to succession planning, BASF Corp. ensures more diversity by shining a spotlight on certain positions in the company that are feeders into leadership roles. Since 2010, hiring managers have been required to post the roles internally (as opposed to hand-picking candidates from their own ranks). Now the company has people who might not have been considered coming
forward to express interest in a role, and they are presenting their qualifications in a more focused manner, showing how their unique skill set could benefit the organization. As a result, the company has placed some people they would never have considered before into new roles. Also, this succession planning approach makes known the skills required to fill those leadership roles and what individuals can do early in their careers to prepare themselves to move up the ladder later on.  

Like BASF, Merck & Co. understands the importance of coupling succession planning and diversity. Because the vast majority of healthcare decisions are made by women, leadership at the pharmaceutical company is working to ensure that more of its managers reflect that reality. Merck has moved more women and people of color into pivotal operational roles—a path to senior-level positions in the company.

At the Federal Reserve Bank in Chicago, many senior leadership positions have been filled by employees who were groomed for advancement by their hiring manager. But recently, the bank has been reaching beyond the traditional talent pool to fill these positions, posting and competitively filling more of them, thus opening the door to a more diverse candidate pool. Instead of leaving hiring decisions to the discretion of one person (the hiring manager) the Chicago Federal Reserve now uses a hiring panel that consists of leaders from a variety of demographics and backgrounds. Senior leaders are exposed to candidates they were previously unfamiliar with as well as candidates with skills the leaders had not encountered or considered before. As a result of the bank’s foray into the “unknown,” in recent promotions three of the four candidates who were placed into the positions were from traditionally underrepresented groups. Now, hiring managers—skeptical at first—support the process.

**Conclusion**

Done sensitively, thoughtfully and strategically, talent management focused on diversity can boost productivity, help shape corporate culture, reward excellence, spur individual improvement and development, and help establish a solid and sustainable platform for your future leadership talent pipeline.

Several years ago, a U.S. Equal Employment Opportunity Commission (EEOC) report on private sector employers noted:

>“It is an axiom of human nature that people often like to associate with other people who are like themselves. This enhances a comfort level in working relationships. Such ‘like me’ bias may be conscious or unconscious. Nevertheless, the ‘like me’ syn-
drome can lead to a tendency to employ and work with people like oneself in terms of race, color, national origin, sex, religion, age, and disability.”

The EEOC’s so-called “Like Me Syndrome” too often plays out in the talent management process, serving to keep underrepresented employees on the outside looking in. According to the EEOC report:

“The ‘like me’ syndrome can also influence an employer’s assessment on the norms of performance. Thus, there may be the perception that someone ‘different’ is less able to do the job and that someone ‘like me’ is more able to do the job. This can further adversely affect equal employment opportunity for minorities, women, persons with disabilities, and older workers.”

HR executives can reasonably expect uniformity from employees in terms of the quality of the work, meeting deadlines, and their compliance with company policies and procedures. Cultural differences, however, shouldn’t factor into these professional competencies. But ignoring or discouraging real, unique, valid, and valuable differences in underrepresented individuals—and leaving them to navigate the workplace without support and recognition—is a sure-fire way to reduce productivity and create a revolving door where rich and diverse talent sources are lost to neglect.

Organizations that have consistently eliminated unconscious bias and integrated cultural diversity into their talent management systems and processes find that, over time, leadership throughout the organization begins to adopt an inclusion mindset in ways that are truly effective in producing greater diversity when it comes time to discover and groom the next generation of leadership.

Endnotes

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