

“The increased recognition of the contribution of OD comes as a mixed blessing. Although the increased recognition for OD may provide greater job security, it comes with sharply increased demands—increased demands which all too frequently do not result in increased resources.”

Case History:

A Case of Too Much Diversity?

By Homer H. Johnson



“This is crazy,” said Michael Obedaye as he pretended to pound himself in the head, “I think we might have created a monster that is out of control. Maybe we have too much diversity?” He was talking to Donna Fernandez, the regional director of OD for Soap Products, and added “I really need your help on this one!”

Michael is the general manager of a soap products manufacturing plant in the central city area. An African-American himself, he was given the charge to diversify the workforce when he was appointed to the job three years ago. He recounted to Donna the conversation he had with the corporate execs when he took over the job. “Diversify, diversify, diversify,” was the message. The execs were upset that the plant consisted primarily of white males, whereas the central city site had large numbers of Hispanics and African-Americans. “Diversity is your #1 priority,” they told him.

With the help of Donna he embarked on an intensive recruitment effort to diversify the workforce. And now three years later, the plant was roughly about one-third Hispanic (almost all immigrants from Mexico); about one-third African-American; and about one-third white, mainly recent immigrants from Poland. These numbers pretty much matched the demographics in the area around the plant. The gender ratio was about 3 to 2 male to female. Not quite 50/50, but certainly much, much better than three years ago. The supervisory and administrative staff were becoming more diverse, although the progress here was slow.

The efforts of Michael and Donna did not go unnoticed at corporate headquarters - last year both received a special award at the annual management meeting for “creating a diverse workforce.”

Not only was the soap products workforce diverse, but they were also very motivated and committed. Certainly one contributing factor was that the salary and benefits were quite good and much higher than other plants in the geographical area and there was no shortage of people who wanted jobs in the plant. Moreover, the skill level was likewise very good. Donna had instituted a mentoring program for new employees such that every new hire was trained by an older employee who spoke the language of the new employee. The older employee had to train the new employee to a specified competence level within three months to five months (depending on the job). If this was accomplished, the mentor received a bonus, and the new hire went from “probationary” to “regular” status. This program was so successful that Donna introduced it to other plants across the country.

However, the diversity effort has not been without problems. Language differences were just the beginning. Most of the employees spoke a little English, however, for many employees it was only a “little.” This presented communication difficulties between line employees and supervisors, and between employees, as well as in understanding company policies and procedures (the manuals were all in English).

One of Michael's gripes was that he seemed to be continually involved in deciding minor issues that he thought should be resolved by others. For example, the latest involved semi-nude pictures of women that several men had on the inside of their locker doors. The women employees complained; the men didn't understand why; and it all got pushed up for a decision by the "boss."

Michael thought that the employees were too "boss conscious;" too dependent on the "boss" to handle problems. They always seemed to want the "boss's" opinion or decision on all sorts of issues. Many of these issues, he thought, should be handled by the employees themselves, maybe with the assistance of HR.

Of more serious concern was that productivity had been flat over the last few years, and was actually slightly lower than when Michael took over the plant. Michael's manager at corporate was pretty blunt in telling Michael that his new priority was to get the production numbers up. "You got the diversity you needed, now the target is productivity," was the clear message.

Employee skill level didn't seem to be the problem, thanks to Donna's mentoring program. And employee motivation was high. The problem seemed to be more in the area of communication and coordination. Everything just took too long. If there was a problem on the soap line, it seemed to take forever to fix. Retooling the line for a run of a different soap product likewise took forever it seemed – usually 4 or 5 hours for what other plants could do in 90 minutes or less.

"They are not working as a team," was Donna's diagnosis. "They are pretty good as individual performers," she said, "but they identify more with their racial and nationality groups, rather than with working together for the company. That makes sense given the language differences. They just feel more comfortable with people with whom they can best communicate. For example, if there is a problem on the line they look for their mentor who may not be around, rather than informing the supervisor. We have to get them more focused on working

together. If they can start working together better I am convinced that productivity will increase."

"I agree" said Michael, "I think you are right on, and I am counting on you to put this together."

If you were Donna how would you handle this situation? How would you proceed? What interventions would you put in place?

Looking more broadly at the diversity question, what advice would you give OD consultants or managers for working with diverse workforces?

We asked three expert consultants, Diana Montalto, Kathy Woodruff, and Matt Minahan to tell us what advice they would give Donna in handling this difficult situation. Diana is a Management Development Specialist at Exelon Corporation in Chicago, Kathy is the president of Woodrich Consulting in Venice, CA, and Matt is the president of MM and Associates in Silver Spring, MD.

Diana Montalto, Chicago, IL

Is Soap Products pursuing Diversity for Diversity's sake or to enhance organization effectiveness? Perhaps Donna should reflect on how the diversity initiative was "mishandled" before attempting to "handle it!" Did it promote inclusion or cultivate a culture of exclusion? What are the core business needs driving the diversity initiative?

