

## USING GENTILE'S REFAMING DIVERSITY MODEL IN PUBLIC ORGANIZATIONS: FDIC AS AN ILLUSTRATION

### Chapter 1 Workforce Demographics: Melting Pot to Mosaic

This chapter discusses the changes in workforce demographic, and the responses that result in a focus on the various definitions of diversity. Additionally, the chapter provides three perspectives of diversity by discussing equal employment opportunity, affirmative action, and diversity outcomes. It provides an overview of the research methodology as well as the rationale for using the Gentile *Reframing Diversity* model.

In the United States, the metaphorical melting pot created an image of a nation woven together from myriad cultures and races. The concept of “melting” placed great emphasis on blending the various cultural heritages into one homogeneous identity. At the turn of the century, Israel Zangwell wrote a play entitled the *Melting Pot*. In his four-act drama, Zangwell spoke about America as a crucible, a melting pot where all the great races of Europe are melting and reforming. In 1908, when the play opened in Washington, D. C., the United States was absorbing the largest arrival of Irish and German immigrants in its history. An influx of Italians and East Europeans accounted for some 18 million new citizens. Today, few people remember Zangwell’s name, but the title of his drama describes an American spirit and direction for sameness of language, tradition and purpose.<sup>1</sup> However, Gardenswartz (1994) and Leach (1995) believe that the American melting pot does not meld because individuals who find value in their uniqueness are less willing to adapt to the dominant cultural model.

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<sup>1</sup> Booth, William (1998). “The myth of the melting pot: America’s racial and ethnic divides,” *Washington Post*, February 22, 1998. Pg. A1.

Booth's 1998 analysis argues that either the nation would continue to fracture into many separate, disconnected communities or it would evolve into something in between. The alternative to disconnected communities could well be a pluralistic society that would hold on to some core ideas about citizenship and capitalism, but with little meaningful interaction among groups. He states that the United States is experiencing its second great wave of immigration, with profound implications for a society that, by tradition, pays homage to its immigrant roots, while confronting complex and deeply ingrained ethnic and racial divisions. The immigrants of today come not from Europe, but overwhelmingly from the still-developing countries of Asia and Latin America. They are driving a demographic shift so rapid that within the lifetimes of today's teenagers, no one ethnic group, including whites of European descent, will comprise a majority of the nation's population. This shift, according to social historians, demographers and others studying the trends, will severely test the premise that this country can transform people of every color and background into "one America." An idea so central to national identity, the fabled melting pot, requires reexamination.<sup>2</sup>

The demographic changes raise other questions about political and economic power. Will the new America share that power? What will happen now that Hispanics<sup>3</sup> have overtaken African Americans as the nation's single largest minority? The demographic shifts distort the old lines demarcating two historical, often distinct societies, one black and one white. Reshaped by three decades of rapidly rising immigration, the

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<sup>2</sup>*Ibid.*

<sup>3</sup>The term "Hispanic" includes people of Mexican decent, Spanish heritage, Cuban parentage, and Puerto Rican and Costa Rican ancestry, among many others. It is not a perfect definition, and there is no agreement of a term the best encompasses the entire group. In California, people prefer 'Latino,' but in the Southwest, they prefer 'Hispanic.' Some people in the Mexican-American community like the term 'Chicano' to describe themselves. When filling out the 2000 census, Hispanics could choose "Mexican," Puerto Rican, either "Cuban" or "other Spanish/Hispanic/Latino."

national story is now far more complicated. According to data and predictions generated by social scientists and the U.S. Census Bureau, Hispanics will surpass African Americans early in the 21<sup>st</sup> century.<sup>4</sup> By the year 2050, Hispanics will account for 25 percent of the population, African Americans 14 percent, Asians 8 percent, with whites hovering somewhere around 53 percent. Despite this shift, many historians argue that in the past, there was a greater consensus concerning what it meant to be an American. Assimilation was encouraged, and at times coerced by members of the dominant white Protestant culture. Achieving a common language and culture were desirable goals. Today, there is more emphasis on preserving one's personal ethnic identity, and on finding ways to highlight and defend one's cultural roots.

The mix of cultures, genders, life-styles, and values in American society does not usually lead to harmony and often become the source of misunderstanding and tension. Etzioni (1996) envisions a mosaic rather than a melting pot, enriched by a variety of elements of different shapes and colors, held together by a frame and glue. His mosaic depicts a society in which various communities maintain their religious, culinary, and cultural particularities, proud of and knowledgeable about their specific traditions. At the same time, they recognize that they are integral parts of a more encompassing whole. The things that make us different from each other tend to engender fear and anxiety. The result is an inability to reason together and learn through interaction. Is it realistic then, to expect that we can reason together in ways that produce a greater acceptance of those different from ourselves and find productive ways to work and live together?

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<sup>4</sup>The new census bureau estimates released June 18, 2003 concluded that Hispanics have overtaken blacks as the United States' largest minority group, a long-predicted milestone confirming how thoroughly immigration has altered the nation's demographic mix.

There are now more new faces and diversity in the workforce and this trend will continue in the 21<sup>st</sup> century. The trends, presented in the *Workforce 2000* study (Johnston and Packer 1987), show that women, minorities, and immigrants will account for over 80 percent of new entrants to the workforce.

The gender and ethnic composition of the workforce will continue to change, as predicted in *Workforce 2000*, but according to Judy and D'Amico (1997), the change will continue to be incremental. By 2020, men and women will each comprise about half the total workforce. White non-Hispanics will still represent 68 percent of the total workforce; 14 percent of the workforce will be Hispanic; and 6 percent will be Asian. The African American share of the workforce will remain unchanged at about 11 percent. These national aggregates mask great regional disparities. For example, the Hispanic and Asian shares of the workforce and total population will grow much more rapidly in the West.

The aging of the United States workforce will be far more dramatic than its ethnic shifts. Between now and 2020, a sizeable cohort of workers will have aged, with some retiring but others staying on the job. Although the average age of the population and workforce will continue to increase until close to 2020, the workforce will no longer "age" very much afterward. That is because many workers born during the baby boom will leave the workforce by then. By 2020, the oldest members of the cohort of 76 million baby boomers will be well into their seventies.

## **Responding to Workforce Demographic Changes: A Focus on Diversity**

The challenge in helping each employee reach his or her full work potential while accomplishing shared goals of the organization is a twofold process in managing a diverse workforce. Public managers who understand the need to create an environment that reflects the collective mixture of these differences may discover unique problem solving strategies. Public managers who are cognizant of employee differences beyond race and gender can create an inclusive work environment that establishes a set of behaviors, practices, and attitudes that come together in a system that allows each employee to work in a multi-ethnic, pluralistic, and linguistically diverse environment. In order to incorporate this new knowledge into the organization strategic planning and thinking processes, public managers must develop approaches that transcend race and gender. Gentile believes that managers who fail to acknowledge the ways in which past perspectives, values and assumptions remain embedded, maintained and reproduced in organizational structures, systems, and culture cannot provide the kind of leadership needed for a diverse workforce. Thomas (1996) tells us that every decade or so, people who concern themselves with the strength of U.S. business organizations fasten onto a particular word or phrase that surface from a general, wide-ranging issue. For a time, this buzzword is extra hot. Before long, the word begins to take on a symbolic meaning. It serves as a simple verbal code for the complex problem from which it originated. This is true of the word “diversity.” It seems every person in the country is using the word to designate a more complex situation, but no one is certain what it actually means. For the public, diversity is verbal shorthand for a workforce that is multiracial, multicultural, and multiethnic which means that it comes preloaded with people’s own individual perceptions and biases. For those in business organizations whose primary professional

concern is the welfare of the employees, diversity has become a kind of semantic umbrella that encompasses an assortment of programs that emanate from their department. Thomas believes that there is need for a new understanding of diversity. He defines diversity as any mixture of items, characterized by differences and similarities. Diversity is not synonymous with differences, but encompasses differences and similarities.

In the work place, we see ourselves as fair, open-minded, intellectually honest, self-aware and empathetic. Yet when we encounter differences, many times our actions contradict this self-perception. We are unaware that the way we interact with those who are different is sometime negative and unproductive. We fail to realize that how we interact, think, and talk about differences limits discussion of diversity-related issues, and inhibits creative solutions.

Programs that address human differences in public organizations must ensure an equitable and fair work environment for all employees, regardless of race and/or gender. Diversity programs will not replace anti-discrimination procedures in the work place. Equal employment opportunity and affirmative action are federal requirements while diversity programs are voluntary.

### **Workforce Diversity Defined**

The term “diversity” has come to refer to any number of issues and concerns. Diversity does not mean the same thing to all people, and application depends on circumstances within the organization. One of the barriers to fresh and unbiased thinking about diversity is the tendency to present equivocal concepts as if they are clear, solid, and single in their meaning. The diversity literature reports the lack of a standard definition for diversity. This weakness leads us to believe that diversity has no real meaning.

Diversity sometimes refers to the collective mixture of human differences and similarities along a given dimension. Dimensions of diversity among workforce members include race, culture, religion, gender, sexual preference, age, profession, organizational or team tenure, personality type, functional background, education level, political party, and other demographic, socioeconomic, and psychographic characteristics (Loden and Rosner 1991). Leach et al. (1995) use the term diversity to refer to differences in race, gender, ethnic or cultural background, age, sexual orientation, religion, and physical or mental capability. Diversity can be the ways we are different in other respects, such as personality, job function, class, educational level, marital status, whether or not one has children, where one lives, where and how one was raised. Given the numerous definitions of diversity available in the literature, this dissertation uses the definition of diversity provided in Soni's research (2000) because it states, in simple terms, the definition used by other diversity scholars (Thomas 1996; Loden and Rosner 1991; Gentile 1995; Leach 1995). Soni defines diversity as the differences among people based on gender, race/ethnicity, age, religion, physical or mental disability, sexual orientation, and socioeconomic class. Soni's definition is succinct and best fits my need for simplicity because it moves discussions beyond an emphasis on just race and gender.

### THREE PERSPECTIVES ON DIVERSITY

<b>EEO</b>	<b>AFFIRMATIVE ACTION</b>	<b>DIVERSITY</b>
<b>A business issue</b>	<b>A business issue</b>	<b>A business issue</b>
<b>Mandated by federal legislation and city policy</b>	<b>Mandated by executive order and city policy</b>	<b>Voluntary, proactive tool to benefit all employees</b>
<b>Ensures EEO for all employees and potential employees</b>	<b>Requires long-range planning, recruiting, goal setting, staff development</b>	<b>Recognizes and utilizes individual differences in working and learning styles</b>
<b>Compliance with law</b>	<b>Voluntarily develop goals to comply with law</b>	<b>Not mandated by law; proactive</b>
<b>Necessitated by a past history of discrimination</b>	<b>Necessitated by a past history of discrimination</b>	<b>Organization views difference as an asset</b>
<b>OUTCOME: to provide a workplace free of discrimination and to guarantee the right of equal opportunity for all</b>	<b>OUTCOME: To remedy past practices of discrimination</b>	<b>OUTCOME: To support workplace equity; improve customer service; and contribute to organizational success</b>

**Figure 1**

Source: Erin Kelly and Frank Dobbin. "How affirmative action became diversity management." *American Behavioral Scientist*, Vol. 41. No. 7, April 1998.

### **Perspectives on Diversity**

The perspectives on diversity shown in Figure 1 above identify equal employment opportunity, affirmative action and diversity outcomes that work together to provide a work place free of discrimination and guarantee the right of equal opportunity for all; remedy past practices of discrimination, and support work place equity; improve customer service, and contribute to organizational success. Unlike equal employment opportunity (EEO) and affirmative action (AA), diversity is a proactive, voluntary program designed to benefit all employees without regard to race and/or gender. Compliance with law and necessitated by a history of discrimination are characteristics of both EEO and AA. The outcome of each perspective is quite different. A positive EEO outcome provides a

workplace free of discrimination and guarantees the right of equal employment for all. Serving as a remedy to overcome practices of past discrimination is the outcome goal of AA. In their design, diversity programs support workplace equity, improve customer service, and contribute to organizational success. The common thread of each perspective show that EEO, AA, and diversity is a business issue. How diversity programs in the public sector, absent the profit motive, are manifest links to its mission, vision, and strategic planning process.

Figure 1 above shows a comparison between diversity, EEO and AA. Organizations implemented EEO and affirmative action programs in response to either a statutory or a regulatory requirement to address discrimination. The purpose of EEO is to ensure that every employee is treated the same. Affirmative action, mandated by executive order, requires long-range planning, recruiting, goal setting, and staff development to remedy past practices of discrimination. Under an affirmative action perspective, organizations voluntarily develop goals to comply with federal law. Law does not mandate diversity; unlike EEO and AA, it is voluntary. It recognizes that the underlying principle of diversity is that it benefits all employees, without regard to race or gender. When human differences occur in the workforce, managers must develop organizational structures and processes that utilize diversity, create an equitable and fair work environment for employees of all racial/ethnic, and gender groups. Soni believes that diversity programs within organizations should facilitate policies, systems, and processes that are conducive to people of diverse backgrounds working together in a cohesive manner. Gentile's *Reframing Diversity* model has great potential to accomplish this task.

## **Research Methodology Overview**

The project utilized the generally accepted approach of qualitative inquiry supported by Rubin and Rubin (1995) to develop an interview protocol for selected employees within the FDIC (Appendix A). This dissertation provides a model to reframe the diversity program in a public organization. Rubin and Rubin state that the qualitative interview is the principle research tool for the sociologist, educator, political scientist, criminologist, public administrator, social worker, anthropologist, and historian.

Qualitative interviewers listen to people as they describe how they understand the worlds in which they live and work. The authors think that people who live and work together or have similar racial, ethnic or religious backgrounds, develop shared understandings and communicate that to others in their group. This constitutes their culture. In-depth qualitative interviewing helps explain the creation, evolution and maintenance of culture. Qualitative interviews also explore specific topics, events, or happenings. As both an academic and a practical tool, it allows the researcher to share the world of others as a means of discovering what is going on, why people do what they do, and how they understand their worlds (Rubin and Rubin, 1995, pp. 3, 4).

The information collected and assembled by researchers from qualitative interviews form the explanations and theories grounded in the details, evidence, and examples of the interviews. Grounded theories explain what is happening in the terms of those involved in a situation, based on exchanges in which the interviewees can talk back, clarify, and explain their points.

## **The Research Question**

The main question of this dissertation: “To what extent does the FDIC diversity program conform to the contours of Gentile’s *Reframing Diversity* model? There are two sub-questions associated with this question:

1. How useful is Gentile’s model in guiding the implementation of a public sector diversity program?
2. How useful is the Gentile model in measuring a public sector diversity program?

This researcher applied Dr. Mary C. Gentile’s descriptive *Reframing Diversity* model (1998) to a public organization diversity program to see to what extent it conformed to the contours of the lenses of Gentile’s *Reframing Diversity* model. Gentile developed this descriptive model to reframe the questions associated with diversity in the work place. The project contributes to the diversity literature by providing researchers and diversity practitioners a systemic approach to developing, implementing, and measuring diversity programs in the public sector.

The intent of the *Reframing Diversity* model is to examine the habitual ways of thinking, reveal an alternative way of framing diversity-related issues, and open the possibility for individual and organizational learning (Gentile 1998, pg. 16).

## **Why Use Gentile's Model?**

Gentile (1998) suggests that discussions about personal differences might be intimidating; respecting another point of view and being sensitive to other's experiences and feelings might be disconcerting. Many people are suspicious of things they do not understand, and threatened by differences of race, gender, culture, and religion or life-style preference. When forced to think about these differences in the work place, the level of anxiety increases and there is a struggle to make them fit a preconceived notion of reality. Gentile contends that we all face a whole range of learned, but unconscious assumptions about those who are different. At work, we see ourselves as fair, open-minded, intellectually honest, self-aware and empathetic. Addressing diversity in the work place is a voluntary, proactive tool used to benefit all employees. It recognizes and utilizes individual differences in working and learning styles and views employee differences as an asset.

Gentile's model targets reasoning behaviors, the cognitive strategies, we use when faced with diversity-related issues in the work place. The model addresses how individual and organizational motivation, mindset, method, and measure provide a systematic approach to develop, implement, and measure a diversity program.

The reality of everyday life is an ongoing task that takes a particular shape and form as people try to create order and make sense of the situation in which they find themselves. The particular method for sense making combines several conceptually distinct processes. Sense making is a cognitive, behavioral, and social process that occurs at several levels of consciousness (Trice 1993). It becomes an active and conscious process when people need to cope with uncertainty arising in non-routine or unexpected

situations like incorporating a diversity program into the day-to-day activities of an organization. An attempt to make sense of the issues surrounding differences in the work environment often results in diversity programs that are designed to increase awareness of different groups, provide skill-building techniques to deal with differences, or create education-centered programs (Thomas 1991).

Gentile asserts that the more pronounced our differences, the more easily we tend to make sense of situations by creating hierarchies, stereotypes, and categories for exclusion or oppression. She believes that it is through our interactions and confrontations with differences of perspective, prior experience, style, and identity in the work environment, we come to recognize the limits of our own perspectives, experiences and styles. The ability to remain open to new points of view allows us to grow, learn, and adapt. Fernandez (1991) acknowledges that those companies who are unwilling to take into account their employees' differences will be unable to attract sufficient number of workers because these workers will gravitate, by preference, to others that appreciate differences.

