

# Leveraging Diversity for Organizational Excellence

**Manu K. Vora, Ph.D., MBA, ASQ CQE & Fellow**

**ASQ Grant Medalist (2001), ASQ Lancaster Medalist (2005)**

Adjunct Professor, Stuart Graduate School of Business, IIT, Chicago

Past Vice President, American Society for Quality (ASQ)

Chairman and President, Business Excellence, Inc.

*P. O. Box 5585, Naperville, IL 60567-5585, USA*

*Tel: 630-548-5531, [manuvora@b-einc.com](mailto:manuvora@b-einc.com)*

*Website: <http://www.b-einc.com>*

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## Introduction

- **What is Diversity?**
- **Sources of Diversity**
- **What is Organizational Excellence?**
- **Roadmap to Leverage Diversity for Organizational Excellence:**
  - **Leadership**
  - **Customers**
  - **Employees**
  - **Processes**
- **Diversity Best Practice Examples**
- **Major References**



## Personal Background

- **Keynote Address** – “Diversity Management for Organizational Excellence, Asian American Heritage Month Program, Office of the Clerk of the Circuit Court of Cook County, **May 31, 2007.**
- **Judge**, International Asia Pacific Quality Award Program (**2004-Present**)
- **Volunteer Leader** at ASQ Chicago Section – Chair (**1994-95**)
- **Chief Judge**, Illinois Team Excellence Award Program (**1993-99**)
- **Chair**, Affirmative Action Advisory Committee, Switching Systems Business Unit, AT&T Bell Laboratories (**1990-1991**)
- **Member**, Affirmative Action Advisory Committee, Switching Systems Business Unit, AT&T Bell Laboratories (**1988-1990**)
- **Executive Committee Member**, Asian American Association for Advancement (4A), AT&T Bell Laboratories (**1986-1988**)
- **Applied Work** in the Area of Organizational Excellence (**1985-Present**)

## What Is Diversity?

## Diversity Quotes

- **Rene Dubos** – *“Human diversity makes tolerance more than a virtue; it makes it a requirement for survival”*.
- **Jimmy Carter** – *“We have become not a melting pot but a **beautiful mosaic** of different people, different beliefs, different yearnings, different hopes and different dreams”*.

## Diversity Quotes

- **Helen Keller** – *“Alone we can do so little, together we can do so much”*.
- **Mikhail Gorbachev** – *“Peace is not unity in similarity but **unity in diversity**, in the comparison and conciliation of differences”*.

## Evolution of Diversity Movement

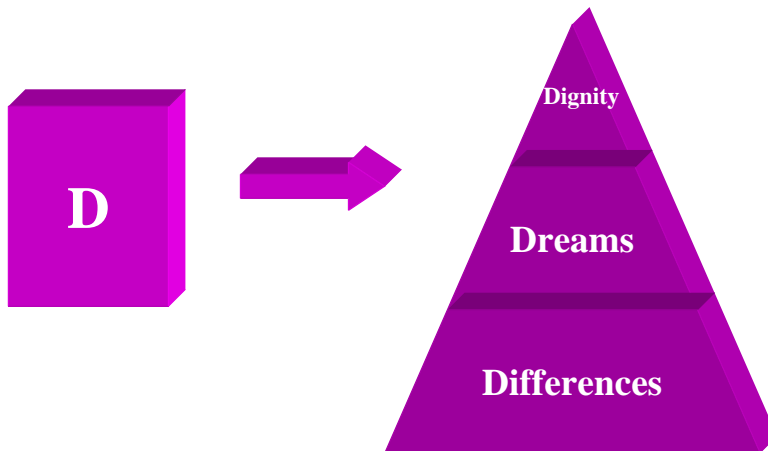
- **In the 1960s** – *Confrontational, encounter-group style.*
- **In the 1970s** – *Sensitivity training and awareness of affirmative-action statutes.*
- **In the 1980s** – *Valuing differences (works to change personal bias, rather than organizational bias).*
- **Going Forward** – *Managing diversity (company makes the effort to embrace differences).*