Donna should conduct a needs assessment focused on individual, team, and organizational levels. The workforce is currently engaged, motivated, and committed; yet thirsting for a sense of teamwork and camaraderie. Perhaps a "pulse survey", produced in several languages, could unveil the root causes behind the symptoms. Diversity training for employees would create value — especially one designed to reinforce the concept of diversity of thought. This may help employees feel more accountable, and less "boss conscious." Management could also sponsor a potluck lunch to honor and recognize various cultural traditions and cuisines. Soap Products could invite guest speakers from the community to

the event to convey multicultural thoughts and views that resonate with the employee population. The company could sponsor activities to facilitate integration such as on-site English as a Second Language courses, cookouts for all of the shifts, or interactive team building activities. In the spirit of safety and operational performance, they could start producing policy and procedure manuals in other languages. This should also result in a product changeover time reduction. Regardless of the intervention used, a feedback mechanism and control plan should be instituted to remain focused on continuous improvement.

I would advise OD practitioners faced with multicultural challenges to focus on realizing the inherent potential of a diverse workforce. Soap Products has been operating in a tactical, compliance mode to meet a predetermined directive. Now it is time to focus on promoting a unified culture by replacing ethnic cultural differences with shared goals and values. I challenge them to take a hard look at the organizational climate and move toward a place of inclusion. The cultural landscape has changed drastically; this has created the ideal opportunity to implement organization-wide initiatives to help manage change more effectively. How can an organization orchestrate the cultures, ideals, and myriad perspectives in a way that stimulates, rather than stifles, creativity and efficiency? How does the dissimilar nature of the current workforce support the organization's sustainable competitive advantage? Could the diverse employees possibly generate new business through product diversification resulting in greater market share? Perhaps the language barrier can become a conduit by utilizing the workforce to translate product names, taglines, and instruction manuals into multiple languages.

Another dimension for OD practitioners to explore is a focus on targeted development and retention of their workforce. With the average cost of replacing an employee at 1 – 2.5 times base salary, attracting and retaining talent, lowering absenteeism, and reducing overtime has a significant impact on the bottom-line. Soap Products will

begin to realize productivity gains if they implement programs designed to leverage the benefits of a multicultural workforce. In conclusion, it is imperative that Donna remembers her most effective “tool” in leading organization development and change is herself!

Kathy Woodrich, Venice, CA

It is unclear what the organizational objectives were for the diversity initiative, but it appears they were EEOC-related. Thus the plant is experiencing problems related to polarization along ethnic and gender lines, and an apparent lack of strategic focus is having unintended systemic impacts. Redefining diversity and clarifying the initiative’s objectives are needed, and team building and translating the policies and procedures manual are obvious solutions.

Donna and Michael have identified some issues, but their assessment is incomplete and not validated. Employees are motivated but not empowered or engaged with respect to the issues. Assessment and employee engagement seem the logical place to start.

If I were Donna I would begin by performing a preliminary assessment by interviewing a representative sampling of the workforce. Next I would engage employees in clarifying the issues and formulating action plans through a series of focus groups – multi-ethnic, with translators. (A large group change intervention could also be effective here.) Focus groups would cover the following objectives:

- » **Why we are here:** Clearly communicate the purpose of the focus groups and management’s desire to empower employees in creating and implementing solutions;
- » **What success will look like:** Clarify the ideal state regarding production goals, roles and responsibilities, and team functioning;
- » **Where we are now:** Communicate Donna’s preliminary assessment of the issue, and invite employees to challenge and validate those findings;
- » **What we are going to do about it:**

Identify opportunities and recommend actions:

- A team-building component that engages employees in reframing the concept of diversity from the narrow, sexually and ethnically-defined EEOC definition to one that respects and values diverse perspectives: experience, authority, knowledge, skill, strengths, relationships, communication styles (e.g. Hofstede’s cultural dimensions).
- Determine how the teams’ diversity can be leveraged toward issues such as team functioning, and strategic and operational goals.
- Identify other opportunities such as those related to systems, processes, structure, leadership, and team versus individual rewards.

From the data acquired through the focus groups, I would organize a task force to create the action plans and oversee their communication and implementation. I might also consider implementing the following interventions, based upon available resources and their potential strategic impact:

- » a leadership succession program and diversity program that incorporate and reinforce the new definition of diversity,
- » training on policies and procedures, and
- » expansion of mentoring to include cross-cultural mentoring with specific objectives, aligned with organizational objectives, outlined and rewarded.

Working with diverse workforces can be challenging, yet if approached intelligently and strategically can yield organizations great cultural richness and competitive edge. OD consultants and managers need to be clear about objectives and cognizant of how the organization is defining diversity. If defined too narrowly, diversity can tend to polarize employees (as in our sample case, by ethnicity and gender). Instead, OD consultants and managers can help organizations to define diversity through a collective process of identifying and leveraging its diverse resources toward

a rich organizational culture and the achievement of common goals.