The lenses of the *Reframing Diversity* model appealed to the researcher's need for simplicity of application. Gentile's model was chosen over other diversity models because her easy to understand descriptive framework serves as the foundation for both internal (e.g., work groups, divisions) and external (e.g., customers, clients) discussion of diversity-related issues.<sup>5</sup> Gentile's model captures the essence of the other models considered and provides a way to think and talk about diversity as a learning process for individuals and organizations. Gentile believes that diversity programs, designed from

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<sup>5</sup> Other diversity models considered for this project include the approaches discussed in: R. Roosevelt Thomas' *Redefining Diversity*; Edward E. Hubbard's *Measuring Diversity Results; Managing Diversity: A Complete Desk Reference and Planning Guide* by Lee Gardenswartz and Anita Rowe; and David A. Thomas and Robin Ely's *Making Differences Matter: A New Paradigm for Managing Diversity*.

both internal and external perspectives, address the fundamental problem of diversity in organizations, namely, the lack of an agreed-upon definition. Finally, the advantage of this model over others provides a broader definition of diversity, and refocuses the discussion beyond race and gender.

Chapter 1 discussed workforce demographic changes, how responses to these changes resulted in a focus on diversity and its various definitions. The chapter provided three perspectives of diversity by discussing equal employment opportunity, affirmative action, and diversity outcomes. It provided an overview of the research methodology as well as the rationale for using the Gentile *Reframing Diversity* model.

## Chapter 2 Anti-Discrimination Laws and Diversity Programs

This chapter provides a brief history of legal mandates that guide employer response to demographic changes in the workforce. Affirmative action and equal employment law emerged at the height of the civil rights movement to rectify past discrimination and preclude future discrimination in employment. The chapter highlights a slight change in direction from anti-discriminatory laws to diversity management. This chapter briefly discusses the evolution of efforts to eliminate discrimination in employment through legal mandates and provide an equitable work environment for all employees. In addition, it provides an overview of how equal employment opportunity (EEO) and affirmative action (AA) specialist renamed these programs, and invented diversity; discusses the valuing diversity movement, and it lists several diversity programs in private and public sector organizations.

In 1896, the Supreme Court's decision in *Plessy v. Ferguson* upheld a "separate, but equal" doctrine marking the end of the post-Civil War reconstruction era as Jim Crow<sup>6</sup> laws spread across the South. The Court found that the doctrine of separate but equal concerning segregation of public facilities did not violate the Constitution. Separate schools for whites and blacks became the norm in American society. It was not until 1954 that the doctrine changed. In an attempt to gain equal educational opportunities for their children, African American community leaders took action against the segregation in America's schools. On May 17, 1954, the Supreme Court, in a unanimous decision, ruled that the doctrine of separate but equal was unconstitutional. The decision in *Brown v.*

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<sup>6</sup> Jim Crow is the practice of discriminating against black people, especially by operating systems of public segregation.

*Board of Education* altered the economic, political, and social structure of the nation (Henderson 2004).

In 1961, President Kennedy's Executive Order 10925 required federal contractors to take measures to end discrimination, and Title VII of the Civil Rights Act of 1964 outlawed employment discrimination. Early in the 1970s, increased enforcement in both realms caused managers to search for compliance mechanisms. The ambiguity of compliance made the task difficult. Uncertain how best to comply, managers hired equal employment opportunity (EEO) and affirmative action (AA) specialists to design compliance programs that would shield them from litigation (Kelly and Dobbin 1998).

When Ronald Reagan won the White House in 1980 on a platform to 'get government off the backs of the people,' he immediately set out to curtail enforcement of anti-discrimination laws. However, managers did not end their efforts. Most continued to support positions and offices they had created. They maintained anti-discrimination programs, except for certain elements closely associated with affirmative action laws. When the federal government curtailed enforcement, EEO and AA specialists constructed new goals for the practices they had begun. They downplayed legal compliance and emphasized first the goal of rationalizing human resources, and later the goal of increasing profits by expanding diversity in the workforce and customer base (Kelly and Dobbin 1998).

In the 1980s and 1990s, management and professional networks collectively constructed anti-discrimination practices as means to improve efficiency. Then, EEO and AA practices became the diversity management component of the new human resources management. However, not all anti-discrimination practices fared equally well. The decline in affirmative action practices did not undermine the roles of the specialists. They

continued to thrive because ambiguity of the law caused organizations to adapt a wide range of anti-discrimination practices. The “new” diversity specialist developed management practices for handling workforce diversity, but many of these were simply repackaged EEO practices. Neutral EEO practices fared better than proactive AA policies. The pressure on AA came in the forms of reverse discrimination suits, employee backlash, and state-level anti-affirmative action movements. Some argue that equal employment opportunity and affirmative action offices and activities survived because the specialists did not respond to President Reagan’s cutbacks in enforcement. At first, they touted the efficiency of formalizing human resources management through such anti-discrimination measures as grievance procedures, formal hiring and promotion systems, and systematic recruitment schemes. Later, they invented the discipline of diversity management, arguing that the capacity to manage a diverse workforce well would be the key to business success in the future (Kelly and Dobbin 1998). This, more than any one thing, has lead to the confusion between equal employment, affirmative action and diversity. Advocates of the EEO and AA programs fear that when the organization implements a diversity program, the struggle for fairness and equity for women and people of color diminishes. They fail to realize that EEO and AA are legally mandated (see Figure 1). Organizations that do not adhere to the prescriptions will suffer litigation. Law does not mandate diversity programs; organizations choose to implement them because they believe it is advantageous for competition. Acknowledging and working toward including all of the workforce needs into the organization’s executive structure provides a competitive advantage. The diversity program initiatives include those discriminated against in the past, as well as those excluded from protection. Highlights of equal employment opportunity and affirmative action legislation in the following

paragraphs indicate the governments attempt to protect all citizens and provide a positive work life for all employees.

### **Equal Employment Opportunity (EEO) Highlights<sup>7</sup>**

The federal laws prohibiting job discrimination include the following:

- Title VII of the Civil Rights Act of 1964 (Title VII), which prohibits employment discrimination based on race, color, religion, sex or national origin;
- The Equal Pay Act of 1963 (EPA), which protects men and women who perform substantially equal work in the same establishment from sex-based wage discrimination;
- The Age Discrimination in Employment Act of 1967 (ADEA), which protects individuals who are 40 years of age or older;
- Title I and Title V of the Americans with Disabilities Act of 1990 (ADA), which prohibit employment discrimination against qualified individuals with disabilities in the private sector, and in state and local governments;
- Sections 501 and 505 of the Rehabilitation Act of 1973, which prohibit discrimination against qualified individuals with disabilities who work in the federal government; and
- The Civil Rights Act of 1991, which, among other things, provides monetary damages in cases of intentional employment discrimination.

The U.S. Equal Employment Opportunity Commission (EEOC) enforces all of these laws.

EEOC also provides oversight and coordination of all federal equal employment opportunity regulations, practices, and policies.

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<sup>7</sup> The history of equal employment opportunity laws and affirmative action policies published with the permission of Americans for Fair Chance and updated on August 7, 2003 by Shirley J. Wilcher, president, Wilcher Global LLC, and former executive director of Americans for Fair Change found at <http://www.inmotionmagazine.com/aahist.html>.

## **An Affirmative Action Timeline**

In 1961, President John F. Kennedy's Executive Order 10925 used affirmative action for the first time by instructing federal contractors to take "affirmative action to ensure that applicants are treated equally without regard to race, color, religion, sex, or national origin." The Civil Rights Act of 1964 prohibited employment discrimination by large employers (over 15 employees), whether or not they have government contracts and it established the EEOC. Executive Order 11246, signed by President Lyndon B. Johnson, required all government contractors and subcontractors to take affirmative action to expand job opportunities for minorities. This order established the Office of Federal Contract Compliance (OFCC) in the Department of Labor to administer the order. In 1967, President Johnson amended Executive Order 11246 to include affirmative action for women. Federal contractors now were required to make good-faith efforts to expand employment opportunities for women and minorities.

The Labor Department under President Richard M. Nixon issued Order No. 4, authorizing flexible goals and timetables to correct "underutilization" of minorities by federal contractors. In 1971, a revised Order No. 4 included women. Executive Order 11625, issued by President Nixon, directed federal agencies to develop comprehensive plans and specific program goals for a national Minority Business Enterprise (MBE) contracting program. In 1978, the U.S. Supreme Court in *Regents of the University of California v. Bakke*, upheld the use of race as one factor in choosing among qualified applicants for admission. At the same time, it also ruled unlawful the University Medical School's practice of reserving 18 seats in each entering class of 100 for disadvantaged minority students. President Jimmy Carter, in 1979, issued Executive Order 12138, which created a National Women's Business Enterprise Policy and required each agency to take

affirmative action to support women's business enterprise.

Opposition to affirmative action may have begun as early as 1980 by Ronald Reagan. In a campaign speech, he made his opposition to affirmative action clear, especially "bureaucratic regulations which rely on quotas, ratios, and numerical requirements (Kelly and Dobbin 1998, pg. 967)." Defenders of affirmative action thwarted efforts by some of the Reagan Administration to repeal Executive Order 11246. When federal pressures decreased because of Reagan's opposition, restrictive Supreme Court rulings, and the limited support of both the Bush and Clinton administrations, employers did not abandon their antidiscrimination programs. Instead, the equal employment opportunity and affirmative action specialists who had devised the corporate response to antidiscrimination law re-theorized their programs in terms of the business advantages of a diverse workforce. The new diversity management paradigm incorporated many popular EEO and AA practices, but it did not include the most controversial affirmative action measures (Kelly and Dobbin 1998, pg. 980).

In 1986, the Supreme Court in *Local 128 of the Sheet Metal Workers' International Association v. EEOC* upheld a judicially ordered 29% minority "membership admission goal" for a union that had intentionally discriminated against minorities, confirming that courts may order race-conscious relief to correct and prevent future discrimination. In *City of Richmond v. J.A. Croson Co.*, the Supreme Court struck down Richmond's minority contracting program as unconstitutional, requiring that a state or local affirmative action program be supported by a "compelling interest" and be "narrowly tailored" to ensure that the program furthers that interest. By 1994, the Court held that a federal affirmative action program remains constitutional when narrowly tailored to accomplish a compelling government interest such as remedying

discrimination (*Adarand Constructors, Inc. v. Pena*).<sup>8</sup>

In the early 1990s, affirmative action seemed to be in trouble, with the Supreme Court adding restrictions and a Democratic president vacillating in support (Kelly and Dobbin 1998, pg. 980). Affirmative action policies faced numerous challenges:

- In 2000, many Circuit Courts throughout the country heard cases regarding affirmative action in higher education, including the 5<sup>th</sup> Circuit in Texas, the 6<sup>th</sup> Circuit in Michigan, the 9<sup>th</sup> Circuit in Washington, and the 11<sup>th</sup> Circuit in Georgia.
- The same District Court in Michigan made two different rulings regarding affirmative action with one judge deciding that the undergraduate program was constitutional while another judge found the law school program unconstitutional.
- The Florida legislature passed “One Florida” Plan, banning affirmative action. The program included the Talented 20% Plan that guarantees the top 20% admission to the University of Florida system.

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<sup>8</sup>The 10<sup>th</sup> Circuit issued an opinion in *Adarand Constructors v. Mineta* and ruled that the Disadvantaged Business Enterprise as administered by the Department of Transportation was constitutional because it served a compelling government interest, and was narrowly tailored to achieve that interest. The court also analyzed the constitutionality of the program in use when Adarand first filed suit in 1989 and determined that the previous program was unconstitutional. Adarand then petitioned the Supreme Court for a writ of certiorari. In 2001, the Supreme Court dismissed the case as “improvidently granted,” thereby leaving undisturbed the 10<sup>th</sup> Circuit’s decision, which upheld the government’s revised federal contracting program.

## **Valuing Diversity**

Marilyn Loden (1991) tells us that since the mid 1980s, when diversity began garnering attention in the American work place, considerable time, money, and energy went toward developing initiatives to raise organizational consciousness and pave the way for change. Underlying these efforts is the implicit recognition that valuing diversity is a new paradigm for managing people, one that requires awareness of the impact of core differences, management experimentation, and institutional reform (pg. 294).

A model to address diversity that was different from EEO and AA emerged in the late 1980s and gained momentum in the 1990s. This new model was called valuing diversity. Valuing diversity prefigured diversity management and grew out of early efforts to end discrimination. Valuing diversity focused on bridging gaps in respect, and understanding that existed among different cultural groups and on creating a work place atmosphere of increased comfort, empathy, and common ground for all employees (Loden 1996). Together EEO, AA, and valuing diversity played an integral part in helping organizations create a level playing field, and an environment that supports and leverages the talents of all employees. It served as an intervention and a proactive approach to utilize, integrate and reward workers of different racial/ethnic and gender backgrounds. This proactive approach not only advocated that organizations actively recognize, accept, and value diversity in work places; it advanced the philosophy that diversity is a desirable goal in itself (Soni 2000).

In order to value diversity, organizations must assure that they are truly diverse at every level. Without a specific plan focused on hiring, training, and promoting underrepresented groups, many organizations would continue to fall short of this goal.

When companies work to value diversity, they move beyond profile improvements focused solely on race and gender. Now the focus becomes the corporate environment and the degree to which it welcomes everyone. Loden provides some programmatic differences between EEO and valuing diversity shown in chart 1 below.

Chart 1

PROGRAM CHARACTERISTICS	
Equal Employment	Valuing Diversity
Quantitative: Focused on demographic profile change.	Qualitative: Focused on environmental readiness.
Government Mandated: Imposed and often not welcomed.	Voluntary: Internally driven and welcomed.
Remedial: Focused on changing historic patterns of discrimination.	Strategic: Focused on increasing innovation and creating competitive advantage.
Reactive: Problem response.	Proactive: Opportunity-driven.
Beneficiaries: Protected groups	Beneficiaries: Everyone
Initial Step	Follow-up Step
Culture Change Not Required	Culture Change Required

Source: Loden 1996, pg. 25

Traditional EEO programs protected employees from legally proscribed discrimination, and afforded them an opportunity for redress. Traditional affirmative action programs increased the representation of underrepresented groups in various occupations and grade levels. Valuing diversity goes beyond the numbers and seeks to maximize the potential of every individual (Loden 1996). The valuing diversity movement indicated the future existence of diversity efforts to include the total workforce

needs through development of diversity management techniques. One diversity management exemplar, R. Roosevelt Thomas, helped private organizations make the transition from valuing diversity to managing diversity. Thomas created the American Institute for Managing Diversity (AMACOM) because he and his staff realized that more than half the U.S. workforce consists of minorities, immigrants, and women. In addition, surviving in a fiercely competitive world presents a problem for companies without a diverse workforce. In response, AMACOM developed the concept of managing diversity (MD) for the private sector because business leaders were frustrated with affirmative action, and observed that increased numbers of employees celebrated differences. The reality of increased worldwide competition contributed to the move to manage a diverse workforce. Managing diversity, defined by AMACOM, as a “way of thinking” toward the objective of creating an environment that will enable all employees to reach their full potential in pursuit of organizational objectives differs from the valuing diversity approach. Valuing diversity, seen as a generic approach that aims to bring about greater understanding and acceptance of people who are different, enhancement of interpersonal relationships, and minimization of blatant expressions of racism and sexism (Thomas 1996). Managing diversity or simply just “diversity” includes the improvement of relationships among people who are different, but recognizes that changes in organizational culture and systems are required to create an environment that enables all employees. MD differs from affirmative action and valuing differences in its definition of diversity. MD defines diversity as including white males and broader than race and gender.

Debates over affirmative action, minority business set-asides, tracking in public school districts, fair housing, equity in college and university admissions, and policies

ranging from school vouchers to charter schools all invoke the Supreme Court decision of *Brown v. Board of Education* in different ways. At the heart of many of these debates lie two interrelated but intractable policy issues: how to define integration and the related questions of equity in the demographic representation of groups in schools, industry and the public sector, in budget and resource allocation decisions; and in issues of what constitutes quality of life for all citizens, including education.

Over the space of a quarter century, efforts to integrate the workforce transformed from an onerous requirement of federal law to a valuable means of increasing organizational effectiveness. The recognition that diversity is a reality in the workforce has generated an enormous amount of activity over the years among leaders in business, government, and civil society. An outcome of the civil rights movement, Title VII of the 1964 Civil Rights Act, made it illegal for organizations to engage in employment practices that discriminated against employees on the basis of race, color, religion, sex, and national origin (age and disability were legislated after 1964). Through these government actions, society made a statement: employers must provide equal employment opportunities to all people of similar qualifications and accomplishments. In addition, Executive Order 11246, issued in 1965, required government contractors to take affirmative action to overcome past patterns of exclusion or discrimination. These societal mandates curtailed formal policies that discriminated against certain classes of workers and raised the costs to organizations that failed to implement fair employment practices. The laws remain a part of the legal responsibilities under which firms and other labor-market institutions operate (Kochan 2003).

## **Addressing Diversity in the Workforce**

The demographic changes that began with the 1950s civil rights movement up to the present, with an emphasis on acknowledging and appreciating all differences, began the process to develop a work environment that maximizes the contributions of all employees. In the work place, managers receive advice to take off the blinders, acknowledge and discuss differences, and capitalize on the benefits of diversity (Cross 1994). This shift represents a challenge to organizations that traditionally address diversity in the context of legal or moral imperatives; for example, initiatives like equal employment opportunity and affirmative action.

By the late 1970s and into the 1980s, there was a growing recognition within the private sector that, while the legal mandates were necessary, they were not sufficient for ensuring the effective management of diversity within organizations. Unlike public organizations, the business case for diversity grows stronger with shifting demographics and increased globalization. However, many businesses have not aligned diversity with their business strategies. Although the workforces of many private organizations became more diverse, entrenched organizational cultures, which remained inhospitable to traditionally underrepresented groups, were slow to change (Kochan 2003).