*Create an environment that enables all participants to pursue organizational goals.*

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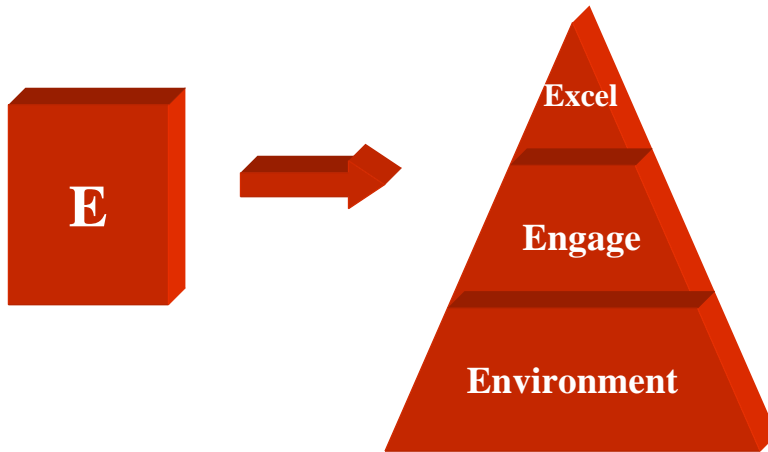
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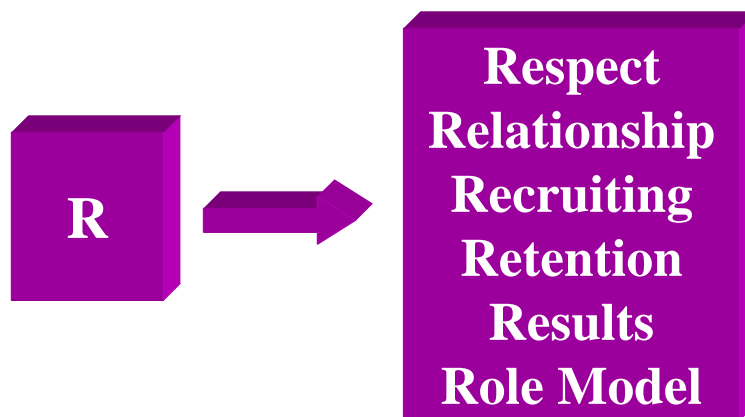
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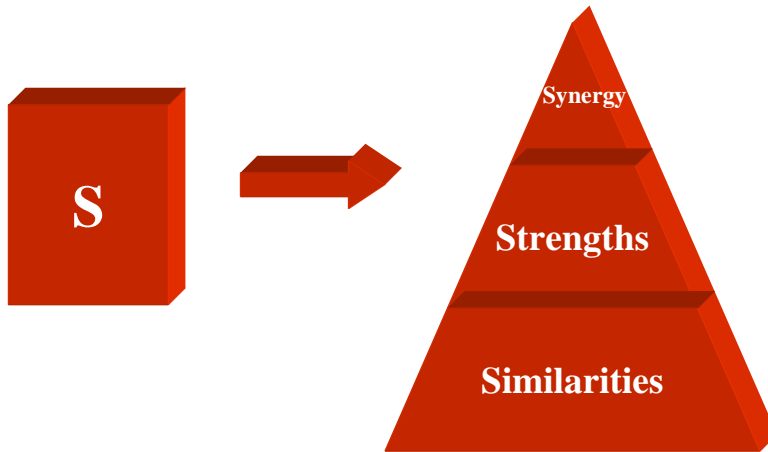
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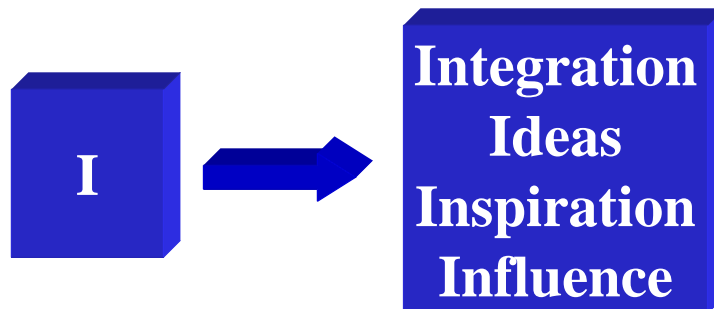
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# Sources of Diversity

