Chapter 14

Global Diversity and Inclusion

Today, an ever-changing global marketplace and labor force demands continue to challenge long-held business assumptions and force major structural reorganizations at many companies across key business, marketing, and talent recruitment and retention functions. The global gold rush for multicultural markets, diverse employees, and untapped consumer bases has already begun. Globalization is a powerful buzzword in corporate circles, and corporate leaders are eager to establish a strong presence in a variety of emerging markets. New commercial innovations and powerful technologies are truly bringing the world's best products and services right to our doorsteps.

Global diversity, like domestic diversity, offers rich opportunities for company growth through an increased talent pool, wider consumer base, and additional revenue streams. Yet, global diversity and inclusion initiatives face particularly challenging aspects, such as geographical distance, different time zones, virtual relationships, language barriers, and distinctive cultural values, actions, and assumptions.

Success in global markets will require more than boutique multicultural initiatives. Competing on a multinational playing field will require a sustained effort to integrate distinct cultural and more inclusive values into a newer and broader vision for company growth and advancement.

In this chapter, we will explore the following questions:

• How do best practice companies create a sustainable global diversity and inclusion structure?

• What must an organization do to achieve corporate understanding of global diversity and inclusion best practices?

• Who are the key players in a global diversity and inclusion team?

• How should the success of global diversity and inclusion initiatives be measured? What accountability systems should be established toward this end?

Creating Sustainable Global Diversity and Inclusion

In the twenty-first century, rapid globalization requires a new look at diversity. Imposing U.S.-based diversity and inclusion initiatives onto an international playing field without thoughtful regard to the distinctions that create business identities and cultures can result in tense relationships and misunderstanding, as well as loss in revenue, staff, and credibility.

While diversity in the United States may speak to equality and inclusion along the lines of gender, race, disability, age, religion, and sexual orientation, this definition may not apply directly to a nation where hierarchical race or gender ranks are the norm. This is not to suggest that U.S. companies should dispose of their current values surrounding diversity and inclusion, but rather that companies should be open to adapting to and learning from other cultures, thus creating a universal definition that speaks to a global audience and can be tailored to local regions.

To effectively address global D&I issues, organizations must understand how having diversity in workforce representation, as well as in the way the company thinks and approaches strategic issues, will bring greater value to the company and its stakeholders.

In developing global diversity programs, most corporate strategic planning processes focus on the four "As": Analysis, Action planning, Alignment, and Assessment.

- **Analysis:** Begin by analyzing your existing internal structures and capabilities as they relate to the demands and opportunities of the external global business environment. Ask where are we now, and where do want to go?

- **Action planning:** Create strategic goals based on the gap analysis and by utilizing the diversity strengths and ideas of your global team, develop specific action plans to reach these goals. Ask now that we know where we want to go, how do we get there?

- **Alignment:** Align the strategic action plan with the existing infrastructure of your company, infusing global D&I initiatives across all levels and divisions for maximum sustainability. Ask how do we make our global D&I initiatives an everyday part of our existence, rather than a passing trend?

- **Assessment:** Assess implementation results through measurement and accountability tools. These tools should measure progress on the global D&I goals set during the "action planning" stage. Ask are we progressing toward our goals, and, if not, what do we need to change?

Devoting adequate corporate time and resources to these four pertinent steps is fundamental in building a global program that is truly embedded into the company fabric. All too often,

D&I programs are spearheaded under one individual's leadership only to fade in that person's absence. Given the corporate investment it takes to develop a D&I program and the amount of return that can be achieved through these initiatives, companies cannot afford to reinvent the wheel every time a corporate leadership change occurs.

The goal is to create corporate cultural change through institutional changes that is lasting over time. This can only be done through development of a formal global D&I initiative that is reflected in corporate values, programs, and day-to-day conduct. Best-practice organizations integrate global diversity into day-to-day operations to ensure that it is ongoing and contributes to corporate D&I and business results.

In creating a global D&I structure, companies should:

- Build a global team that reflects the company's diverse global employee, consumer, and shareholder base

- Create a shared understanding of what the company means by "global diversity and inclusion"

- Give responsibility and ownership to line employees and local organizations, while providing centralized monitoring and support

- Engage senior leaders and hold them accountable

- Establish network and affinity groups and diversity councils (in a manner compatible with a company's culture and employee relations philosophy)

- Provide training to the entire workforce with particular focus on management and executive training

- Incorporate D&I into mentoring efforts and leadership training

- Foster communication channels for sharing and learning throughout the organization

- Develop assessment tools for measuring progress on an ongoing basis.

The following sections will explore three of these areas in greater depth: creating a shared corporate understanding of global D&I, building a global team, and developing assessment tools for measuring progress.

Achieving Corporate Understanding of Global D&I

Global D&I does not yet have a universally shared definition. The myriad of definitions that do exist stem from each definer's subjective framework and are influenced by national context, political agenda, dominant culture, religion, and gender, among other factors, creating an ongoing fluctuation of the term "global diversity and inclusion."

A company's global mission statement should not and cannot be mere rhetoric if the company plans on succeeding in its endeavors. Far too many companies lack a true understanding and commitment to global diversity. Without a clear and shared vision of global D&I throughout the organization, global efforts will only prove to shift the company laterally rather than propel it forward.