To promote the development of more positive organizational cultures that would support the development of a more diverse workforce, many companies began to offer training programs aimed at celebrating diversity. These efforts focused on changing employees' attitudes and eliminating behaviors that reflected more subtle forms of discrimination and exclusion, which often inhibited interactions among people. Diversity is a reality in labor and customer markets. To be successful in working with and gaining value from this diversity requires a sustained, systemic approach and long-term

commitment. A perspective that considers diversity to be an opportunity for everyone in the organization to accomplish the work facilitates success. A successful diversity program requires a supportive and cooperative organizational culture as well as group leadership, and process skills that make possible effective group functioning. Organizations that invest resources that take advantage of the opportunities diversity offers, outperform those that fail to make such investments (Kochan 2003).

Diversity is a business issue that affects every organization. Not only is there legislation to protect individuals from being discriminated against on the grounds of disability, sex, race and religious belief, many organizations have become proactive in creating a diverse workforce to give them access to a wider talent pool. This enables organizations to select the best people, and opens the business to an increased customer base. Diversity has entered the business mainstream and leaders in private and public organizations recognize the importance of sensitivity and skill in understanding and dealing with a diverse workforce.

### **Diversity Programs in the Private Sector**

The private sector is more experienced in building the business case for diversity (Hubbard 1997). Thomas and Ely (1996) found that private sector managers acknowledge that discrimination in any form is wrong, but they express a desire to go beyond the legal and moral thing to do to combat it in their organizations. They believe that a diverse workforce increases organizational effectiveness, lifts morale, brings greater access to new segments of the marketplace, and enhances productivity. It is good for business. However, the authors can find no evidence that these programs have spurred leaps in organizational effectiveness. Until the 1980s, diversity was not a significant factor in the

way organization established policies, practices, or expectations. Although diversity has always existed in the labor force, the organizational focus was on a “one-size-fits-all” approach. As such, assimilating into the organizational environment was the responsibility of every employee. In return, treating everyone the same was the responsibility of every employer and most considered it fair treatment (Loden 1996).

The business case for diversity links program initiatives to the organization’s “bottom line,” and senior leader performance standards. Those who use this approach are convinced that it removes emotion and possible backlash. Managers who institute programs designed in this manner believe that diversity is not just the “right thing to do,” but it makes good business sense. A second order effect of this organizational mindset is the development of an employee pool that reflects the population it serves (pg. 21).

The two private sector organizations, McDonald’s and Xerox, discussed below represent two of the 30 best companies for diversity chosen by *Black Enterprise* magazine in 2005. To make the *Black Enterprise* Best Companies for Diversity list, a company must demonstrate significant representation of African Americans and other ethnic minorities in four key areas:

1. corporate procurement
2. corporate boards
3. senior management
4. total workforce

*Black Enterprise* consulted with diversity experts and corporate diversity officers, and conducted an extensive survey of 1,000 of America’s largest publicly traded companies and 50 leading global companies with significant U.S. operations.

## **McDonald's Corporation**

McDonald's is the leading global quick-service restaurant with more than 30,000 restaurants in 119 countries. The creator of the Big Mac scored highly in all four diversity categories, but it was most impressive in employee diversity. More than half of the McDonald's staff belongs to an ethnic minority group. McDonald's is primarily an operations company; the majority of employees are in restaurant operations. The company prides itself on having diversity throughout its senior management ranks.

McDonald's, recognized as a top company for people with disabilities, is the best employer for Asians, African American women, and Hispanics. The Corporation's U.S. Vice President and Chief Diversity Officer state that McDonald's focuses on doing the smart thing for employees, for example, providing efficacy-based diversity education classes, engaging employees in volunteerism initiatives in diverse communities, and recognizing and celebrating accomplishments. The featured strengths of this corporation include supplier diversity, management, and its employee base are diversity areas in which McDonald's ranked among the top 20 respondents.

## **Xerox Corporation**

The Xerox Corporation is best known as a manufacturer of copiers, printers, and fax machines. The \$15.7 billion enterprise also offers document management software, consulting, and document outsourcing. Xerox has more than 58,000 employees worldwide and gets high marks for advancing ethnic minorities to top ranks. At the elite corporate officer level, there are people of all ethnic groups represented. The diversity office focuses on succession planning from the entry-level manager to the chairperson. The diversity office strives to have a balanced workforce that does not deal with quotas. If Xerox recognizes there is a lack of diversity in a certain field, the corporation funds scholarships to encourage minorities to seek degrees in that field.

## **Verizon**

Even though Verizon did not make the 2005 *Black Enterprise* magazine list, it has received recognition for its diversity efforts. Verizon is a global telecommunications company ranked number one in the Telecommunications industry in 2004 Fortune 500 list. A Dow 30 company, Verizon is one of the world's leading providers of communications services – deploying fiber optics, broadband, and wireless, directory and data services. Verizon is one of the largest providers of wireline and wireless communications in the United States and internationally, primarily in the Americas and Europe. The Verizon definition of diversity includes the whole range of human differences, including age, ethnicity, education, sexual orientation, work style, race, gender and more. Over time, diversity has become an integral part of business, from workforce development and supplier relationships to economic development, marketing,

and philanthropy. Verizon leadership believes that the diverse minds, experiences, culture and unique perspectives of their employees are what give it a competitive advantage.

Diversity and inclusion are a critical link to their customers, communities and shareholders. Verizon firmly believes that embracing and cultivating diversity in their corporate culture is both the right business strategy and the right thing to do.

Verizon's Diversity Strategy advances diversity at all levels of the company's business activities. The company holds senior leaders accountable for diversity initiatives through incentive compensation tied directly to its diversity strategy. Verizon received recognition for the follow diversity achievements:

- the National Minority Supplier Development Council 2002 Leadership Award;
- consistently appears on Fortune magazines "50 Best Companies for Minorities"
- Hispanic Magazine's list for the "100 Best Companies for Latinos;"
- Working Woman magazine named Verizon one of the "Top 30 Companies for Supplier Diversity" in 2001; and
- Working Mother Magazine listed Verizon as one of its "100 Best Companies" for 2000 and 2001.

While the business case for diversity links program initiatives to the organization's "bottom line," and senior leader performance standards, diversity programs in the public sector have a different focus. Many public managers operate under an EEO or legal model as a way of addressing diversity. Managers who operate from this approach often implement elaborate recruitment and training strategies. While this may increase the numbers of women and people of color, it does nothing to change the work place climate.

The research of Naff and Kellough (2001), discussed below, reveal the various ways public sector organizations address workforce diversity.

### **Diversity Programs in the Federal Government**

Since the early 1970s, federal agencies were required to increase representation of women and people of color at all levels. The federal government was a serious and successful equal opportunity employer long before such policies were widespread in the private sector. The federal government appears more clearly and uniformly focused on recruitment and development efforts than on any category of response to diversity. The bedrock of federal diversity policy since that time has been EEO training.

In 1999, Vice President Gore's National Partnership for Reinventing Government (NPR) established the Diversity Task Force. The NPR Diversity Task Force administered a survey to 160 federal agencies and departments (Naff and Kellough 2001). The survey asked federal organizations about the components of, and resources devoted to, any diversity initiatives they might have. Responses were obtained from 137 or 86 percent of the organizations surveyed. These included components from the 23 largest departments and agencies, as well as the United States Postal Service and many of the smaller agencies. Collectively, these agencies employ more than 80 percent of the federal government's civilian workforce. Examination of differences among federal agencies on various dimensions previously have had to rely on information aggregated at the full agency or department level, overlooking the dissimilarities among sub-agencies within larger departments. Federal agencies vary in their approach to meeting the needs of a diverse workforce (Naff and Kellough 2001, pg. 12). Table 1 below identifies selected items on the survey and shows the corresponding percentage of federal agencies that have

the item as part of their diversity program.

*Table 1.*

*Source: Naff and Kellough (2001)*

Characteristic	Percentage
diversity initiative specifically addresses race	95.0
diversity initiative specifically addresses ethnicity/national origin	90.8
diversity initiative specifically addresses gender	89.2
diversity initiative specifically addresses disability status	85.8
diversity training is provided for employees	85
diversity initiative specifically addresses one or more nontraditional demographic characteristics	81.7
diversity initiative specifically addresses age	80
diversity training is designed to accomplish specific objectives	78.3
the agency evaluates the effectiveness of diversity training provided to employees	74.2
training objectives are communicated to employees	73.3
diversity initiatives specifically address religion	72.5
diversity is linked to the organization's strategic plan or performance plan	72.5
diversity initiative specifically addresses sexual orientation	68.3
diversity is an element in performance plans of supervisors and managers	67.5
diversity initiative implementation plan exists	56.7

The research of the NPR Diversity Task Force, led by Naff and Kellough (2001), stated that federal diversity programs historically have focused on EEO. It suggested that the federal government broaden its view of diversity, and embrace the business, cultural, and demographic dimensions of diversity as well as the legal dimension. The Task Force recognized the multiple frameworks underpinning diversity and said that it is important to

shape and pursue the missions and goals of federal agencies.

The NPR survey asked those agencies with diversity initiatives whether their diversity programs differed from their internal EEO programs in that they addressed diversity issues previously not addressed in the organization's EEO and AA programs. The purpose of this question was to determine the extent to which agencies may have relabeled or renamed their EEO programs in an effort to embrace the diversity movement. One-fourth (26 percent) indicated that their programs reflect EEO efforts. The remaining 70 percent of organizations with diversity programs indicated that their initiatives were broader in scope than their EEO programs, in that they addressed work place issues that had not received significant attention earlier. Previously unaddressed issues could include a focus on nontraditional demographic attributes such as organizational role or geographic origin, or the development of advocacy groups such as a diversity council (Naff and Kellough 2000, pg. 13).

The survey asked specific questions about the content, organization, and structure of diversity programs. Table 1 shows diversity program characteristics found in the participating organizations. Naff and Kellough reported interesting observations about the presence of various programmatic elements. For example, the program characteristics that are most frequently included in federal agency efforts are those that address "traditional" dimensions (i.e., race, gender, national origin, and handicap status) of diversity. More than 90 percent of agencies report that their programs specifically address race/color, ethnicity/national origin and/or gender. In addition, eighty-six percent address disability status and seventy-three percent address religion in general. Statutes prohibit discrimination based on these characteristics (Naff and Kellough 2000, pg. 13).

A popular component of many federal sector diversity programs is the provision of

training (Cox 1994); (Thomas 1996); (Mathews 1998 Summer). When the U.S. Merit Systems Protection Board surveyed federal agencies in 1991 about their diversity programs, 20 of the 33 agencies that responded reported they provide diversity-related training. Many agencies said they required it of all of their employees or at least those enrolled in supervisory development programs. Eighty-five percent of the responding organizations examined in the NPR survey also indicated that they include diversity training for employees as a component of their diversity initiatives. The remaining fifteen percent of the surveyed organizations, which claimed to have diversity programs in place, chose not to provide diversity training for their employees.

As Table 1 shows, there is no uniformity in the presence of items thought to be important to diversity initiative success or development. The program characteristic found in the smallest number of organizations is the inclusion of a diversity-related element in the performance plans of non-supervisory employees. Naff and Kellough state that by 1999 most federal agencies appeared to have heeded the call to develop a program for the increasingly diverse workforce. Some had done little more than rename their traditional EEO efforts while others expanded the demographic characteristics recognized by the program, linked diversity with the organization's strategic plan, and/or issued specific diversity policies or orders.

Naff and Kellough classify the 160 surveyed agencies as either having a well-developed diversity program, a moderately developed program, or no program at all. The study examined each agency for a description of the nature of their diversity program; the structure and resources of the diversity program; the agency training and awareness perspectives; and how each agency evaluates its diversity program.

The organizations listed below are examples of public organizations participating

in the NPR survey, and how they respond to a diverse workforce. Table 2 shows the diversity program components for the organizations below:

- Bureau of Land Management (BLM)
- Mine Safety and Health Administration (MSHA)
- The National Institutes of Health (NIH)
- National Institute for Standards and Technology (NIST)
- Substance Abuse and Mental Health Services Administration (SAMHSA)

Summary of Agency Program Characteristics

diversity program component	BLM	MSHA	NIH	NIST	SAMHSA
date of initiation of formal diversity program	1966	1998	1995	1997/98	1995
housed within EEO office	Yes	Yes	Yes	No	Yes
number of fulltime staff	2	5	26	3	5
diversity defined as more than sex, race, and other traditional EEO categories	Yes	Yes	Yes	Yes	Yes
have a diversity action or strategic plan	Yes	Yes	Yes	Yes	No
major focus on recruitment	Yes	Yes	Yes	Yes	Yes
includes awareness events (e.g., special emphasis functions)	Yes	Yes	No	Yes	Yes

Table 2

### **Bureau of Land Management (BLM)**

The BLM is an agency located within the U.S. Department of the Interior. It administers 264 million acres of public land located primarily in 12 western states and Alaska. The agency workforce consists of approximately 7,800 employees charged with

sustaining the “health, diversity, and productivity of public lands for the use and enjoyment of present and future generations.” Historically, the BLM has found it difficult to recruit sufficient minorities and women. As a result, by the early 1990s equal employment opportunity and diversity-related issues were a focus of concern (Naff and Kellough 2000, pg. 22).

The BLM diversity effort is broader in orientation than traditional affirmative employment activities. Traditional affirmative employment programs (AEP) have two distinct characteristics; specified in law and tied to specific formulas. By contrast, the diversity program at the BLM focuses on additional issues not covered by Title VII of the 1964 Civil Rights Act, such as sexual orientation and geographic origin, and it includes flexibilities to accommodate single mothers or people who have large distances to commute to work. A diversity committee at the agency, comprised of representatives of various offices and groups, provides a forum for the discussion of diversity-related issues and guidance for the program (Naff and Kellough 2001, pg. 23). The principle goals of the agency’s diversity program were recruitment (primarily through visits to colleges and universities) and retention of under-represented groups. The agency’s 1997 Workforce Diversity Program plan is to recruit a workforce that reflects the diversity of the nation’s population (Naff and Kellough 2000, pg. 23). Specific items included in that plan are expansion of the agency’s affirmative employment program, further development of targeted recruitment strategies to increase minority and female representation in specified job categories, an annual assessment of those strategies, and a review of position requirements to ensure that stated requirements are appropriate and applicable. The agency also conducts exit interviews to identify ways to improve minority and female retention. All of these diversity efforts are consistent with traditional EEO and AEP

activities. The BLM diversity program falls under the responsibility of the agency's EEO group and implemented through the efforts of two full-time staff members. The EEO group also performs traditional EEO-related activities such as handling EEO complaints and developing affirmative recruitment plans.

In addition to the emphasis on recruitment, the diversity program at the BLM should change the agency's culture to make it supportive of individuals from diverse backgrounds. The goal, reflected in the agency's written diversity plan, stresses the importance of efforts to educate managers and employees regarding diversity and calls for mandatory diversity training for supervisors and managers. The training is to focus on general diversity in organizations, preventing and resolving interpersonal conflict in the work place, accessibility and reasonable accommodation issues (for the disabled), and preventing and dealing with sexual harassment. Similar training is part of the orientation process for all new employees. The training effort intends to prevent conflict and facilitate the resolution of problems before they escalate into major disputes.

To help ensure accountability, a diversity element is included within the performance plans of senior executives and all managers and supervisors, requiring them to support the diversity program and its implementation. There has been no significant effort to measure the effectiveness of the diversity program at the BLM. The BLM leadership admits that it would be extremely difficult to assess the program because it would require measuring changes in the organizational culture over time. In 1999, the agency administered an employee attitude survey that assessed the extent employees believed that the organizational culture was supportive of people from different backgrounds. There is discussion of administering that survey again in the future. It acknowledged that many factors affect employees' views of the organization's climate

besides the diversity program.

### **Mine Safety and Health Administration (MSHA)**

The MSHA is an agency within the U.S. Department of Labor (DOL). Its mission is to enforce compliance with mandatory safety and health standards at all mining and mineral processing operations. MSHA also investigates mine accidents, complaints of retaliatory discrimination filed by miners and hazardous conditions complaints. The agency's other services include assisting mine operators in meeting legal requirements and improving their employee education and training programs.

The MSHA defines diversity as the differences in ethnic identification, cultural background, gender, age, sexual orientation, physical ability, family status, experience level, and religious and political beliefs. Despite its diversity policy and action plan, the focus of the MSHA effort appears to be traditional EEO activities. For example, because of the poor representation of women and minorities, they have recently created an outreach manager to focus on increasing the diversity of the candidate pool.

Conflict management, while originally included as part of the diversity training, is officially under the purview of the employee and labor relations function in the Human Resource office. It de-emphasized conflict management as a diversity issue, and made managers aware that the agency's employee relations specialists handled problems with employees. Similarly, initiatives such as telecommuting and flexible scheduling are the responsibility of Human Resources.

The diversity program, housed within the Office of Diversity, Outreach, and Employee Safety, has a staff of five full-time employees. These employees are EEO specialists with diversity-related work included in their job description. There are no

employees assigned solely to diversity efforts. The director reports directly to the director of administration; the office is independent of the human resources function.

MSHA provides mandatory diversity training to all managers, supervisors, and employees, which often includes a film that addresses improving communication among diverse groups. The training emphasizes how diversity is broader than traditional EEO and affirmative employment programs.

The performance plans for managers and supervisors include a critical element that requires them to demonstrate effective management of people by the following:

- fostering an inclusive working environment;
- supporting recruitment/outreach to achieve a diverse workforce;
- demonstrating fairness in selecting, assigning work to, and developing staff;
- basing decisions on merit and encouraging employee self-development;
- taking steps to address issues of discrimination on the basis of race, color, religion, sex, age, national origin, disability, or sexual orientation;
- periodically reviewing DOL EEO policy and work place values with staff;
- providing frequent and constructive fact-based performance information to staff and good performance solutions to issues;
- helping staff to set ambitious goals that stretch the capacity of the individual and organization.