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# Sources of Diversity

- **Industry** – Manufacturing, Service, Healthcare, Education, Government, etc.
- **Functions** – Marketing, Sales, Design, Development, Manufacturing, Support, etc.
- **Core Competencies** – Customer focus, Employee focus, Growth focus, Fun, etc.
- **Gender**
- **Ethnic Backgrounds**
- **Social Backgrounds**
- **Economic Backgrounds**
- **Dreams**
- **Hopes**

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## Sources of Diversity

- **Customer Base** – Local, Regional, National, International
- **Employee Base** – Local, Regional, National, International
- **Leadership Group** – Local, Regional, National, International
- **Processes** – Value Added, Support
- **Talent** – Attitude versus Aptitude
- **Beliefs** – Political, Religious, etc.
- **Perspectives**
- **Race**
- **Culture**
- **Experience**

## Sources of Diversity

- **Age**
- **Life Styles**
- **Work Styles**
- **Sexual Orientation**
- **Intellectual Differences**
- **Regional Origins**
- **Education**
- **Marital Status**
- **Managerial Levels**

## Diversity In Action

- **Supply Chain Management - Various Entities:**
  - **Suppliers**
  - **Manufacturers**
  - **Distributors**
  - **Retailers**
  - **Customers**
- **Variety of Processes at Each Entity**
- **Various People Managing Processes**
- **Goals at Each Entity – Needs Coordination**
- **Incentives for Each Entity – Needs Alignment**

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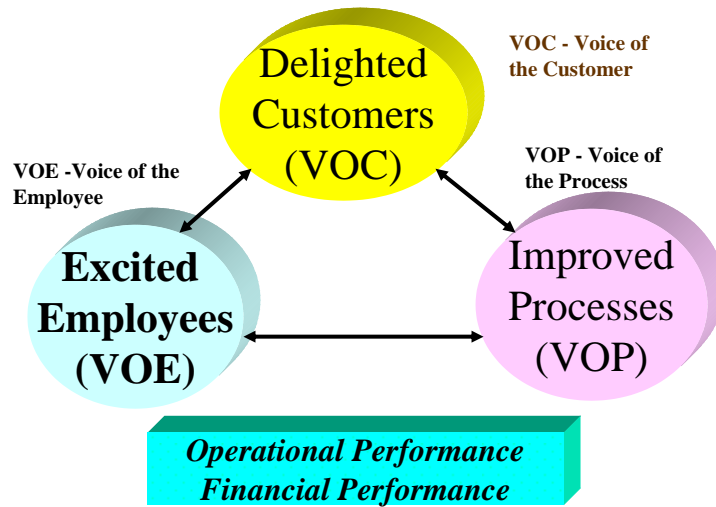
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## What Is Organizational Excellence?