Matt Minahan, Silver Spring, MD

In my opinion, the seeds of the problem at Soap Products lay in the guidance from corporate, “Diversity is your #1 priority.” Unfortunately, Michael and Donna took that advice literally, and what should have been the *real* number 1 priority – production – got lost, and the plant is now paying the price.

I don’t think that Michael is right when he says, “Maybe we have too much diversity,” though. I think it’s hard to have too much diversity. But, when diversity is promoted as aggressively – and successfully! – as it has been at Soap Products, it can become the end rather than the means. It appears that this plant has lost sight of its true goals, and now has to find them again.

The presenting problems are quite clear – productivity is down, lateral communication among employees is inadequate, cultural “clans” have formed which make the workplace unsavory for some, and there is an over reliance on the boss to solve problems.

If I were Donna, my *short* term solutions would be to:

- » Agree with Michael and corporate what the real goals for the plant are for the next two years.
- » Post the production numbers for the plant, and the different production lines, including the “down” times for re-tooling. Knowing how we’re doing is the first, and best, way to get employees to do a better job.
- » Convene a standing committee of first line managers and line workers, representative of the plant in terms of nationality and gender, and work with them to review the productivity patterns over time, and ask them to make suggestions for improvement.
- » Start an optional English speaking class for all employees, across nationality and language lines. This class would focus on the terminology needed to operate the production lines, and would also

model solid employee-to-employee problem solving skills and practices.

If I were Donna, my *medium* term solutions would be to:

- » Engage volunteers and an outside consultant to conduct a corporate culture audit of the plant. This would likely include a focus group or three, a survey, and a representative steering group drawn from across the plant to help interpret the data and guide the action planning.
- » Engage a coach for Michael and myself, to help us discover how we lost sight of the larger goal, and to help keep us from doing it again.

For HR and line managers, I would strongly advise getting outside help. When you're in the problem, you can easily lose sight of the solution, and end up trading means for ends, as happened here at Soap. A solid outside perspective is critical, and a good OD or diversity consultant would help you to keep an eye on the larger goals, while still pursuing the diversity goals. An outsider's perspective is critical when you're tinkering with the internal workings of your organization, so that you don't become "snowblind" from all of the details.

For OD consultants, we don't know why corporate has made diversity such a big priority at Soap, but this points out again that we draw the real meaning of anything not from the content of the thing, but from the context in which it occurs. Soap's diversity initiative is being presented to us, and, I assume, to them, without any context, and so it's no wonder that the initiative can be wildly successful, and still fail. Without a reason why, all we can do is execute smartly, and smart execution is never enough when the larger context is ignored.

Homer Johnson comments:

Great job, panel! Very insightful and helpful!

Nice insight in pointing out that the diversity intervention appeared to be more about compliance than it was about diversity. As Kathy notes, the corporate

office was probably under pressure from the EEOC to change the ethnic and racial numbers quickly or face some sort of penalty. In the company's very narrow view, diversity was all about headcount and not much beyond that. And while Donna's mentoring intervention had the positive effect of getting new workers up to speed very quickly, it also may have contributed to splitting the workforce into ethnic and racial divisions. As Diana points out, the overall process created more "exclusion" than "inclusion."

In hindsight (which is always 20/20), the initial intervention was very short-sighted, and was more of a short-term fix than a strategy to move the organization to a higher level of effectiveness. The company missed a great opportunity to create both a diverse and a high performance workplace.

I thought it interesting that all of our expert panel members advised starting the change process with a new look at the issues facing Soap. Each has a slightly different approach: Diana suggests a needs assessment or pulse survey and Kathy suggests interviews followed by focus groups. Matt's initial step includes a standing committee to analyze and take action in the production area, and then a follow-up culture audit.

The point, at least in my mind, is that Donna and Michael have a lot of assumptions about the problem, some of which may be correct, and others may be totally wrong. Before they jump into trying to change things, they better find out first what the real issues are. This could be a little tricky considering the language problems, but it is absolutely critical. I like Matt's suggestion of bringing in outside consultants to assist in the diagnosis. I am fearful that Donna and her people may have already decided what needs to be done, and some "fresh eyes" may come up with a different, and more valid, perspective. Matt's suggestion of a coach for Michael and Donna will hopefully turn this into a learning experience for both.

Finally, our panel of experts suggested several possible ways of creating an inclusive and high performing culture at Soap Products. I won't elaborate on

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the suggestions here, but want to echo the panel's view that a single and one-time intervention will not change much of anything (except for another short-term fix). Real change requires multiple strategies focused on a single objective. And the objective here is the creation of a high performance organization.

Thank you, Diana, Kathy and Matt.
Great analysis and great suggestions!