The action plan calls for the development of a work place values performance appraisal element for non-supervisory employees, following consultation between the departments' Human Resource Center and the unions. The agency conducts no formal evaluation of the impact of its diversity initiatives, but they do ask training participants to

complete an evaluation form immediately following the session. The form consists of three open-ended questions inquiring as to the usefulness of the session, its anticipated impact on the trainees' work in a diversified environment, and suggestions for improving the course. The agency submits a yearly status report to the Department of Labor on the completion of items included in the 1998 Diversity Action Plan. The 1999 report submitted at the end of the first year showed that most items were "on target" or had revised completion dates.

### **The National Institutes of Health (NIH)**

The NIH is one of eight agencies of the Public Health Service, part of the U.S. Department of Health and Human Services. The organization, which is comprised of 27 separate institutes and centers, is one of the world's most prominent medical research organizations. NIH introduced the Workforce Diversity Initiative or WDI, at a forum in May 1995. Following that forum, a diversity congress convened to facilitate the development of strategies and a structure for implementing the WDI throughout the agency. NIH's Director of Equal Opportunity (OEO) saw the establishment of the WDI as a means to streamline the various special emphasis programs at the agency because it was difficult to deal with an array of employee advocacy groups.

The development of a diversity council served as a means for better coordination of OEO's work with these often-vocal groups. They suggested that the initiative came about because the public and private sectors promoted it as a better business model for improving the work place environment. The impetus for the development of the diversity effort at NIH was the U.S. Department of Justice's guidance on affirmative action in employment issued in 1996 following the Supreme Court's *Adarand Constructors, Inc. v. Peña* decision. The Department of Health and Human Services Office of the General

Counsel required the NIH to review their affirmative action plans. There was interest in ensuring that these plans furthered "compelling government interests," and that they "were narrowly tailored," as required by the Court. The NIH diversity guide for practitioners note that as legal restrictions on affirmative action programs continue to tighten, long-term change strategies (such as WDI) will become essential.

NIH used R. Roosevelt Thomas' definition of managing diversity: managing diversity is the process of creating and maintaining an environment that enables all participants to contribute to their full potential in pursuit of organizational objectives. NIH added that managing diversity is a long-term change strategy enabling the NIH to examine its fundamental values and culture to determine whether all employees are reaching their full potential and making maximum contributions to the mission of the NIH. Effective management of diversity proactively promotes productivity and respect for the differences and similarities each person brings to the work place.

The agency's strategic plan for diversity management states: "it is the policy of the National Institutes of Health to manage the diversity of our employees by building an inclusive workforce, fostering an environment that respects the individual, and offering opportunities for all persons to develop to their full potential in support of science (Naff and Kellough 2000, pg 16)." An important feature of the WDI is its emphasis on the distinction between EEO, AA, and managing diversity. A key distinction is that diversity initiatives are voluntary. Court decisions, statutes, regulations and executive orders do not drive them. In addition, NIH does not endorse affirmative action as a strategy of its diversity initiative. Affirmative action complements the overall objectives of a diversity initiative, but affirmative action planning has been in place within the EEO function since 1972. Work place initiatives such as flexible work schedules or telecommuting are not

included in the WDI portfolio; they are part of the Quality of Work Life program housed in the human resources management function at NIH.

The Office of Equal Opportunity (OEO) includes the WDI, traditional EEO functions, and the affirmative recruitment activities. Within this branch, there are three diversity program managers, each of whom works with a set of institutes and centers on their diversity programs. OEO has a staff of 26 full-time employees.

In addition to the three diversity program managers, each institute and center has an employee assigned by its director to be a diversity catalyst. This is not a full-time position, although some institute and center directors appoint their EEO directors to the position of catalyst. Catalysts spend at least 20 percent of their official duty time on diversity program responsibilities. During their tenure, catalysts are the champions of the diversity initiative within their institute or center, and serve as an OEO partner and point of contact. Catalysts are responsible for disseminating information to the organizations they represent and for initiating the progress evaluation of the initiative. Institutes and centers are also encouraged, but not required, to set up diversity committees or councils (Naff and Kellough 2001, pg. 17).

The other major component of the NIH WDI is the diversity council, whose role is to provide the NIH director and staff with advice on OEO policies and programs. Membership on the council represents diverse communities within NIH such as scientific, administrative, and blue-collar staff, as well as employees of different ages, races, genders, sexual orientation, physical abilities, and ethnic backgrounds. The NIH director appoints council members after nomination by their institute or center.

Special observance events (e.g., commemorating Black History Month) take place, but are not the responsibility of the diversity program managers. Volunteers from the

various institutes organize them with guidance provided by OEO staff. These events are not substitutes for diversity training. Diversity training does not focus on employees' legal rights and responsibilities with respect to EEO. That is EEO training.

There is an EEO and diversity critical element in all executives' performance plans, as mandated by the Public Health Service. EEO and diversity are also included in all managers' and supervisors' performance plans, although it is sometimes included in an element addressing broader Human Resource concerns. The executive performance element requires managers to "routinely support the NIH EEO program, affirmative action program, work place diversity initiative, and EEO complaint resolution program." No formal accomplishment report exists to date, although focus groups of catalysts or annual status reports informally monitor progress. There are plans to develop a means for evaluating the effectiveness of the WDI based on Trevor Wilson's<sup>9</sup> model, which combines data on the representation of various groups by occupational category with measures of employees' perceptions through focus groups, interviews, and/or a written survey (Naff and Kellough 2001, pg.19).

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<sup>9</sup> Wilson is a diversity strategist to international business and the author of *Diversity at Work: The business case for equity*. In it, he takes a systematic approach to understanding and addressing the need for corporate cultural change, in order that organizations can best position themselves for the economic realities of the future. Wilson started his career in the public sector advising the Premier of Canada's largest province on issues of multiculturalism, race relations, employment equity, affirmative action, and human rights. In 1989, he started his own consulting firm specializing in the area of equity and diversity management. The firm's clients include Coca-Cola, Ernst & Young, Nike, Bank of Nova Scotia, U.S. Environmental Protection Agency and Seagate Technology.

## **National Institute for Standards and Technology (NIST)<sup>10</sup>**

This agency has a total workforce of about 3,000 scientists, engineers, technicians, business specialists and administrative personnel. Located within the U.S. Department of Commerce, its mission is to “develop and promote measurement standards and technology to enhance productivity, facilitate trade, and improve the quality of life (Naff and Kellough 2001).”

The diversity program at NIST is not part of the agency’s EEO program and diversity training is required for all executives. NIST established the initial diversity strategy in 1993 because of concern about the lack of diversity in the agency’s workforce. The vision statement for NIST states, “NIST is committed to maintaining its stature as a premier science agency by building an inclusive workforce, fostering an environment that respects the individual, promoting mentoring, and offering an opportunity for each person to develop their potential in support of the NIST mission.” Diversity at NIST goes beyond race, gender, and ethnicity. The organization uses the perspective of R. Roosevelt Thomas to formulate its diversity program. Specifically, NIST looked at how business processes can be changed to accommodate a diverse workforce, such as ensuring that qualification requirements are current and relevant. This is where the distinction between EEO and diversity is evident. Those who work in diversity at NIST tend to see under representation of minorities and women as an EEO issue, outside of their jurisdiction, and yet both functions are concerned with increasing the pool of applicants for jobs. Diversity

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<sup>10</sup> On May 5, 2004, *Washington Post* reporter Stephen Bar wrote that NIST was preparing to send layoff notices to its employees in Gaithersburg, MD and Boulder, CO. The total number of employees laid off will depend on the numbers taking either a voluntary early retirement or cash buyout. Tentative estimates suggest that NIST could lose 100 employees in the downsizing. NIST is reducing its staff because Congress cut its budget by about \$20 million for the year.

and EEO at NIST work very cooperatively and strive for good communication between the offices (Naff and Kellough 2001).

The diversity program at NIST separates the diversity effort from the agency's traditional equal employment opportunity and affirmative employment programs. Formally, the director of NIST oversees the traditional EEO responsibilities within the office of civil rights. The diversity advisory board also reports to the director. The diversity program office reports to the director of administration and chief financial officer, and is one level removed from the director. Informally, there is much collaboration between the diversity program office and the office of civil rights. The existence of at least two separate offices interested in recruitment (the office of civil rights and the diversity program office) and many separate entities (including employee advocacy groups) concerned with raising awareness and training can sometimes result in problems with duplication of effort, communication, and coordination among them.

Training provided to managers is an important aspect of the diversity program at NIST. The preferred training starts with a basic introduction to managing diversity. Then there is a session on cross-cultural communication. The third aspect of the training is a class on culture competence. All new managers are encouraged, but not required, to participate in a one-day diversity-training program. The exception is members of the Senior Executive Service, who are required to attend diversity training. NIST rethought the decision to mandate diversity training for all managers and supervisors after a vendor seemed to do more harm than good with some training techniques.

Contractors provide all diversity training for NIST and generally do not address rights and responsibilities under Title VII because the civil rights office covers this subject in depth. The diversity program office also owns several diversity-related videos, which

operating units often check out and show at staff meetings. In addition to the events sponsored by the diversity program office, there are seven active employee groups at NIST representing black, Latino, women, Asian, disabled, and gay and lesbian employees, and one representing guest researchers. These groups also sponsor awareness events.

Officially, the Five Year Strategic Plan for Managing Diversity, which covers October 2000 to September 2005, commits the agency to assessing organizational unit progress annually and the overall success of the initiative at the end of the five-year period. The agency is to develop measurable performance goals that provide a basis for comparing actual results with expected results. The staff developed a detailed implementation plan for achieving their goals that includes completion dates, resources needed, and measures of success. The implementation plan indicates that a diversity tracking system would share trend information with management on such employment actions as accessions, separations, promotions, personal development, and reassignments.

The organization acknowledges that there are problems in finding good measures of the effectiveness of a diversity program. A stable or increased EEO complaint caseload, for example, could be evidence of heightened awareness and confidence in filing complaints, rather than an increase in discriminatory behavior. There is widespread belief that anecdotal evidence about the environment and retention rates for minorities and women are good measures of the impact of a diversity program on the organizational climate (Naff and Kellough 2001, pg. 22).

### **Substance Abuse and Mental Health Services Administration (SAMHSA)**

Created in 1992, the SAMHSA is an agency within the U.S. Department of Health and Human Services. The agency's mission is to strengthen the nation's health care

capacity to provide prevention, diagnosis, and treatment services for substance abuse and mental illness. The SAMHSA conducts its work primarily through the administration of a series of federal block grant programs intended to enhance substance abuse and mental health services. Targeted Capacity Expansion grants give local communities resources for the early identification and management of emerging substance abuse and mental health service needs. Organized into three (3) units, SAMHSA's more than 500 employees belong to the Center for Mental Health Services; the Center for Substance Abuse Prevention; or the Center for Substance Abuse Treatment.

The EEO and diversity programs within the SAMHSA are distinct from one another, with the latter encompassing more dimensions than race and sex. The current focus is on a concept referred to as "cultural competence," which involves the promotion of attitudes respectful of people from diverse cultural backgrounds. The focus in EEO is on complaints resolution, although the diversity program staff at SAMHSA also tries to reduce the number of discrimination complaints through their education and training efforts. The primary focus of the diversity program is recruitment. SAMHSA sees cultural competence as a way to make the agency a more attractive employer to minorities. Since women already comprise 70 percent of the workforce, SAMHSA is interested in increasing the representation of men of color, especially those under the age of 30 years old.

The programmatic orientation at SAMHSA appears to fit well within the traditional EEO paradigm, rather than extending to the broader diversity management framework. It focuses on recruitment and upward mobility. The diversity effort is within the office of EEO and civil rights. That office employs 5 full-time staff, 20 to 25 EEO counselors, and 20 EEO advisors.

Diversity training for agency managers is provided by the directors of the three centers (Substance Abuse Treatment, Substance Abuse Prevention, and Mental Health Services), but the training is not mandatory. The SAMHSA has developed online, self-training modules as well as literature explaining rules and responsibilities with respect to EEO. They also conduct team-building exercises that include a diversity component. The performance plan includes no diversity elements, except for members of the Senior Executive Service, and agency division directors. There are no efforts to evaluate the effectiveness of the diversity program at SAMHSA (Naff and Kellough 2001, pg. 24).

In summary, an examination of Table 2 shows that all of the featured public sector organizations began their diversity programs between 1995 and 1998. Only one, NIST, separates diversity from EEO. Maintaining separate offices allows the diversity program to develop away from the influence of EEO, and keeps managers from renaming EEO activities as their diversity program. Additionally, Table 2 shows that all of the organizations listed define diversity in broader categories than EEO. Four of the five organizations listed have developed a diversity plan or strategic plan, but when asked if their program measures effectiveness, only three answer in the affirmative.

This chapter focused on the highlights of equal employment opportunity, affirmative action and diversity to show the subtle differences. Diversity is not a legally mandated program. Diversity is a voluntary program begun by managers who wish to provide a fair and equitable work place for all employees.

The business case for diversity in public organizations ties to the organization's mission expressed in its strategic planning processes written as measurable outcomes. The diversity literature review in chapter 3 provides insight into the business case for diversity in both private and public organizations.

### **Chapter 3 Review of Diversity Program Literature**

This chapter reviews the literature on workforce diversity and employer programs to manage this diversity in the private and public sector. There is relatively little understanding of diversity and its dynamics independent of the workforce. It is inevitable that as consciousness about diversity and managing diversity issues is expanded, greater attention and effort to developing frameworks for understanding and addressing diversity outside the workforce result.

Since the early 1980s, diversity and diversity management programs have proliferated. While the business case for diversity grows stronger with shifting demographics and increased globalization, many organizations have yet to align diversity and their business strategies (Hubbard 1997). The relationship between diversity and the bottom line is more complex than is implied by the popular rhetoric.

During the 1990s, diversity rhetoric shifted to emphasize the business case for supporting workforce diversity. The former CEO of Hewlett Packard described the new rhetoric. He was looking for a way to convince his fellow executives and managers that to manage diversity effectively is a business necessity not only because of the nature of labor and product markets, but because a more diverse workforce – relative to a homogeneous one – produces better business results (Kochan 2003).

Wise (2000) states that private and public sector organizations invest significant financial resources, time, and energy into diversity missions, programs, and strategies. Yet empirical evidence about the consequences of diversity in work organizations is limited, and many of the existing studies present conflicting and inconclusive findings. Public managers who want to integrate a managing-for-diversity approach into their leadership behaviors and into the policies, structure, and culture of their organizations are

likely to have a difficult time identifying lessons from the research literature that can be reliably applied to actual work situations. Much of the diversity literature recommends a reexamination of the organization's promotion and performance appraisal criteria to identify potential bias and, where necessary, to revamp them (Naff and Kellough 2001, pg. 386).

### **Private Sector Diversity Literature**

Since 1996, a group of industry chief executives and human resource professionals has been working together under the auspices of the Business Opportunities for Leadership Diversity (BOLD) initiative. This nonprofit organization helps American corporations learn how to leverage their cultural diversity for competitive advantage. These business leaders endorse the view that a more diverse workforce will increase organizational effectiveness. For them, providing more opportunities for women and minorities is a business imperative, but when they realized that they lacked clear evidence to support this view, either within their own organization or across American industry, they commissioned a study to assess the diversity-performance link (Kochan 2003).

In 1997, a research consortium known as the Diversity Research Network studied four large firms at the request of the BOLD initiative. BOLD asked this consortium, drawn from a cross section of universities, to design a large-scale field research project to examine the relationships between gender and racial diversity and business performance (Kochan 2003). The study, financed in part by the Society for Human Resource Management Foundation, found that organizations were not collecting the data to assess the effects of diversity practices on firm performance. The study results suggested the need to move beyond the business-case argument for advancing the practice of diversity

in industry, and suggested how to modify the argument to reflect the complexities discovered in their research (pg. 3). Additional studies by these scholars indicated that there is little research conducted in actual organizations that address the impact of diversity or diversity-management practices on financial success. A large number of laboratory experiments tests specific diversity-performance hypotheses, but few study real organizations or assess objective performance measures. An exception is a study that compared companies with exemplary diversity-management practices to those that had paid legal damages to settle discrimination lawsuits. The Kochan study showed that the exemplary firms also performed better as measured by their stock prices. Kochan et al. state that there are two reasons that might explain this lack of evidence. First, diversity is extremely difficult to study in organizational settings because it raises sensitive issues that are difficult to discuss. In addition, organizations are reluctant to share their experiences or data, given the legal climate and the potential for litigation.

An exemplar of diversity in the private sector is R. Roosevelt Thomas. He founded the American Institute for Managing Diversity, Inc. (AIMD) in 1984 as a non-profit research and education enterprise. He and his staff are the seminal source for managing diversity concepts and strategies. The team focused initially on workforce diversity. They later expanded their focus to create a diversity framework for addressing general management issues such as change management, functional coordination, the integration of management of business, and acquisitions.

During Thomas' tenure as the dean of the Atlanta University Graduate School of Business Administration, a corporate manager asked him why he did not develop something to help white males manage their black employees. At first, help for black and white managers received a mixed reaction. Thomas wondered why there was a need for

special assistance with blacks. “Weren’t they people like everyone else?” he asked. In addition “why wouldn’t what worked with others work with blacks?” Thomas found the suggestion that blacks required extra help offensive. However, after considerable thought, he realized that all corporations, regardless of the quality of their affirmative action efforts were concerned about upward mobility and retention of blacks.