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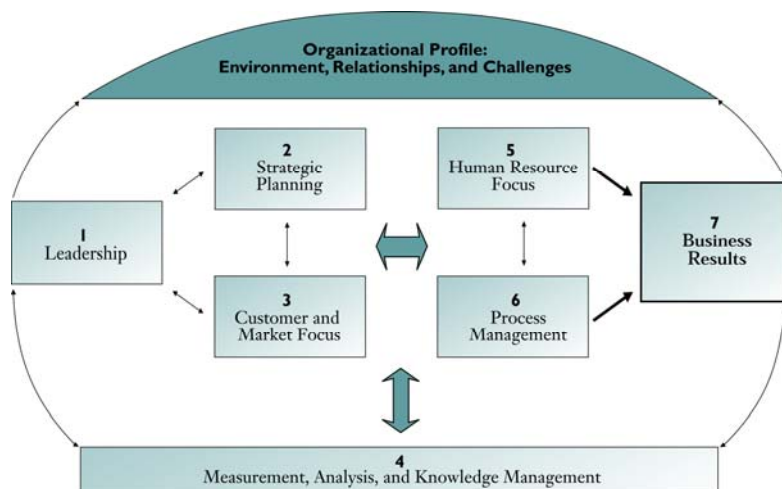
# Organizational Excellence Model



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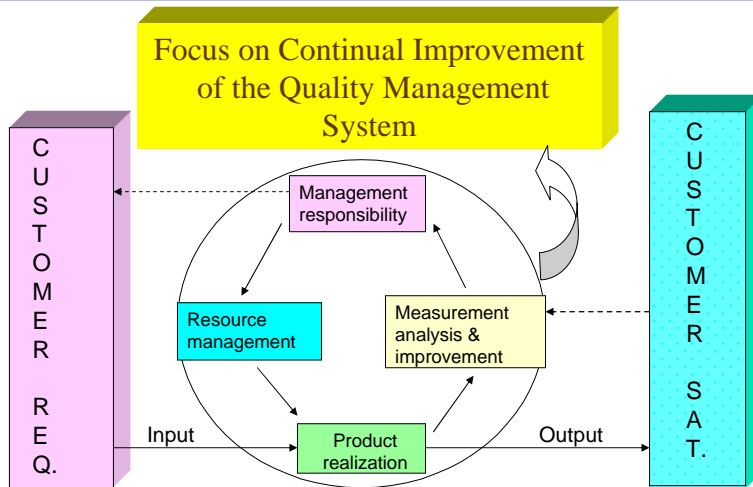
# Baldrige Criteria Framework: A Systems Perspective



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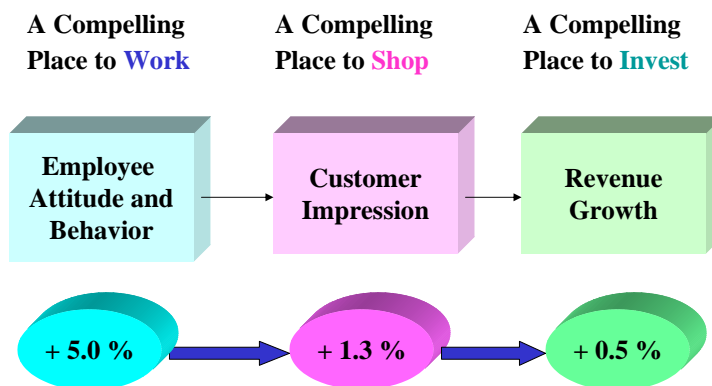
# ISO 9001:2000 Standards



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## Employee-Customer-Profit Chain, Sears, USA



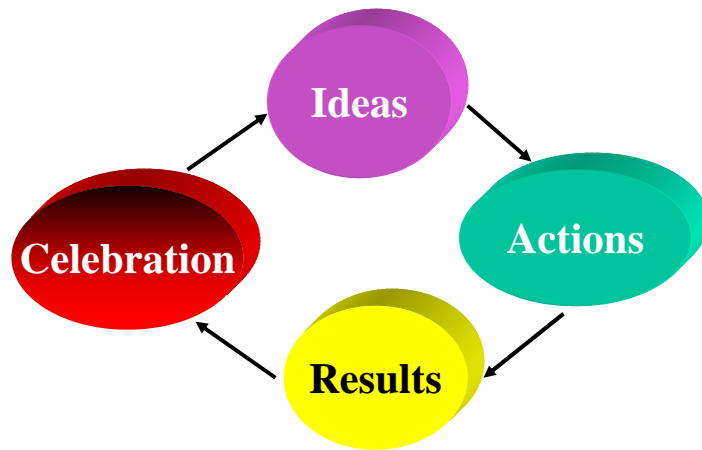
Source: Rucci et al., Harvard Business Review, 1998.