The organization's global vision must go beyond the standard one for domestic diversity and acknowledge the global reach and cultural differences inherent in doing business both in and among different countries. The end goal is to become increasingly more competitive and innovative throughout the world by fostering common areas within diversity and inclusion, globally and locally.

Further, companies must reflect by asking, "Are we honestly being inclusive of other cultures and ideas in creating our definition of global diversity and inclusion, or are we merely trying to impose our U.S.-centric views on others?" It is naïve to believe that in a world as large and diverse as ours, one country or one people holds supreme knowledge. Nonetheless, these notions exist in many companies that do business worldwide and must be set aside before corporate cohesion and key partnerships can form to build global initiatives.

A few questions corporations should ask as they create a common definition of global D&I are:

- How do American value statements underlying domestic diversity and inclusion efforts need to be altered to have meaning and relevance outside the United States?

- What are our basic beliefs and assumptions underlying diversity?

- Where do they converge with other nations?

- How can we tailor our definition to local regions for greater acceptance and effectiveness?

Three guiding principles for global D&I:

- **Respect core human values.** Human dignity and basic rights should remain paramount regardless of the country/region in which you are doing business.

- **Respect local traditions.** You cannot expect to change the traditions and culture of the country/region in which you are doing business.

- **Find common ground.** Understand that there will be possible areas of disagreement when intersecting universal ideas with local context, yet strive to find the common areas and use them as a starting point for moving your global.

Building a Global Diversity and Inclusion Team

Global diversity and inclusion teams, like corporate global D&I mission statements, should reflect their function by being internationally representative and inclusive. While this may seem like common sense, oftentimes corporations pull together "global" teams that appear haphazard rather than strategic, domestic rather than global.

Bringing diverse groups of people to work together is not enough. True diversity encompasses inclusion and not just sheer representation. In order for companies to be successful in their global approach, they must not only bring together key global players, but also create a space for all members to contribute in a meaningful way.

To achieve this, corporations can leverage their worldwide human capital by choosing team members from different nations and regions, corporate levels, genders, sexual orientations, generations, ability groups, and skill sets. Differences create barriers when not managed well, yet when viewed and utilized as assets they can help to achieve results that are more innovative and comprehensive than those stemming from homogeneous groups.

Globally-diverse teams can benefit by paying special attention to the following best practices:

- **Team Function** Clarify roles and functions. The job of the team is to design, implement, assess, and explain the company's global diversity initiative. The team should be able to identify key diversity issues globally, locally, regionally, and by country and tie them directly to the company's business objectives.

- **Work Process** Formulate a shared team process. Initially, it is important for the team to discuss and clarify expectations about how members will work together, including approaches to meeting protocol, decision making, and feedback.

- **Cultural Diversity** Create an environment that encourages the team to draw upon the diverse cultural backgrounds of its members. Awareness of the diverse styles each team member brings to the team process is the first step; leveraging diversity for improved team results requires steady attention and commitment from all team members.

- **Conflict Resolution** Utilize inquiry and open-ended questions with the goal of understanding team members' perspectives. The process of discovering the reasons behind differing perspectives frequently leads to a new openness on all sides and to solutions that could not have been reached in the absence of this information.

- **Information Exchange** Build communication systems for flowing information easily and frequently between members. While most global teams meet virtually, invest in at least one face-to-face team meeting at the beginning of the team's interactions to establish rapport.

Although the challenge of leading global teams remains a concern for many, the business case for increasing the number of worldwide diversity teams is solid and will only continue to expand in line with the global market. If structured and supported adequately through corporate resources and strong backing from leadership, global teams can excel in terms of efficiency, innovation, and outcomes.

Establishing Accountability and Measurement Systems

To be effective, organizations must tie all diversity and inclusion initiatives directly to measurable outcomes. However, assessing the impact of a global D&I initiative can be challenging given the different reporting requirements and laws from country to country, especially as they pertain to representation numbers. Nonetheless, the critical step is to move forward in customizing a measurement system that speaks to the company's goals to ensure reflection, feedback, and accountability.

Successful global leaders measure success in global diversity and inclusion as they measure other business factors. Some examples of metrics include:

- Diversity representation (particularly in senior level positions)

- Hires, promotions, turnover by gender, nationality, ethnicity, etc.

- Achievement of strategic global diversity goals

- Sales in diverse, global markets

- Employee survey scores

- Conference and event survey feedback

- Customer satisfaction by demographic segment

- Number of complaints or legal actions

Benchmarking is another powerful tool in gauging the gap between a company's present global diversity status and the level it needs to reach to be among best practice organizations. Some benchmarking strategies include:

Identify areas for improvement. Since benchmarking can be applied to a wide range of business areas, a variety of research techniques should be utilized. These tools include: surveys, quantitative data collection and research, focus groups, marketing research, and qualitative information gathering through methods such as informal meetings and observations.

Identify organizations that are leaders in these areas. Confer with industry contacts, search the internet, consult trade associations, and survey customers to determine the companies that are paragons in your areas of global diversity focus.