After considerable research, Thomas found that only a few writers looked at the experiences of blacks or women from a managerial perspective. Instead, they look closely at the perspectives of race relations, interpersonal relations, or legal, moral, or social responsibility. Very few researchers determined the implications for a manager who wanted to create a corporate environment beneficial to all employees. Most of the available literature described the experience of blacks and women in corporate America and offered advice for success. These efforts helped blacks and women understand the circumstances, and challenges, which prepared them for assimilation into mainstream. Thomas believed that there was an unfilled need: to understand through systematic research the managerial experience of managers with blacks and women to gain insights on how white males might better manage them. He defined management as the use of various managerial tools to enable people to practice the behavior required for achieving corporate objectives. This meant more than race relations or interpersonal relations. Beyond these matters were the issues of creating an appropriate corporate culture and set of organizational systems. Implicit in this was a belief that a white male manager could be free of discrimination and could have excellent interpersonal relations with women and blacks, and still not know how to manage them. This manager would still not know how to create a culture with appropriate related systems that would work for all employees, including white males.

With this framework in mind, Thomas, in 1983, approached Hugh Gloster, president of Morehouse College about starting an applied research center for exploring this managerial perspective. Dr. Gloster agreed, and together they formed AIMD (initially known as the Institute for Corporate Leadership and Management at Morehouse College). When the Hudson Institute published *Workforce 2000*, Thomas revised his approach to include not just blacks, but other minorities and women. He reasoned that every manager not just white males would have to face the challenges of managing people not like themselves. Therefore, he aimed his assistance at all managers. Also, Thomas acknowledged that employees differ not just on the basis of race, gender, and ethnicity, but on a variety of other dimensions such as age, functional and educational backgrounds, tenure with the organization, lifestyles, and geographic origins, to name just a few. He believes these dimensions and others have to be included when considering workforce “diversity.” As a result, the definition of managing diversity had to be different from the traditional affirmative action approach.

Throughout his work, Thomas has sought to address the question: “as a manager goes about enabling/influencing/empowering his/her workforce, and as that workforce becomes increasingly diverse, are there things that have to be done differently (managerially speaking) with a diverse workforce than would be the case with a homogeneous workforce?” The chairman and CEO of General Motors Corporation said when they listened to R. Roosevelt Thomas speak about managing diversity, and how it could help them move beyond the legal requirements of and thinking about affirmative action, the journey began. This journey eventually led the corporation beyond just issues in the work place. At that time in General Motors, managing their diverse workforce was both the right thing to do and a competitive business strategy. In addition to offering fresh

insights on managing workforce diversity, Thomas is credited with “opening their minds to a new understanding of diversity itself.” Defining diversity as any collective mixture characterized by differences and similarities, managers can view and interpret many of today’s business challenges and opportunities as diversity mixtures (Thomas 1996, pg. xv).

Thomas (1996) believes that diversity is not a ruse to “backdoor” affirmative action. His approach to diversity is from a management perspective. It seeks ways to manage the company’s human resources, given the fact that those resources are now far more diverse than in earlier times. Diversity managed from this perspective is not about leveling the playing field to give minorities and women an extra advantage. It is about maximizing the contributions of all employees. Thomas takes a holistic approach to creating a corporate environment that allows everyone to reach his/her full potential in pursuit of corporate objectives. It is not a prepackaged set of solutions. It is not a program for addressing discrimination; we have EEO and AA laws for this purpose.

Thomas tells us that if we eliminate affirmative action and valuing differences before gaining the benefits of managing diversity, we risk having diversity-related issues not addressed. He believes that one can manage diversity without valuing differences, but managing diversity requires understanding differences.<sup>11</sup>

Thomas believes that efforts to manage diversity must link with business goals. Diversity is a competitive issue when viewed from a business perspective. It needs to be approached from a strategic, not an emotional, perspective if attracting and retaining good employees, recruiting a diverse staff, identifying with diverse consumer bases, increasing

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<sup>11</sup> Affirmative action must be followed by understanding and accepting differences, and then by managing diversity. Managing diversity calls for recognizing that people are different without condemning them for these differences.

customer service, and/or improving organizational effectiveness are goals of an organization.

Thomas and Ely (1996) found that private sector managers acknowledge that discrimination in any form is wrong, but they express a desire to go beyond the legal and moral thing to do to combat it in their organizations. They believe that a diverse workforce increases organizational effectiveness, lifts morale, brings greater access to new segments of the marketplace, and enhances productivity. It is good for business. However, the authors can find no evidence that these programs have ‘spurred leaps in organizational effectiveness (pg. 79).’ Thomas and Ely provide insight into why they feel diversity programs have not lived up to expectation by providing a new paradigm for understanding and leveraging diversity.

One of the objectives of their three-part research was to understand the management challenges inherent in a diverse workforce. Specifically, they set out to investigate the link between diversity and organizational effectiveness. The authors believe that there is a way to unleash the benefits of a diverse workforce that go beyond profitability to encompass learning, creativity, flexibility, organizational and individual growth, and help the organization successfully adjust to rapid market changes.

Understanding how organizations achieve and sustain racial and ethnic diversity in executive and middle management ranks was the first part of their research effort. Secondly, Thomas and Ely sought to determine the impact diversity had on organizational practices, processes, and performance. Finally, they wanted to learn how leaders influence whether diversity becomes an enhancing or detracting element in the organization.

Their research involved three organizations that had attained a high degree of demographic diversity. They studied nine other companies in varying stages of

diversifying their workforce. The outcome of this research is the identification of a third paradigm for managing diversity - “learning-and-effectiveness.” The authors firmly believe that organizations must abandon old and limiting assumptions about the meaning of diversity before realizing its true potential as a powerful way to increase organizational effectiveness through unleashing the enduring benefits of a diverse workforce (pg. 80).

Simons et al. (1999) conducted a study to examine how top management team (TMT) diversity variables and debate interacted to influence measures of company financial performance. Their review of the diversity literature noted mixed empirical results and described diversity as a two-edged sword. The authors developed a theory about when TMT diversity will have primarily positive effects on firm performance and when it will have negative effects. They tested this theory in a sample of 57 TMTs. Additionally, they explored the possibility that team processes moderate the relationship between TMT diversity and firm performance. The authors proposed that debate among team members moderates the effect of TMT diversity on firm performance, with interactions between debate and more job-related forms of diversity having stronger effects than interactions between debate and less job-related forms of diversity. The key concepts in this study are debate, decision comprehensiveness, and performance. The study defined debate as an open discussion of task-related differences, and the advocacy by different top management group members, of differing approaches to the strategic decision-making task. Questions used to measure debate focus on specific behaviors rather than on a general perception of difference or conflict. Decision comprehensiveness is the extent to which organizations attempt to be exhaustive or inclusive in making and integrating strategic decisions. Both academic and popular writing has suggested that decision comprehensiveness is a highly influential process in top management teams.

Performance conceptualized increased firm profitability and sales (Simons et al. 1999, pp. 662-664).

In the study, the researchers examined four kinds of demographic diversity that tend to exist in top management teams: diversity in functional background, educational level, tenure and age. Of these demographic variables, functional, education level, and tenure diversity classify as more job-related because they capture experiences, information, and perspectives relevant to cognitive perspectives relevant to cognitive tasks. The study also included a type of non-demographic diversity: perceived environmental uncertainty (PEU) diversity. PEU diversity is the degrees to which TMT members differ in their perceptions about the level of uncertainty in their company's external business environment. These perceptions constitute a critical input for strategic decisions and they relate more directly than demographic measures to team members' cognitions about their decision context. There were three hypotheses in this study:

1. Debate will moderate the impact of TMT diversity, increasing the tendency for diversity to enhance decision comprehensiveness and performance.
2. Decision comprehensiveness will mediate the interactive effects of diversity and debate on company performance; and
3. Interactions between more job-related forms of diversity and debate will have stronger positive associations with decision comprehensiveness and company performance than will interactions between less job-related forms of diversity and debate.

The data from this empirical study revealed that debate increased the tendency for diversity to enhance TMT performance. The conclusion is that for diversity to benefit a company's bottom line there must be a process that includes the positive aspects of diversity.

The interactive effects of debate and diversity on performance were stronger for several more job-related types of diversity than for one less job-related type (i.e., age diversity). PEU diversity, education level diversity, and company tenure diversity lacked main effects on performance, yet all of these variables had significant moderated effects (as debate-by-diversity interactions) on performance. Functional background diversity also had a significant moderated effect, but age diversity did not. Debate is more likely to be fruitful when it draws on different experiences and perspectives that are relevant to a task rather than on less relevant viewpoint differences. This finding provides preliminary support for the notion that more job-related forms of diversity have greater potential impact on organizational performance (Simons et al. 1999, pg. 671).

Lau and Murnighan (1998) identify the increasing diversity of the workforce and the increased use of teams and groups for decision-making and production as two current trends in organizations. The advances and entry of women and racial minorities have diversified the workforce, provided opportunities for creativity and competitive advantage as well as communication difficulties, and misunderstandings. Having to confront diversity within teams suggests that a manager's task will become increasingly complex and that a conceptual analysis of the effects of the developmental processes of diverse work groups may be particularly fruitful. The authors discuss current treatment of the concept of demographic diversity and introduce group fault lines as a concept that divides a group's members on one or more attributes. For instance, gender fault lines divide groups into male and female subgroups. The authors discuss the effects of group fault lines on sense making, group and subgroup dynamics, and political processes.

Diversity and fault line strength contribute to important group and subgroup dynamics and developmental processes. Analysts must go beyond the consideration of

individuals' single characteristics to investigate the effects of multiple characteristics and their interrelationships to understand and explain the effectiveness of work groups. This study was limited to the demographic differences in diversity, focusing on age, sex, race, and job tenure or status, the authors suggested conceptualizing diversity in terms of the heterogeneity of individual attributes within a group, and in terms of group fault lines (Lau and Murnighan 1998, pg. 326). Although both concepts contribute to internal group processes, diversity has more potential for performance gains because of enhanced creativity. Fault lines have more potential for performance losses because of increased subgroup conflict. Group fault lines are hypothetical dividing lines that may split a group into subgroups based on one or more attributes. Demographic group fault lines, such as age, tend to divide a group into subgroups of different ages. In addition, fault lines based on other non-demographic characteristics, such as personal values or personality, may also lead to active subgroups within a larger group (Lau and Murnighan 1998, pp. 327, 328).

### **Public Sector Diversity Literature**

Diversity defined in broad terms included a number of factors, but in the context of American public agencies, race, ethnicity, and gender are among the most salient demographic variables. Inequities that manifest themselves along racial, ethnic and gender lines are still common. When agencies described the measures for their programs, many referred to measures traditionally used in EEO and AA programs such as a comparison of agency workforce demographics with the civilian labor force. Employee perception of an equitable work environment provides a good measure of the diversity program. The difficulty with this measure is that stable or increased dissatisfaction with the work

environment may reflect heightened expectations because of the diversity initiative.

Many other factors can affect employee perceptions of their work environment, including a potential or imminent reduction in force, or adverse publicity in the press resulting from employee advocacy groups' efforts to draw attention to perceived inequities. Typically, diversity programs in the public sector mean: increasing sensitivity to cultural differences; developing the ability to recognize, accept, and value diversity; minimizing patterns of inequality experienced by women and minorities; improving cross cultural interactions and interpersonal relationships among different gender and ethnic groups; and/or modifying organizational culture and leadership practices.

Soni's (2000) research revealed that most public sector organizations have implemented some type of diversity management program. She emphasized the need for initiating organizational interventions aimed at educating and sensitizing employees and managers to utilize, understand, accept, and value diversity. However, she found little empirical evidence about whether organizational members subscribe to the diversity value and the diversity management initiatives of employers (pg. 397).

Soni (2000) tells us that even though diversity and diversity management have become part of the popular lexicon in the work place, no clear or standard definitions of these terms exist. She found that while some public sector employers may be committed to diversity programs that are broad in scope, dwindling budgets and taxpayers' demands for less government and more services prevent them from expending large sums of money on these efforts.

Soni (2000) found statistically significant differences in how employee groups view diversity and diversity management initiatives in the Environmental Protection

Agency (EPA)<sup>12</sup>. The EPA diversity program included issuance of a formal policy statement by the regional administrator; establishment of a diversity task force to monitor progress; agency-wide mandatory diversity awareness training; special emphasis programs (including rotational assignments) to recruit more minorities in scientific and administrative positions; leadership development programs for women and minorities; and observance of a variety of commemorative events. In addition, the EPA included diversity management initiatives in their five-year strategic plan (pp. 396, 397).

According to Soni, organizational members accept and support diversity to a much lesser extent than the ideal portrayed in the literature. At the EPA, an employee's racial/ethnic and gender identity, the degree of race and gender based prejudice and stereotypes, and the nature of interpersonal relationships among employee groups determined the degree of receptivity to diversity and diversity management. The cross-sectional survey analysis of ethnic, racial and gender receptivity to workforce diversity and diversity programs has implications for this dissertation. Specifically, in determining receptivity to diversity at the EPA, Soni found a majority of white males (62%), 35% of women of different ethnic/racial groups and 14% black men believe that focusing on

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<sup>12</sup> On October 4, 2000, the House Science Committee and Chairman F. James Sensenbrenner, Jr (R-WI) head charges of a pattern of intolerance, discrimination, harassment, and retaliation at the EPA. Leroy W. Warren, Jr. the Chairman of the NAACP Federal Sector Task Force said at a hearing, "discrimination at the EPA is real, painful, and pervasive. There is no accountability in most instances... There seems to be a situation at EPA where if you complain or ask questions about what is wrong, you are facing a death sentence in terms of upward mobility and promotions... You have no future at EPA. That is the reality today." Dr. Marsha Coleman-Adebayo, a Senior Advisor to the EPA's Director of the Office of Pollution Prevention and Toxics, testified, "racial prejudice was pervasive in the Agency and that she wrote to EPA Administrator Carol Browner in 1997 and asked her to personally intervene to stop the harassment. In August 2000, a jury of the U.S. District Court in Washington found the EPA and Administrator Browner violated Title 7 of the U.S. Civil Rights Act. The jury awarded Dr. Coleman-Adebayo \$600,000 and found the Agency guilty of racism, sexism, color discrimination, and creating a hostile work environment. Chairman Sensenbrenner stated, "The issue is how scientists and other employees are treated once they are at EPA. Promoting minorities or women to senior positions and then harassing them or discriminating against them is not acceptable. Retaliating against those who speak out against the Agency is not acceptable. Failing to enforce EPA disciplinary policies against those found to discriminate or harass is not acceptable. All of the actions send a message to EPA employees not to speak out, not to engage in public debate and not to dissent against the Agency."

diversity will only benefit women and minorities. White males, more than any other group (82%) are concerned about reverse discrimination. However, in spite of this, every group indicated a belief that they can benefit from effective diversity management. Between 98 and 100 percent of all participants, believe that “all people have a right to be treated with dignity (Soni 2000, pg. 403).”

In their research to understand diversity programs in the federal government, Naff and Kellough (2001) state, “government should make a clear distinction between diversity programs and traditional EEO and AA programs created to address illegal discrimination in the work place.” The authors provide insight on federal agencies’ response to a rapidly changing workforce. They suggest that these agencies create diversity programs that fit organizational resources, mission and unique needs. They found that no federal agency had completed a systemic evaluation of its diversity program, despite the government’s emphasis on measuring program performance and input. Their recommendation is that federal agencies should make a clear distinction between diversity management and traditional EEO and affirmative action programs. Finally, federal agencies should gather baseline data to guide diversity program efforts and serve as a means for continuous evaluation of the impact of their diversity program (pg. 5).

Naff and Kellough stress that it is useful to know what activities comprise federal agency diversity programs, but even more essential to assess whether these programs are accomplishing their intended purpose of creating a more equitable work environment than have existed in the past. Impact analysis provides the evaluation needed to ensure the public is attaining the most return for the tax dollars and other resources they invest in the government. Impact analysis involves the application of social science methodology to questions of whether and to what extent public programs achieve their objectives or goals.

It requires the identification of appropriate measures of goal achievement, the utilization of appropriate research designs, data collection, and analysis, to determine whether the program has had the desired impact. The authors tell us that given the disputes that sometimes emerge regarding organizational diversity programs, it is imperative that there be a systematic impact evaluation of those efforts within federal agencies. The first step in an analysis of impact is to identify appropriate measures to serve as indicators of whether a program is accomplishing its intended objectives. Based on the literature review, one would expect that diversity management programs ensure that the climate within public organizations is such that people of diverse backgrounds find those organizations comfortable and attractive places to work and progress. In addition, diversity programs help educate managers and supervisors about biases (often unconscious) that hinder their willingness to provide all employees an equal opportunity for fulfilling work and advancement (Naff and Kellough 2001, pg. 31).

Because diversity programs have a broader impact on the work environment than traditional EEO programs, it would seem that measures that are more dynamic are required to assess their success. Naff and Kellough recommend that agencies examine various types of personnel actions and their effects on women and minorities. They believe measures that focus on promotions, dismissals, and voluntary turnover are appropriate.

Ban and Riccucci (1997) identify three government employers that excelled in preparing for a diverse workforce (i.e., the cities of Santa Ana, and San Diego, California and Seattle, Washington. These city government programs share some commonalities:

- Successful diversity programs institutionalize efforts to bring about change in the culture, mission, and structure of the organization through education and training

programs.

- It was determined that city government leaders who provide strong leadership, a clear vision, and resources ensure program success.
- Most successful diversity programs strive to change the culture of the organization so that diversity is a way of life.
- These programs have managers who are accountable for the attainment of diversity goals.
- They instill a value around diversity through coaching, training, education, and keeping the programs on the front burner when other important concerns emerge (pp. 88, 89).

A key finding of the research by Ban and Riccucci (1997); (Soni 2000); (Thomas 1996) supports the idea that when organizations promote and achieve a diverse workforce, they are able to recruit and retain quality employees and increase customer loyalty. The authors tell us that diversity when defined broadly encompasses a wide range of initiatives that meet the changing needs of customers and workers.