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## Business Excellence Model\*

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## Roadmap to Leverage Diversity for Organizational Excellence

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## Diversity Management Platform

- **Leadership** Commitment, Involvement and Accountability
- **Structure** – Diversity Council, Task Forces, etc.
- **Cultural Audits** to detect Underlying Issues
- **Awareness** of Diversity Importance
- **Organizational Alignment** on Diversity Benefits
- **Communication** surrounding Diversity Initiatives
- **Education and Training** for Skills Building, Integration and Application
- **Nurturing Environment** – Organizational Change, Behavioral Change
- **Regular Evaluations** – Measure Progress with Metrics
- **Celebrate Successes**

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## Leadership

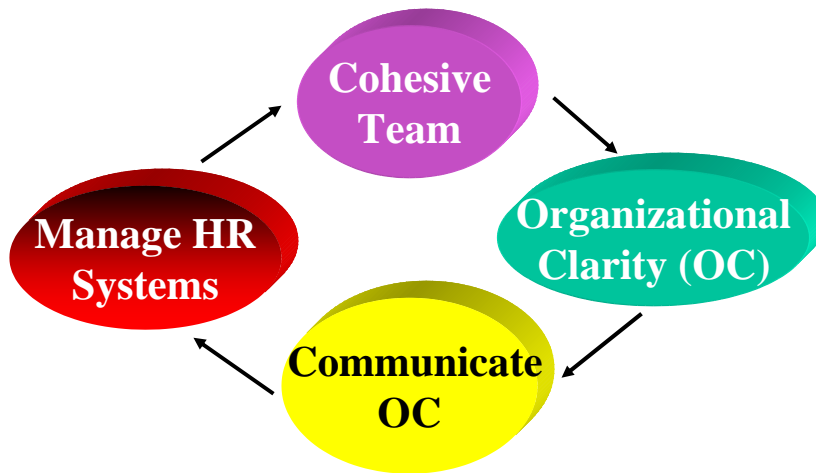
- **Selection** – Variety of Talents and Exceptional Business and Diversity Management Record
- **Leadership Development** – Necessary Education and Training to Lead a Diverse Workforce
- **Promotion** – Outstanding Business and Diversity Results with Future Potential, Role Model
- **Assessment** – Accountability, Fairness and Objectiveness
- **Retention** – Engagement, Encourage and Embrace Diversity

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## Leadership Obsessions\*

\* *Four Obsessions of an Extraordinary Executive*, P. Lencioni, 2000.



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## Employees

- **Recruiting** – Talent, Record and Diverse Backgrounds
- **Education and Training** – Variety, Appropriate for Type of Work
- **Teamwork** – Strengths Based, Problem Solving in Diverse Teams
- **Promotion** – Outstanding Results and Future Potential
- **Assessment** – Accountability, Fairness and Objectiveness
- **Retention** – Engagement, Encourage and Embrace Diversity

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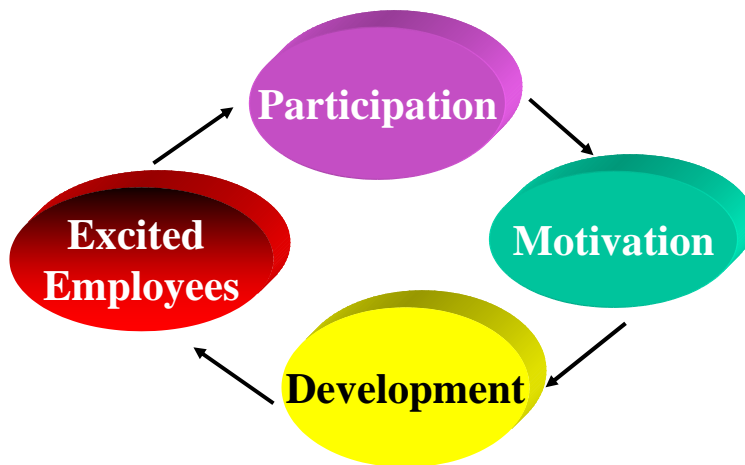
## Focus on Employees