Research best-practice organizations. Best-practice companies share a wealth of knowledge about their global practices and procedures on their websites, in interviews and articles, and at conferences and seminars. Conduct research on these best practices or hire a consult to research on your behalf and tailor the findings to fit your company's business goals.

Infuse best practice strategies into corporate infrastructure. Harness these leading edge practices by developing implementation plans which include funding the initiatives, selling the business case, and garnering organizational leadership support.

Measurement as it relates to accountability is a continuous process in which organizations constantly seek to challenge their practices. Indeed, setting new goals and challenges will be a continuing exercise for global organizations.

Conclusion

In this chapter, we:

- Studied how best practices companies create a sustainable global diversity and inclusion structure.

- Assessed how to achieve corporate understanding of global D&I best practices.

- Considered who the key players are in a global diversity and inclusion team.

- Discussed effective ways to measuring and establishing accountability for the success of global diversity and inclusion initiatives.

Ready or not, globalization is rapidly changing the landscape of the business world, and global diversity and inclusion requires a new corporate playbook to create sustainable, long-term success. Without this approach, leaders risk entering a country's borders only to realize as they delve deeper, that larger issues are at stake, forcing them to retreat when they do not have quick answers. If corporations are myopic and only view global D&I as strictly a manufacturing or operational issue, they risk failure of the business objective but also of future reputation in foreign markets.

The most insightful leaders know that even within the United States, adapting to the specific region and culture is a key factor in whether or not business flourishes. To remain competitive, corporate executives must make a conscious and distinct shift in vision around definitions of diversity and inclusion in a global marketplace, and they must embrace global D&I as not only a necessity, but as a true asset to increase sustainability, profit, and shareholder value.

Case Study: AT&T Inc.

The United States offers a wide consumer base and a rich employee talent pool. AT&T knows this—it's the nation's largest wireless carrier based on subscribers. But beyond U.S. borders, AT&T has effectively tapped the international market as well. It is the world's largest telecommunications company with $120 billion in revenues and more than 100 million international customers. It carries more than 13.4 petabytes of data traffic daily to nearly every continent and country. It conducts business in more than 150 languages and provides specific services and products for the diverse customer base.

Naturally, the 309,050 AT&T employees worldwide are as diverse as the company's customers. AT&T values individual perspectives and promotes an environment of inclusion. Women make up 44 percent of all employees. People of color make up 35 percent of U.S. employees. There are more than 1,700 AT&T reps working in 22 Call Centers that provide service and information to 1.5 million customers in languages other than English.

Clearly, the removal of barriers in employment allows for recruitment from a wider global talent pool, longer retention of better multicultural workers, improved international community relations, and an enhanced corporate image all over the world. But it's not just about hiring someone from another country; it's also about teaching employees how to conduct business effectively in that country. AT&T does this through educational sessions for expatriate workers in order to acclimate them to a new society and to minimize culture shock.

There are also global diversity organizations that bring AT&T's vision of international inclusion to reality. They go beyond just employee recruiting and customer marketing. The AT&T Procurement Organization is responsible for negotiating and contracting for goods and services for AT&T. Annually, it purchases over $15 billion worth of products globally. It also oversees delivering goods and services to international businesses and their customers to guarantee quality and value.

AT&T has recognized the inherent value of global social responsibility. By connecting with and improving the communities where it has a presence, it can improve its reputation and image through actions. AT&T Pioneers is the world's largest company-sponsored community volunteer organization. In 2006, the organization donated 14.3 million hours to community outreach activities. That's more than $257 million worth of time to better all involved. Nearly 365,000 AT&T employees and retirees have volunteered in six continents through the Pioneers.

By expanding in to the global marketplace, AT&T has greatly increased the imperative for inclusion within its naturally diverse environment. Through organizations, education, social responsibility, and integrated business strategies, this expansion has been highly successful for employees and customers. AT&T has truly blazed the trail for global diversity in a global company.

Case Study: IBM

Global Workforce Diversity is a cornerstone of IBM's strategy to differentiate itself as one of the world's great companies.

IBM's commitment to diversity is such that the company has initiated a global strategic framework for diversity to address how it responds to the plethora of emerging trends in the countries where it helps its clients do business. Overall, IBM's intention is to create an environment that maximizes our employees' productivity and connection to the enterprise on a global scale.

Achieving this goal requires IBM to use diversity as a means to engender the innovative culture that defines the company. That means extending beyond the traditional subjects of diversity—race, gender, genetics, religion, disability or sexual orientation—by aligning diversity with globalization so that it becomes a natural extension of the company's strategy.

IBM is especially sensitive to the accepted norms of behavior in the various countries where it operates because the company has a long history of doing business outside the United States, IBM has employees in more than 75 countries, and it does business in over 170 countries. Additionally, since 1975, over half of IBM's annual revenue has come from outside the U.S., while since 1993, more than half of its employees work outside this country.

Nearly 70 countries where IBMers work have diversity legislation in place. That's almost double what it was just three years ago. This is the new era of diversity, the global era. To operate successfully, IBM believes it must be especially mindful of how it respects and values differences among people in countries and regions.