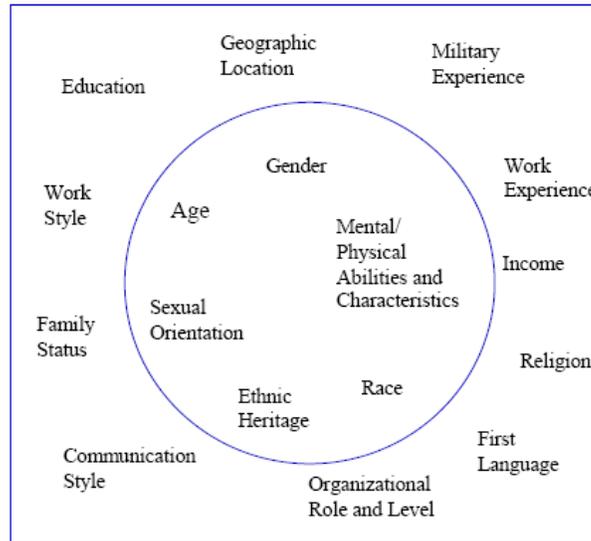
Laudicina (1995) surveyed human resource professionals in twelve of the then fourteen federal cabinet-level departments. This research explored the nature, scope and type of activity undertaken within each department in response to workforce diversity. It identified those federal agencies perceived as innovative or proactive in their response to diversity. The purpose was to get an overview of efforts in the federal government to address the impact of increasing workforce diversity. Laudicina sought to determine if the projections from *Workforce 2000* affected traditional approaches to recruitment, hiring, and training and development. Her research sought to identify new programs and activities developed in relation to workforce changes; identify “best practices” within

those agencies that have been proactive or creative; and identify the extent to which organization culture approaches, similar to those found in major corporations, are adopted in federal agencies. Laudicina explored federal government records in four categories of response to *Workforce 2000* initiatives: recruitment and retention, training and development, rewards/ benefits, and changing organization culture. The federal sector appears more clearly and uniformly focused on recruitment and development efforts than on any other category of response to diversity.

Margo Bailey (2004) contends that public administration must consider how changing notions of diversity affects its traditional view of representative bureaucracy. She states that diversity has moved from a focus on the legally protected classes of gender, race, ethnicity, disability, and age to encompass a wide range of factors that differentiate and therefore influence individuals' interpretations and responses which are represented by the primary and secondary dimensions of diversity ( see Figure 2) as presented by Loden (1996). Loden's primary dimension includes those individual unchangeable characteristics like race, ethnicity, gender, mental/physical ability and characteristic, sexual orientation and age. The secondary dimensions of work background, income, marital status, military experience, religion, geographic location, parental status, and education can change and are strong influences on how individuals view and behave toward each other. The multiple permutations of primary and secondary dimensions mean increasingly segmented definitions and understandings of diversity.

Figure 2

**PRIMARY AND SECONDARY DIMENSIONS OF DIVERSITY\***



\*from Implementing Diversity 1996  
Irwin Profession Publishing, Loden Associates, Inc.

Foldy's research (2004) indicates that public-sector organizations tend to be more racially and ethnically diverse than private-sector organizations, leading to the challenge of enhancing heterogeneous work group effectiveness. Her work suggests that a group's diversity perspective or set of beliefs about the rule of cultural diversity, moderates diverse group performance. Foldy integrates recent work on diversity perspectives with long-standing research on team learning to propose a conceptual model of learning in culturally diverse groups. It suggests that both the integration and learning perspective and more generic learning frames and skills must be present (pg. 529). The integration and learning perspectives, argues that heterogeneous groups function better when they believe that cultural identities are sources of new ideas and experiences about work.

Fink, Pastore, and Riemer (2001) conducted a study that applied a framework of diversity initiatives as a basis of exploration into top management beliefs and diversity management strategies of Division 1A intercollegiate athletic organizations. The framework utilizes issues of power, demographic and relational differences, and past literature regarding specific diversity strategies to empirically assess these organizations' outlooks regarding employee diversity. Results of the study suggest that Division 1A intercollegiate athletic organizations operate in cultures that value similarity. Demographic variables predicted a significant amount of variance in employees' perceptions of diversity management strategies. In addition, demographic differences (being different from one's leader) accounted for an even greater amount of variance in these perceptions.

Selden and Selden (2001) believe that public organizations must develop their capacities to expand communication accessibility by creating appropriate settings and environments to hear and attend to diverse voices. As Western culture continues to increase its reliance on technological communication, public organizations must ensure that communication settings remain intimate and not isolated, multi-sensory and not linear. Public organizations have the social and political opportunity to utilize the diversity of their employees to foster the active participation and contribution of individuals from non-dominant cultural backgrounds.

## **Related Diversity Literature**

In June 2005, the *PA Times* ran a special commentary section on diversity recruitment and retention in government. An article entitled, “State Government Websites: Are They Helping Diversity Recruitment Effort,” written by Nadia Rubaii-Barrett and Lois R. Wise found considerable variation in job information available on state government websites. The authors stated that the environment of increased diversity in the U.S. population intensifies the competition for the best and the brightest. Potential employees use the internet to learn about employment opportunities, and the subtle or not so subtle messages organizations give about inclusiveness. The authors state that diversity messages on state job listing websites provide a way to measure a state’s actual commitment to diversity. In addition, the impression one gets from a state’s website may be as important as the reality. States committed to diversifying their workforce may need to reexamine their websites, particularly their job listings and human resources agency websites, with that goal in mind (pp. 3, 5).

This chapter provided a review of the literature on workforce diversity within the private and public sector. A review of the literature reveals that diversity, defined in broad terms, includes a number of factors. These include those characteristics that are unchangeable like gender, race, and age and those that change based on experiences and living, for example, income, education, and marital status. In the context of public organizations, race, ethnicity and gender are the most salient demographic variables. When making the business case, public organizations traditionally use EEO and AA measures. This further exacerbates the confusion between diversity, EEO and AA programs.

## **Chapter 4 Gentile's Reframing Diversity Model**

This chapter discusses the career and work of Dr. Mary C. Gentile, an independent consultant based in Arlington, Massachusetts. Dr. Gentile's descriptive framework is the foundation of this dissertation.

At one point in her career, Gentile was a faculty member, researcher, and administrator at the Harvard Business School and a Senior Manager with Arthur Andersen. Currently, she works with corporate, non-profit, and academic institutions on executive coaching, training and curriculum development, diversity issue definition and strategy design, and social impact management. Her clients include Harvard University Kennedy School of Government, the Ford Foundation, the Aspen Institute, Fine Line Consulting, International Women's Forum, Pfizer Corporation, Morgan Stanley, Bentley College School of Business, Graduate School of Management at Simmons College, and the Center for the Study of Values in Public Life at the Harvard Divinity School. While at Harvard Business School (1985-1995), Gentile developed the School's first highly rated course on managing diversity. This course provided the inspiration and foundation for her *Reframing Diversity* model.

Gentile has a bachelor's degree from the College of William and Mary (Williamsburg, Virginia), and an M.A. and Ph.D. from the State University of New York at Buffalo. She served as Vice Chair of the Harvard University Diversity Task Force and was a member of the core design and planning committees for its MBA Leadership and Learning, a comprehensive review and modification of the MBA program. Gentile was the content expert for the award-winning multi-media interactive CD-ROM, *Managing Across Differences* (Harvard Business School Publishing New Media Group, 1996).

Corporations have adopted this training tool as a core component in their professional development initiatives.

Gentile's *Reframing Diversity* model (1995) provides organizations with a strategy to define diversity as a resource and a process. The model reveals a motivation for responding to differences in the work place, moving beyond moral and competitive drivers toward learning, personal and organizational growth, and innovation. Gentile's *Reframing Diversity* model adopts a "multiple perspective" rather than an oppositional and a dualistic one – a multiple perspective that can comprehend alternate viewpoints not to excuse oppression but rather to clarify it, and to expose the pain of one individual group without denying that of another. Gentile asserts that ultimately, understanding and experiencing the compelling quality of contradictory realities is the only way, short of violence, to resolve differences. She states that a multiple definition of self opens up the potential for new growth and learning, for creativity, and for breaking the cycle of reductionism dichotomies that keeps us locked in a mutually self-destructive pattern of separation, discrimination, oppression, anger and guilt.

This dissertation selected Gentile's *Reframing Diversity* model over other models because of its comprehensiveness, and its ability to facilitate discussion about diversity-related issues within the organization. Furthermore, it takes into consideration the needs of its customer base. Gentile believes that organizations should approach diversity from an internal and external perspective. These perspectives help formulate what motivates the organization to act on diversity-related issues and then develop its definition of diversity. Diversity programs designed from both internal and external perspectives address the fundamental problem of diversity in organizations, the lack of an agreed upon definition. Gentile's *Reframing Diversity* model serves as the foundation for both internal

and external dialogue and inquiry about diversity. It provides a way to think and talk about diversity as a learning process in which everyone can engage (pg. 27).

Gentile's model stresses self-definition and consideration of others rather than defining oneself in opposition to someone else. Self-definition through oppositionality can be problematic as it causes a chain reaction: a sense of self built upon the ability to distinguish self from the other. Valuing the way one is different from another often leads to devaluation of the traits that make one distinct from the other. For instance, if beauty is defined as tall and thin, and person A possesses those traits, then person B, who has different characteristics, is not considered beautiful because s/he is not like person A.

Gentile tells us that we all face a whole range of learned but unconscious assumptions about those who are different. When we encounter differences, we experience feelings of anxiety, fear, anger, guilt, mistrust and hopelessness, which block communication and learning. According to Gentile, when we consider change, we target three levels: beliefs, feeling and actions. The most difficult target is beliefs and the most feasible approach to change is through actions (e.g., legal mandates). The hope is that these behavioral changes will affect our feelings and finally our beliefs. Gentile's *Reframing Diversity* model targets reasoning behaviors- our cognitive strategies – not the thoughts and beliefs themselves but the way we put them together. She believes that changing a mental model may have a positive impact on feelings and beliefs.

## Components of Gentile's Model

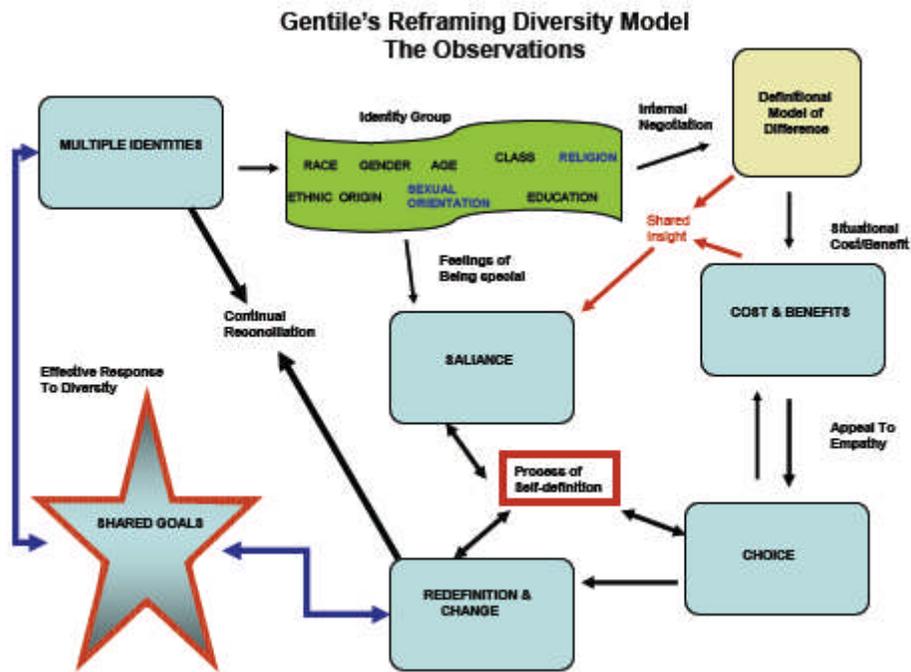
Gentile's model consists of:

- a set of six (6) observations that focus on how the individual internalizes differences;
- four lenses for assessing an organization's response to diversity issues; and
- a mental model matrix, which identifies the cognitive strategies or habitual ways individuals, think and act when faced with diversity-related issues.

### **The Observations**

These observations provide insight that serves as a tool for promoting understanding of and conversation about diversity in organizations. The framework defines diversity inclusively. It offers a way to understand the behaviors and dynamics of both groups and individuals within them that is descriptive, rather than judgmental. It places emphasis on the value of learning - the desirability of pursuing knowledge about oneself and others. It acknowledges that in a diverse and interdependent world understanding and communicating across differences are most valuable. Figure 3 below shows the Observations of Gentile's model.

Figure 3\*\*



\*\* I developed this figure from reading Gentile's description of the Observations.

### Multiple Identities

Everyone has multiple identities, one or another of which we identify with more strongly at different moments in our lives and in different contexts. We all find ways to balance the multiple identities of gender, race, ethnic origins, religion, age, sexual orientation, class, and education background. At times, we stress one identity over others, and sometimes these identities conflict. This internalization of diversity allows us to begin to formulate a definitional model of difference that preserves the recognition of historical, personal and power distinctions even as it allows for acknowledgement of the

common experience among all (Gentile 1998). The explanation is that one may feel discomfort expressing views in a context that reinforce stereotypes. For example, if a woman is in a group of other women, she is cognizant of the commonalities of their experiences based upon gender, whereas when she is with a mixed gender group of colleagues at work, she may identify more strongly as an individual with a particular educational and professional experience held in common with her peers. The multiple identities component of Gentile's model helps one realize that everyone has experienced positions of relative privilege and relative exclusion in different contexts. This internal negotiation of identity can be a model for understanding the negotiation of a group identity and interactions, in social contexts, or in business settings. Seeing our own multiple identities can be the beginning of seeing others in more complex, less stereotypical, and ultimately more realistic ways.

### **Saliency**

In some contexts, the emphasis upon ethnic identity, for example, allows one to feel unique or special. In other contexts such as family gatherings, emphasizing shared ethnicity helps one to feel part of the group. These conflicting urges can trigger complicated reactions of loyalty, rejection, pride, and guilt within the individual and between different individuals. Understanding what may seem to be a contradictory need to belong, and at the same time a desire for uniqueness, can give insight into what may appear to others as a yearning to have it both ways. This means that everyone wants to have his or her particular history of achievement and perhaps oppression recognized while at the same time, want treatment just like everybody else. At times, one of our multiple identities may feel more salient. Gentile believes that wanting it both ways may not be a

bad thing, if we are self-aware and realistic about it.

### **Costs and Benefits**

In the United States, the historical experience of African Americans has had very real implications for access to education, information, and financial resources. In a group of African Americans, however, the lone white individual may experience a temporary situational cost for being/feeling different that, if understood and explored, can serve as a foundation for empathy for all present. Treating this lone white's experience as if it is the same as or somehow equivalent to the experience of African Americans is not accurate, but it is also inaccurate and counter-productive to insist that whites have never experienced the pain of exclusion. It is certainly a different pain, without the historical, institutional and cultural weight of the African American's experience of racism, but it may serve as the beginning of shared insight. It suggests an appeal to empathy rather than guilt. Gentile argues that some identities exact a higher and/or different cost (or provide greater and/or different benefits) for the bearer in a particular societal, historical, or even situational context than others.

## **Choice**

Sometimes differences are not visible, giving the individual a choice of identities. The choices have certain costs and benefits. Identities such as gender, race and age tend to be immediately evident. Other identities such as religion, or sexual orientation, can be less evident. It is useful to understand the potential advantages and disadvantages of so-called invisible diversity. A gay or lesbian person often can choose “to pass.” This choice gives gay and/or lesbian people greater control over the impression they make on others at the same time that it creates personal and political dilemmas. They may judge that to be open about their sexual orientation could be unsafe, professionally, socially or even physically. On the other hand, they may wonder if their discretion is actually a manifestation of internalized homophobia and a lack of self-confidence. Is it a betrayal of gays and lesbians more generally, because it allows others to assume they are not working with and depending upon homosexuals in their daily lives? Understanding the advantages and the burdens of having a “choice” about how identity is perceived is critical to thinking about and addressing questions of diversity.

## **Redefinition and Change**

Individual and group identities are not static. We continually negotiate, define and redefine our values, experiences, and multiple identities. The continual reconciliation of multiple identities enhances the self-definition process, and allows people to be more open to the same process in others.

## Shared Goals

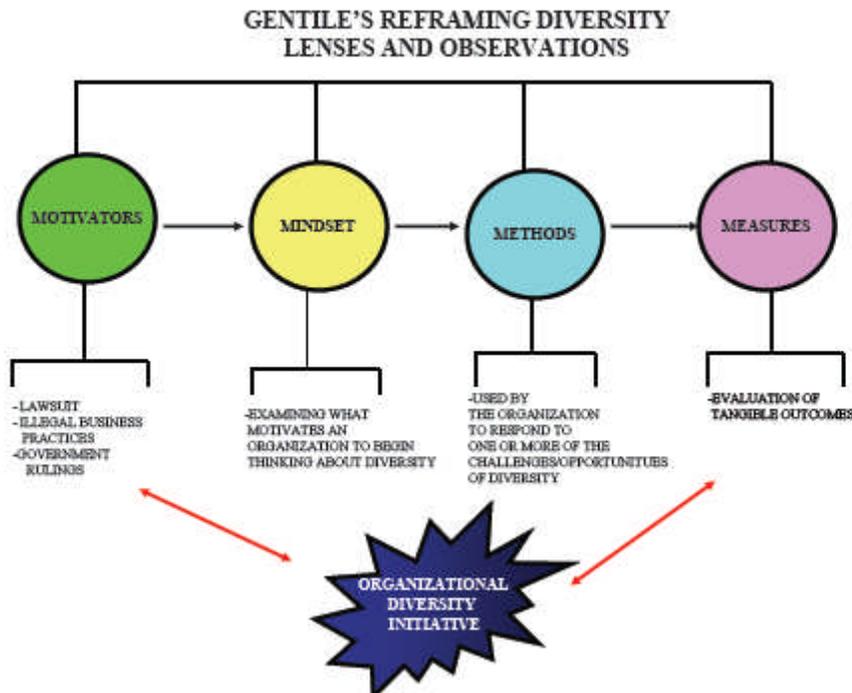
Effective response to diversity is dependent upon the acceptance and commitment to some primary objectives. Identity differences do not preclude the development and pursuit of “shared goals” among and across identities.