- **Select a person ...** based on talents (and train the person for skills)
- **Set expectations ...** by defining the right outcomes (not the right steps)
- **Motivate a person ...** by focusing on strengths (not on weaknesses)
- **Develop the person ...** by helping him/her find the right fit (not the next rung on the ladder)

*Source: First Break All the Rules, Buckingham & Coffman, 1999.*  
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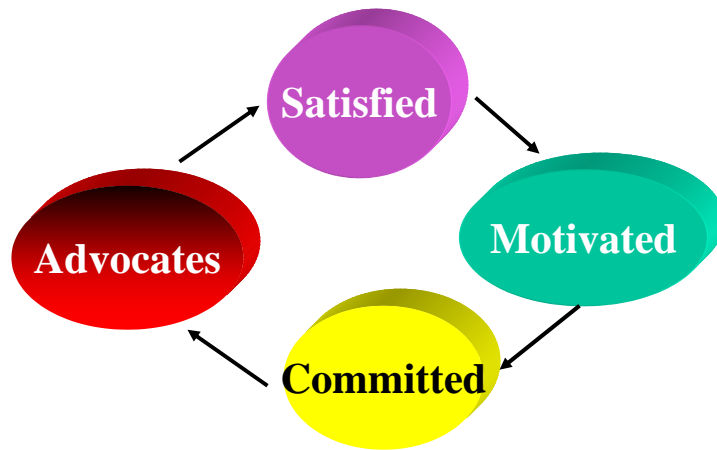
## Employee Excellence Model



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## Employee Engagement Model



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## Employee Participation

### ➤ Teamwork:

- Together Everyone Achieves More
- Forming, Storming, Norming, Performing, and Adjourning
- Management should create a culture of cooperation
- Set clear goals and expectations of team members
- Resolve the conflict to get the most out of team members



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## Employee Motivation

### ➤ Suggestion System:

- Employees have knowledge
- Create a simple process to gather, acknowledge, and act on suggestions
- Involve employees who gave suggestions during the implementation of their idea
- Recognize & reward employees whose suggestions are implemented with positive impact



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## Employee Development

### ➤ Education and Training (E/T):

- Continuous education and training for superior skills
- Encourage new learnings - Leaders lead by examples
- Develop curriculum at all levels (Technical, problem solving, teamwork, continuous improvement, etc.)
- Set objective to achieve X hours & Y\$ per year
- Develop a company data base for E/T - allow employees to log their hours and cost in the system
- Tie E/T to annual review process
- Use a variety of methods (In-class, videos, sharing, books/journals reading, cascade training)
- Use E/T to recognize good work



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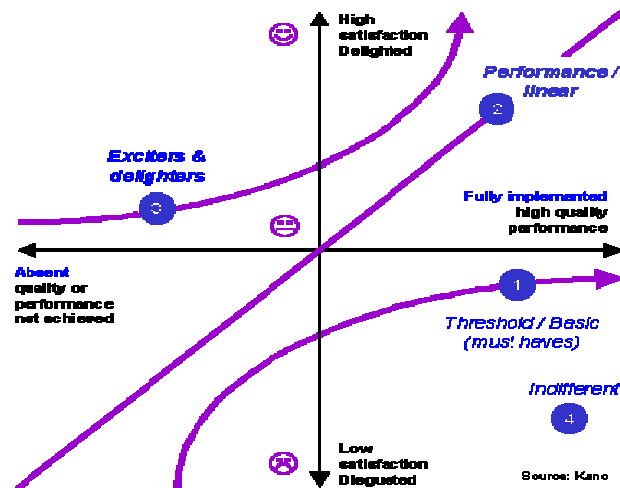
# Customers