## The Lenses of Gentile’s Model

Gentile’s descriptive framework for recognizing and understanding the range of organizational responses to different forms of diversity has four lenses (see Figure 4): motivators, mindset, methods, and measures (1998). The lenses of Gentile’s model are used in the dissertation.

Figure 4\*\*

\*\*I developed this figure from reading Gentile’s description of the lenses



## **Motivators**

In applying this lens, the organization must identify what motivates it to define diversity. The organization links its response to diversity based on internal workforce pressures or the need to have more diversity within its work place to address future needs. This lens explores the motivation to develop a diversity program.

Gentile states that legal and regulatory pressures sometimes motivate the organization to develop a diversity program. In many organizations, workforce demographics, employment availability, changing political environment, cultural norms, values and traditions catalyze attention to diversity-related issues.

Complaints of racial discrimination in hiring, compensation and promotion practices, wrongful discharge, and harassment charges are a few examples of legal and regulatory pressures that might motivate an organization to develop a diversity program. Sometimes this takes the form of a government investigation of suspected illegal business practices, or charges filed by the Equal Employment Opportunity Commission (EEOC).

A number of issues can trigger a reluctant compliance or an adversarial mindset in organizations, resulting in game playing and a focus on the “letter of the law” only. In reaction to affirmative action initiatives, some organizations have tried to take the easy path by adopting short-term measures to address numerical goals without attacking the systemic barriers to equal opportunity that may exist, or by looking for ways to locate or develop new sources of qualified employees. Such actions reinforce stereotypes, feed resentment, and fail to address professional development issues. In contrast, pressures can trigger creative, constructive responses on the part of the organization.

Legal and regulatory pressures on organizations can result in an ambiguous or mixed commitment to diversity, both because laws and their enforcement change with the

political climate and because they vary among countries and, in the U.S., even among states. An organization's failure to attempt to think through the conflicting points of view and build communication among its own members will limit its ability to address diversity-related issues. This failure might feed cynicism and resentment. There may not be easy answers, but a reliance on minimal compliance ensures that the debate never occurs.

To understand the ways in which demographics have and can serve as a motivator for corporate attention to diversity, Gentile asks us to look at the key predictions about the coming workforce, as well as some of the challenges. The Hudson Institute Report predicted a shrinking labor pool, due mainly to slower population growth, an aging workforce, as the baby boom generation grows older and fewer young workers enter the pool. The Report predicted that more women and minorities would enter the workforce. There would be an increased number of immigrants and changes in the nature of jobs available, from manufactory to service and information sectors, and from lower to higher skill requirements, largely because of new technologies. In an effort to tie organizational diversity to tangible and quantifiable business concerns, many managers, educators, policy makers, and journalists have seized upon demographic trends as a useful tool. Gentile (1998) states, "Oversimplified and generic use of predicted demographic shifts in the labor pool, as the motivation for organizational attention to diversity, can trigger a backlash effect, triggering anxiety, cynicism, and/or denial (pg. 242)." The availability and cost of quality child and elder care, the flexibility of employees' work schedules and location, the availability of affordable health care, and changes in pension practices and Social Security rules all have an input on participation rates for various segments of the potential workforce.

The personal commitment of individual leaders at all levels of the organization is another motivator. These leaders can focus attention and resources on diversity issues. However, their personal commitment may conflict with other commitments just as deeply held by others. The motivation that causes individuals to take a leadership stance with regard to diversity in an organization may vary greatly. Understanding these differences can enhance organizational diversity initiatives. When considering any of the motivators that trigger organizational attention and response to diversity, it is useful to consider costs and benefits, the advantages and disadvantages of approaching diversity from this vantage.

### **Mindset**

The second lens, mindset, refers to the organization's culture, and the examination of answers to questions of motive. The choices, decisions, and attitudes reflected in what motivates the organization to develop a diversity program, are actually the choices, decisions, and attitudes of those with decision-making powers.

Gentile states that diversity is a discrete problem when the organization needs to recruit underrepresented employees. Diversity defined as a competitive opportunity occurs if the organization desires to attract another market (e.g., the Hispanic population) to its product. If the organization defines diversity as a potential threat to avoid, then the organization wants to protect itself from potential liability. The answers to questions of motive identify the goals embedded in the organization, and complete the organization mindset toward diversity.

## **Methods**

The third lens, methods, refers to the programs developed by the organization to respond to diversity. It represents what actually happens in the organization. Again, each response raises its own set of challenges when implemented. These methods include, but are not limited to the following:

- cultural audits,
- training,
- recruiting/hiring initiatives,
- networks,
- discussion groups, and
- task forces,
- performance development/career management, working conditions and
- benefits and external programs

## **Measures**

The final lens, measures, indicates what the organization believes sends a strong message about its commitment. Essentially, it follows the adage that "what gets measured gets done." However, many of the methods organizations use are difficult to evaluate in terms of tangible and immediate outcomes. Because of this difficulty, diversity program managers pick an easier measure. They concentrate on the number and reach of the intervention rather than the behavioral change or productivity outcomes (pg. 254).

Table 3\*\*

**The Mental Model Matrix:  
Habitual Ways of Thinking About Diversity**

Cognitive Strategy	Author	Focus	Effects on Diversity
Rights Talk	Mary Ann Glendon (1991)	Emphasizes "absolute rights" versus an emphasis on balancing responsibilities	Promotes unrealistic expectations, heightens social conflict, and inhibits dialogue
Self-definition through oppositionality	Michelle Fine	Perceives and understands experience as dualities or binary	Defines self in opposition to or as distinct from others
Cultural Generalizations	Deborah Tannen (1990)	Values one pole of a dichotomy over another	Affirms differences, but gets lost in generalizations and stereotypes
Seeing for Innocence	Shelby Steel (1990)	Promotes feelings of essential goodness in relation to others	Offers an analysis of racial dynamics built upon the concepts of power and innocence
Racial Reasoning	Cornel West (1994)	Promotes race as a whole at the expense of many within its ranks	Underscores the diversity that exists within identity groups
Defensive Reasoning	Chris Argyris (1991)	Encourages individual to keep private the premises, inferences and conclusions that shape behavior	Demonstrates how values that guide actions makes one fearful of new information/perspectives
How we know what isn't so	Thomas Gilovich (1991)	Recognizes how the reasoning flaws in the human thinking process help generate and reinforce counterproductive thinking	Provides examples of corrective cognitive tactics to minimize human reasoning errors
Parento Optimality/ Scarcity Thinking	Stanley Fischer and Rudiger Dornbusch (1983)	No one in the economy can be made better off without someone else...being made worse off	Assumes a limited pie to be divided among all comers
Masking and Over-determined Terminology	Mary C. Gentile (1995)	Exposes cherished assumptions about organizations and perceptions of self	Points out contradictions and inconsistencies in concepts and terminology that acquire meaning over time

\*\* I developed this table from reading Gentile's description of the habitual ways of thinking and talking about diversity.

**The Mental Model Matrix**

The mental model matrix referred to as the habitual ways of thinking about diversity; describe the final component of Gentile’s *Reframing Diversity* model (1995). The mental model shown in Table 3 outlines the cognitive strategies or habitual ways we think and talk about differences. Gentile tells us that when faced with questions of diversity, we often revert to habitual ways of thinking and acting. Gentile identifies the following questions often subsumed under the rubric of diversity:

1. How and why do we, as individuals, perceive, feel about, and behave toward other individuals whom we characterize as different from ourselves whether we

attribute these differences to individual traits or to membership in a particular group;

2. How and why do we, as individuals (families, business, schools, churches, governments) reflect, operationalize and perpetuate these perceptions, feelings and behaviors by rendering them invisible and/or not open to discussion; and;

3. How and why these perceptions, feelings, and behaviors might be changed.

Gentile believes these are questions of efficiency, productivity, equity, social harmony, group and individual survival, legality, public policy and morality. They are fundamentally questions about the human potential, drive, and the need for learning and growth (pg. 16).

In an effort to reveal the dichotomies that shape and constrain our reasoning, Gentile presents nine (9) distinct ways we typically think and talk about differences. The objective of exploring this mental model is to make visible the habitual, but unconscious thought patterns that frequently contribute to inefficient and destructive behaviors. They do not explain the origins of racism or sexism or any other form of oppression (pg. 17).

A commitment to diversity is a commitment to all employees, not an attempt at preferential treatment (Thomas 1991). Diversity scholars (Thomas 1996);(Gentile 1998); (Naff and Kellough 2001), believe a broader definition of diversity, to include white males is necessary. This inclusive approach is one of several reasons why diversity and diversity management is different from affirmative action. Those who advocate a broader definition of diversity argue that it is necessary to diffuse and minimize social backlash against political correctness, and keep diversity from becoming synonymous with quotas.

Gentile (1995) provides one framework for discussion and action to address the

issues raised by diversity. She argues that an effective organizational response to workforce diversity requires that managers and employees understand their own reactions to individual differences. Managers who fail to acknowledge the ways in which past perspectives, values and assumptions remain embedded, maintained and reproduced in organizational structures, systems, and culture cannot provide the kind of leadership needed for a diverse workforce (pg. 225).

By defining diversity in broad and varied terms that encompass both internal and external manifestations, the organization gains an advantage. According to Gentile, when this occurs the education process that begins within the organization helps it to frame diversity in proactive terms, and helps all employees believe that the diversity program has something in it for each of them regardless of race or gender. Diversity defined this way is not presented as a problem to be solved.

The *Reframing Diversity* model offers an inclusive approach to diversity that moves the focus beyond race and gender. This is important because diversity managed this way is a process where religion, race, gender, culture and age are not set aside in protected classes. It brings into the fold those who have not been a part of the AA and EEO models of the past. Diversity, not limited to race and gender, includes everyone. It extends to age, personal and corporate background, education, function, and personality. It includes life-style, sexual preference, geographic origin, tenure with the organization, exempt or nonexempt status, and management or non-management. In this expanded context, white males are as diverse as their colleagues are.

Gentile (1995) asserts that over the last decade or so in the United States, the term diversity has become a kind of a catch phrase for issues triggered by the impacts of race

and gender, and increasingly other types of differences such as ethnicity, religion, national origin, sexual orientation, and socioeconomic class. Gentile believes that somewhere between our individual good intentions; interpersonal and group behaviors; or impact on the other, the equation breaks down. It seems that the way we think and talk about our connections with difference limits the responses we make (pg. 15).

Gentile's (1995) use of psychologists, anthropologists, philosophers, and scholars to explain the ubiquity, across varied times and cultures, of certain patterns of duality, dichotomy, and binary opposition in human language and thought. She states that the dichotomies in themselves are not a problem: they are simply a pattern of perception. The tendency to oversimplify our observations by limiting them to binary oppositions as opposed to more complex and multiple perceptions, and the tendency to value one term of the dichotomy over another creates difficulties.

Gentile's nine descriptions of ways we typically think about differences reveal the dichotomies that shape and constrain our reasoning; our cognitive strategies. She acknowledges that some of the authors and approaches described in Table 3 focus exclusively on race and gender or on the United States, but the conceptual tendencies extend to other forms of difference. The objective is not to explain the origins of racism or sexism or any other form of oppression, but to make visible the habitual and often unconscious patterns of thinking that keep us from thinking and acting our ways out of inefficient and destructive behaviors.

Gentile turns to Mary Ann Glendon's Rights talk: The impoverishment of political discourse, to examine the distinctive way in which thinking and talking about rights has developed in America. Glendon observes the tendency among people to view rights as an "all or nothing" affair. People claim that they have the "right to do and live as

they choose,” and attempt to place limits around that assumption is seen as a dangerous assault on freedom that will result in repression (Gentile 1995, pg. 17). Glendon also believes there is a tendency in the United States to emphasize the protection of individual rights, but without a balancing emphasis upon responsibilities. Glendon argues that our rights talk, in its absoluteness, promotes unrealistic expectations, heightens social conflict, and inhibits dialogue that might lead toward consensus, accommodation, or at least the discovery of shared goals. In its silence concerning responsibilities, it seems to condone acceptance of the benefits of living in a democratic social welfare state, without accepting the corresponding personal and civic obligations. The tendency toward dichotomous thinking feeds divisiveness and limits our reasoning and problem-solving repertoire. The effect of this cognitive strategy on diversity is an emphasis on absolute rights without an emphasis on balancing responsibilities. The propensity to view individual rights as an entitlement without concomitant responsibilities promotes unrealistic expectations, heightens social conflict, and inhibits dialogue on diversity-related issues.

Drawn from Simone de Beauvoir’s the second sex, Gentile’s mental model discusses the human tendency to perceive and understand experiences as dualities or binary oppositions. Gentile believes we define ourselves in opposition to, or as distinct from others. Gentile calls this kind of self-definition “oppositonality.” Self-definition through oppositionality can be problematic because it sets up a chain reaction. A sense of self builds upon the ability to distinguish one’s self from the other. Gentile concludes that the individual values the ways in which s/he is different from others, and the traits that distinguish one from the other begin to be devalued (Gentile 1995, pg. 18). Diversity viewed from this perspective focuses on that duality and as a result, establishes definitional models of difference where definition of self is in opposition to or as distinct

from others.

Gentile relies on Michelle Fine, a psychologist who has written on gender and race in education and on social policy to provide an example of how self-definition through oppositionality works. Fine was asked to research and testify in the 1993/1994 legal proceedings considering whether or not The Citadel, an all male military college in South Carolina, was constitutionally bound to admit women students. In her observations and interviews at the school, Fine noticed that male students behaved in ways that proved their masculinity, through their strength and courage rather than behaving like a woman. She concluded that the institution organized around a concept of oppositional identity, arguing that despite their official exclusion, women were in fact, omnipresent at the school representing entities to react against. In that way, the institution reinforced a fragile sense of masculinity perched on opposition to women, as the Other. Fine pointed out that as currently constituted, whiteness and maleness are about denigration of 'the other.' Whites and males needed other ways to see their identity rather than through oppositionality. Self-definition through oppositionality is self-perpetuating and resistant to change. One approach is to see those different from one's self in a more positive light and to define one's self in more complex ways, not simply in opposition to others along some dimension of difference, be it gender, religion, race, sexual orientation, or something else (Gentile 1995, pg. 18). The observations of Gentile's model affirm that one answer to overcome this cognitive strategy is to understand and recognize that everyone has multiple identities that are continually renegotiated and reconciled.

Linguistics scholar, Deborah Tannen provides Gentile's mental model with the argument that women and men tend to develop and use communication skills for different purposes, often resulting in misunderstanding. According to Tannen, intimacy is a key

element in a world of connection where individuals negotiate complex networks of friendship, minimize differences, try to reach consensus, and avoid the appearance of superiority, which highlight differences or status. In a world of status, independence is a key element, because a primary means of establishing status is to tell others what to do, and taking orders is a mark of low status. Though all humans need both intimacy and independence, women tend to focus on the first and men on the second. Women speak and hear a language of connection and intimacy, while men speak and hear a language of status and independence. Tannen asserts that because of this difference, communication between men and women can be like cross-cultural communication (Gentile, 1995, pg. 19). Gentile believes that studies like those of Tannen are useful in helping us put ourselves in the shoes of others, and to see the world through a different set of lens. She cautions against the danger of generalizing about the behavior of an entire group. The tendency is to value one pole of a dichotomy over another and this could result in a reinforcement of prejudices. She says that if we affirm that there are differences between identity groups, we can get lost in generalizations and stereotypes that keep us from seeing the distinctiveness of individuals, and the commonalities between these same groups. This promotes feelings of superiority over others and reinforces discrimination. This habitual way of thinking about diversity values one pole of a dichotomy over another. It affirms differences, but gets lost in generalizations and stereotypes.

Generalizations and stereotypes promote feelings of essential goodness or superiority in relation to others and produce the concepts of power and innocence in racial miscommunication. Gentile (1995) offers an analysis of racial dynamics built upon these two concepts when she uses Shelby Steele's seeing for innocence argument. Essentially, it offers an analysis of racial dynamics created by the conflict between races. This

conflict is a projection of a struggle over power, and that this pursuit of power rationalizes the appeal to innocence. If one is different from another, that makes them bad, and this badness justifies, even demands, the pursuit of power over another. According to Steele, the human animal never pursues power without first being convinced of personal entitlement and this feeling of entitlement has its own precondition. To be entitled, one must first believe in one's innocence, at least in the area where one wishes to be entitled. Steele defines innocence as a feeling of essential goodness in relation to others and, therefore, superiority to others (pg. 19). He explains that while whites in America have historically defended their subjugation of blacks with claims of innocence, in the sixties, blacks began to use this same equation to their own advantage by claiming that the innocence, which comes from being the victims of white racism, allows them rights to power of their own. Thus, both blacks and whites invest in seeing themselves as innocent, and base their innocence on the other's guilt. This means that they are unconsciously motivated to see the other in ways that preserve conflict, racial disharmony and prejudice. Each group claims the status of victim, a status that makes them powerless to dismantle racism, and discourage individual initiative to negotiate these issues. There are several dichotomous thought patterns embedded in this model of behavior. First, individuals see themselves or others in terms of single identification, such as black or white, as opposed to possessing multiple identities. Second, individuals appear and regard themselves as existing in a state of guilt or innocence, thereby limiting their options for learning, change and complexity (Gentile 1995, pg. 20).