- **Scope** – Local, Regional, National, International, Multicultural
- **Buying Behaviors** – Gold, Silver, Bronze
- **Future Growth Potential** – High, Medium, Low
- **Satisfaction** – Loyal, Satisfied, Dissatisfied
- **Kano Model** – Exciter, Linear, Basic, Indifferent
- **Potential Partners** – Helpful in Joint Development

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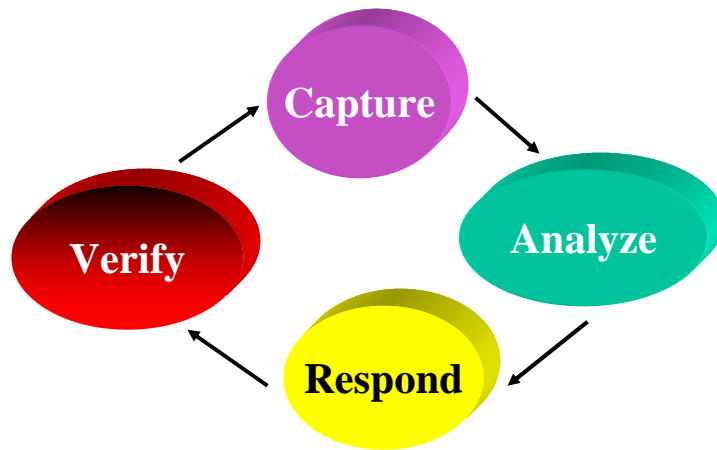
## The KANO Model of Customer Satisfaction



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## Voice of the Customer Model



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## Processes

- **Scope** – Value Added versus Support Processes
- **Standardization** – Consistent Way to Define and Document a Process (SIPOC)\*
- **Improvement** – Systematic Problem Solving Process
- **Variation** – Reduce Variation (Six Sigma)
- **Waste** – Reduce Waste (Lean)

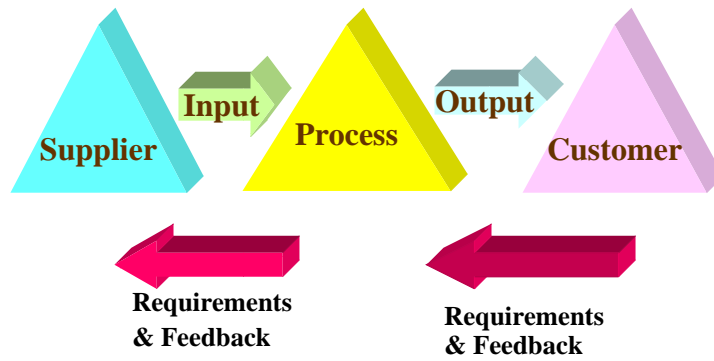
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\* SIPOC – Suppliers, Inputs, Processes, Outputs, Customers

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# Customer-Supplier Relationship

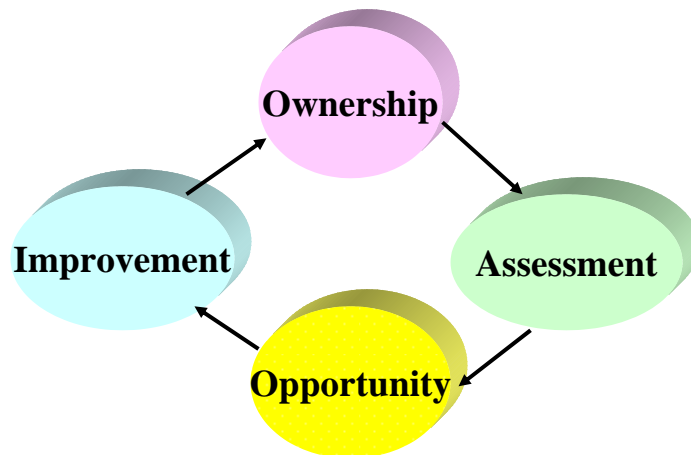


Source: AT&T PQMI, Issue 1.1, 1988.

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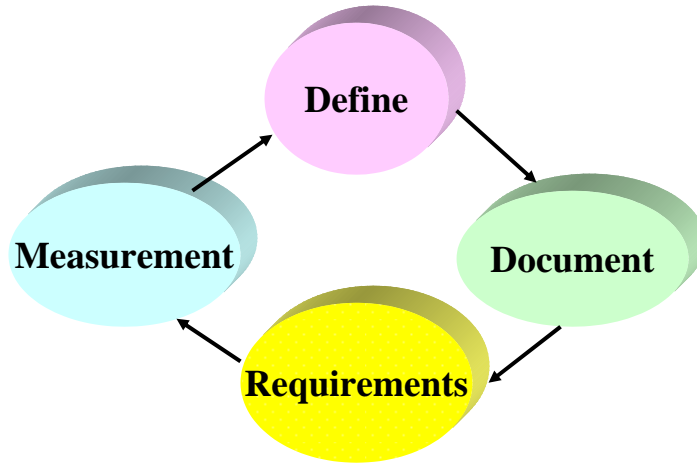
# Process Management Model



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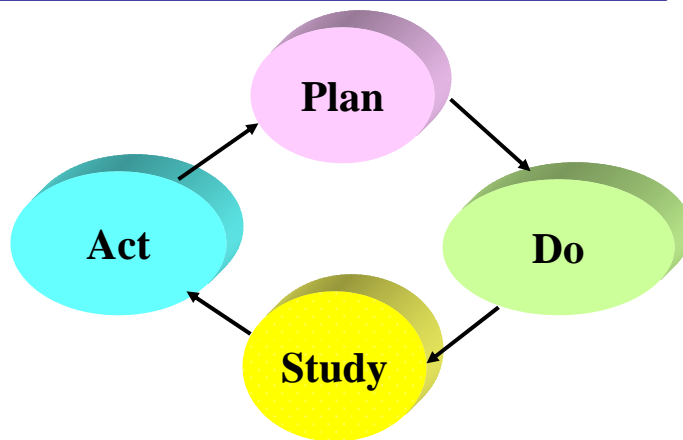
# Process Design Model



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# Continuous Improvement - The Deming Cycle



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## Diversity Management - Best Practices

- **Avon Products Inc.** – In place since 1970s – 75% management employees are women.
- **Goldman Sachs Group** – *Diversity used as a strategic imperative* – Uses diversity in performance assessment of corporate leaders and it affects their compensation.
- **Hewlett-Packard Co.** – *Since 1988 stresses diversity as a competitive advantage* – Turnover slowed, more women and minorities at all levels of H-P's work force.
- **New York Life Insurance** – *Recruitment and retention of minority candidates* – Monthly and quarterly review of diversity by unit and diversity included in manager's performance evaluations.

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## Diversity Management - Best Practices

- **PricewaterhouseCoopers** – *Uses diversity as a marketing imperative* – Measure return on investment with metrics for recruiting, retention of top performers and employee satisfaction.
- **Ryder Systems, Inc.** – *Extensive diversity program* – Targets for hiring and promoting women and people of color. Senior leadership bonuses tied to meeting these targets. Diversity enhances operations and credibility.
- **The Prudential** – *Surveyed minority group leaving the company* – CEO set the direction of reaching organizational objectives by maximizing the contribution of all segments of the employee groups.

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## Summary

- If your people are *valued, engaged, trusted and appreciated*, they will bring innovation to their jobs and improve your processes to delight your customers and enhance your organizational financial performance.
- *Diversity is a Long-Term Process and Not a Program.*

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**Questions? Comments?**

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