Although Steele's analysis focuses on American race relations, the fundamental model aptly describes a pattern of self-defeating dichotomization that can apply to other types of difference as well. This habitual way of thinking can shed light on many of the

counter-productive behaviors we observe around diversity. For example, individuals may resist behaving in a more supportive manner toward those different from themselves since such behavior implies, in their minds, that they are somehow at fault or guilty for the past. At times, individuals will look for ways to maintain their criticisms, even stereotypes, of those who are different from them in an effort to preserve a sense of innocence. In addition, in some instances, individuals will resist acknowledging and embracing the successes of other members of their own identity group for fear that such success casts doubt upon their own righteous experience of oppression---their innocence.

Philosopher and theologian Cornel West's contribution to Gentile's mental model describes a particular way of thinking he finds too prevalent among black leadership. "Racial reasoning," as he names it, is a way of thinking about black progress that tries to promote the race as a whole at the expense of many within its ranks. West reasons that since America's will to racial justice is weak, black people must close ranks for survival in a hostile country. This closing ranks mentality depends upon the individuals' ability to lay claim to racial authenticity because if one were not black, or black enough, he or she would be a threat to the group as a whole. In Steele's terms, they would not possess the entitlement that goes with innocence. As soon as one bases the sense of security and legitimacy upon racial authenticity, numerous reasons for exclusion emerge, and black progression or black social order seems to rest upon the subordination and control of certain other blacks. West argues that the claims to black authenticity that feed on the closing-ranks mentality of black people are dangerous particularly because usually it is at the expense of black women. It also tends to ignore the divisions of class and sexual orientation in black America. He advocates a different approach to this limiting and separatist form of thinking that attempts to correct one form of oppression while

participating in another. His antidote is a new form of reasoning that bases its claims to moral authority not on black authenticity but on a “mature black self-love and self-respect,” based on the moral quality of black responses to the experience of racism.

This reasoning would replace exclusivity and closed ranks with a “coalition strategy,” welcoming the support of those genuinely committed to combating racism regardless of their color or ethnicity. It would embrace truly democratic ideals rather than justifying the subordination of some blacks in the service of others. West’s “racial reasoning” underscores the diversity that exists within identity groups as well as between them. It illustrates the ubiquity and, limitations of dichotomous, us/them patterns of thinking (Gentile 1995, pg. 21).

The research of organizational behavior by Chris Argyris adds to Gentile’s mental model matrix. Argyris’ “defensive reasoning,” encourages individuals to keep private the premises, inferences, and conclusions that shape their behavior, and to avoid testing them in a truly independent, objective fashion. Gentile uses Argyris’ defensive reasoning to show that an unwillingness to reveal the sources of, and assumptions behind our conclusions, we unwittingly reinforce others’ tendencies to hear and understand us in terms of their preexisting stereotypes (Gentile, 1995, pg. 22).

Gentile tells us that diversity-related questions generated in the work place go to the heart of some of our most cherished assumptions about our organizations and perceptions about meritocracy, equal opportunity, fair treatment, or unbiased standards of performance. Sometimes these painful questions point out contradictions and inconsistencies in those assumptions and perceptions. The contradictions and inconsistencies are often the result of the way certain concepts and terminology acquire meanings over time, through repeated use and misuse and through association. Addressing

diversity-related questions from a cognitive strategy encourages individuals to keep private the conclusions that shape their behavior and thinking about differences. It demonstrates how values that guide actions make one fearful of new information or perspectives.

Recognizing how the reasoning errors in the human thinking process help generate and reinforce counterproductive thinking, social scientist Thomas Gilovich describes and illustrates a series of reasoning errors that are common in the human thinking processes. These reasoning errors are remarkably resistant to corrective factual data. An examination of reasoning flaws reveal how easy it is to recognize how they can contribute to generating and reinforcing counterproductive ways of thinking about diversity. In Gentile's mental model, Gilovich's work examines individual preference for clear dichotomies when considering options. Examples of the dichotomies include yes or no, right or wrong, and all or nothing. Experiences tend to be oversimplified in an effort to categorize them into these dualities, and then to analyze them with excessive confidence. Within this habitual way of thinking about diversity is a preference for believing that all experience is controllable, a preference that may lead to attributing causality or personal choice in situations where there is none and to see structure and consistency in experience rather than pure randomness. Finally, impressed more by what has happened than by what has failed to happen, we draw conclusions from what occurred under present circumstances without comparing it to what could occur under alternative circumstances.

Gilovich suggests that corrective cognitive tactics can minimize the frequency of these reasoning errors when we deal with diversity issues. The focus should be on the frequency with which everyday experience presents us with biased samples of information. Gilovich states that, "individuals should recognize their tendency to ignore

the frequency with which status, position, and identity can sever ties to certain kinds of data or overexpose them to others (Gentile 1995, pg. 23).” He believes people have a talent for ad hoc explanation and can therefore explain a vast range of outcomes in terms of our pre-existing theories and beliefs. Truly antagonistic results discredit beliefs that receive too much support from equivocal evidence. Gilovich counters this by using a “consider the opposite” strategy. For example, if in determining the answer to hiring one or another employee, we “suppose that the exact opposite had occurred.” If a female is give the job, the question then should be “Is the outcome supportive of what we belief as well?” “How would someone who does not believe the way we do explain the result?” “What alternative theory could account for it?” Although Gilovich writes about cognitive behavior in general, it is easy to see how these various tendencies contribute to resistance to change and to trust, and a closed mind when dealing with questions of difference. Although diversity issues involve emotional, political, historical and economic levels as well, an understanding of these reasoning errors aid us in our attempts to unravel their complexity (Gentile 1995, pg. 23).

The economic-centered cognitive strategy that maintains that, “no one is made better off without someone else being made worse off” referred to as scarcity thinking (Parento Optimality) represents modes of reasoning borrowed from economics that have penetrated deeply into our patterns of thinking. Several of these habitual behaviors constrain our thinking about diversity-related questions. There is a kind of “all or nothing,” “me or you” quality to these reasoning patterns that can predefine possible options for a particular problem. A preoccupation with resource scarcity, the assumption of a “limited pie” to be divided among all comers, is another example of an economics-based approach to thinking about the choices diversity presents. The point is not that

scarcity does not exist, but rather that the assumption of scarcity limits our creativity, and sense of possibility. This preoccupation with scarcity ill positions us for a redefinition of goods and resources that diversity-related issues require (Gentile 1995, pg. 23).

How we formulate our thoughts, our cognitive strategies, when faced with diversity-related issues, sometime promote unrealistic expectations, and heighten social conflict. The result often is an inability to balance “absolute rights” and responsibilities. The manifestation of self-definition through oppositionality prohibits us from acknowledging that we continually negotiate multiple identities. Always seeing oneself in opposition to another blocks learning and limits creativity to solve diversity issues. Changing how and what we belief to be true is a difficult task which cannot be accomplished simply by identifying how we put our thoughts together. However, it is an important first step to be aware of why and how we react to diversity-related issues.

This chapter discussed Dr. Mary C. Gentile’s *Reframing Diversity* model, and provides many reasons this model was chosen over others. The model consists of observations, lenses and a matrix that identifies the cognitive strategies or habitual ways individuals, think and act when faced with diversity-related issues. The model reveals a motivation for responding to differences in the work place, moving beyond moral and competitive drivers toward learning, personal and organizational growth, and innovations. The model stresses self-definition and consideration of others rather than defining oneself in opposition to someone else. The model’s mental matrix targets reasoning behaviors or cognitive strategies and their effects on diversity (see Table 3). This internalization of diversity allows us to formulate a definitional model of difference that preserves the recognition of historical, personal and power distinctions even as it allows for acknowledgement of the common experiences among all.

In an effort to tie organizational diversity to tangible and quantifiable business concerns, many managers, educators, policy makers, and journalists have seized upon demographic trends as a useful tool. This oversimplifies and makes generic use of shifts in the labor pool. It serves as motivation for organizational attention to diversity, but may trigger backlash, anxiety, cynicism and denial.

## Chapter 5 Research Methods

### The Research Question

The primary research question for this project was, “To what extent did the FDIC diversity program conform to the contours of Gentile’s *Reframing Diversity* model?”

Additionally, there were two (2) sub-questions:

1. How useful was Gentile’s model in guiding the implementation of a public sector diversity program?
2. How useful was the Gentile model in measuring a public sector diversity program?

### The Research Method

The project utilized the generally accepted approach of qualitative inquiry supported by Rubin and Rubin (1995) to develop an interview protocol for selected employees within the FDIC (Appendix A). This dissertation provided a model to reframe the diversity program in a public organization. Rubin and Rubin state that the qualitative interview is the principle research tool for the sociologist, educator, political scientist, criminologist, public administrator, social worker, anthropologist, and historian.

This qualitative inquiry was appropriate for this project because the researcher wanted to learn how the FDIC diversity program conformed to the contours of the lenses of Gentile’s *Reframing Diversity* model. The description of the lenses formed the questions in the interview protocol. The questions guided the interviewees’ conversation. Additionally, this qualitative inquiry was suitable for this project because:

1. It helped bring new insight into diversity-related questions at a public organization like the FDIC.

2. It facilitated the unraveling of complicated relationships and slowly evolving events like the implementation of a corporation-wide diversity program.

3. It enabled the researcher to learn how much of the current FDIC diversity program resulted from past decisions or incidents.

4. It allowed the researcher to explore the broader implications of an internal problem.

5. It placed the development of the FDIC diversity program into its historical, political, or social context.

In qualitative inquiry, relativism means learning to recognize that other people's view of the world is as legitimate as the one you hold. Rubin and Rubin (1995) suggest that unless the researcher recognizes the legitimacy of someone else's views, communication across cultural boundaries is difficult. These individuals have common experiences or a shared history in the organization. The researcher must determine the project's scope and boundaries; which means whom to interview and what to discuss. In learning about topical arenas, interviewers ask questions, and interviewees answer, explaining their ideas, presenting concepts of how they understand their worlds, and describing what they think occurred, and why things are the way they are. According to the authors, much of what we hear are the examples that people provide to explain what happened in certain events in their lives, in an effort to make us see the world the way they do (Rubin and Rubin 1995, pp. 22-24).

Three (3) themes from this approach guided the design for this qualitative interviewing research project. First, the researcher determined if the interviewees understood what they had seen, heard, or experienced. Secondly, the ongoing interpersonal relationship with the interviewee affected what the interviewer heard.

Perceptions influenced what the interviewees were willing to say, and how openly they expressed themselves. The final theme emphasized that the ability to recognize, accept, and share emotion legitimates its expression in the interview. The qualitative researcher has to have a high tolerance for uncertainty, especially at the beginning of the project. This was particularly true in arranging interviews around work schedules.

In qualitative inquiry, the interviewer changes the questions asked based on what is or is not learned. The interview may change during the course of the research, as the researcher learns what to ask and whom to ask. When responses lack sufficient detail, depth, or clarity, the interviewer asks more probing questions to complete or clarify the answer or to request further examples and evidence. Skillfully done, these probes communicate that the researcher is paying attention. Follow-up questions clarify answers to the main questions. According to Rubin and Rubin, all qualitative interviews share pivotal characteristics that distinguish them from other forms of data gathering in social and political research. Qualitative interviews are modifications or extensions of ordinary conversations, but with important distinctions. There is more interest in the understanding, knowledge, and insights of the interviewees than in categorizing people or events. The content of the interview, as well as the flow and choice of topics, changes to match what the individual interviewee knows and feels.

In qualitative inquiry, interviews and ordinary conversation share much in common. As in normal conversations, questions and answers follow each other in a logical fashion as people take turns talking. Researchers listen to each answer, and determine the next questions in advance and ask them regardless of the answers to earlier questions. As in ordinary conversation, asking additional questions reinvents the interview every time it occurs. Although qualitative interviews are similar in key ways to

ordinary conversations, they differ in the intensity of listening. Researchers listen intently to pick up key words and ideas and to mark important omissions. They listen to the words actually said and to the nonverbal cues that indicate emphasis and emotional tone. The interviewer develops listening skills that point out what ideas, themes, or issues to pursue in later questioning. Researchers and conversational partners share the task of maintaining the flow of dialogue, creating the frame in which discussion takes place and creating a setting (both symbolic and physical) in which communication is relatively easy (Rubin and Rubin 1995, pg. 11).

The qualitative inquiry allows ideas to emerge from the interviews, from the lives and examples of the interviewees. The interviewers should not dominate the interview relationship so that the voice and thoughts of the conversational partner can come through. The interviewer must be cognizant of their own beliefs, needs, and interests as they work out questions, and try to understand answers. When a researcher crosses social gaps, and finds areas where she or he is uninformed, they must recognize and deal with barriers to communication, and accept that how the interviewee sees them determines what they say (Rubin and Rubin 1995, pp. 38-39).

In summary, there are three (3) principles in the qualitative inquiry approach to interviewing:

- Successful qualitative interviewing requires an understanding of culture;
- Interviewers are not neutral actors, but participants in an interviewing relationship and the participants' emotion and cultural understanding have an impact on the interview;
- Qualitative interviewing requires the interviewer to hear and understand what the interviewees think and to give them public voice.

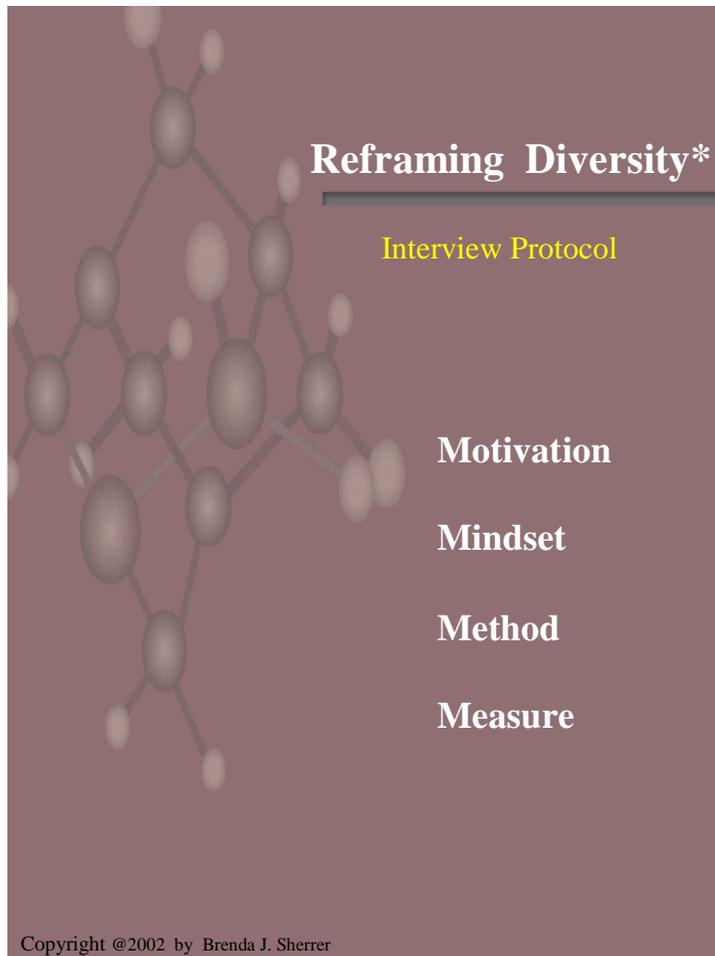
## **Interview Protocol Development**

An interview protocol (see cover below) was prepared from a small number of main questions derived from a description of the lenses under Gentile's *Reframing Diversity* model. The interview protocol guided and focused the interviews. The wording of the main questions encouraged interviewees to express their own opinions and experiences, but they were narrow enough to keep interviewees from wandering too far from the subject.

### **The Review**

The interview goal attempted to balance the main questions in the interview protocol, and the actual interview. Colleagues who reviewed the questions included: the Deputy Assistant Secretary for Equal Opportunity and Assistant Secretary of the Air Force (Manpower & Reserve Affairs; the Chief, Equal Employment Opportunity and Cultural Diversity, Defense Information Systems Agency (DISA); the Program Analyst for Mobilization, Department of the Army; and the President and Founder, The Lee Johnson Group. They reviewed the interview protocol questions for the following:

1. Clarity;
2. Whether the questions reflected the associated lens; and
3. Whether the length was appropriate, given the time constraints



## **The Content**

The purpose of this quality review was to determine if the interview questions captured the essence of Gentile’s discussion of the lenses. The first interview protocol included multiple-choice options under each of the four lenses. For example, under motivation, one question asked the interviewee what they thought diversity was based on at the FDIC. A description of the lenses in Gentile’s model provided the choices for all questions in the protocol. The list included:

- workforce demographics
- changing political environment

- employment availability
- law suits brought by individuals or groups
- illegal business practices
- government rulings
- globalization of business
- diversification of customer base
- external pressure from community/religious groups and/or political groups
- internal employee pressures
- personal commitment of senior leaders
- other, please specify

The question for the mindset lens asked interviewees to discuss the diversity program in the organization by selecting from the choices given and providing additional answers if desired. The interviewees replied to how the organization views diversity from the following list:

- a way to find the employees we need
- a way to attract different customers for our products/services
- a way to protect ourselves from potential law suits
- a way to thrive in an increasingly diverse labor market/customer base
- means bringing more women and minorities into the organization
- tries to change my thinking about people who are different from me
- offered as a one time training session
- incorporated into our mission and/or vision statement(s)
- other, please specify

Interviewees identified the methods or programs the organization used to respond to diversity. The organization's response to diversity includes:

- diversity training for managers
- training for employees
- adding diversity to its mission and/or vision statement
- mentoring programs for women and minorities
- establishing a diversity task force
- establishing recruiting/hiring initiatives
- developing networks and/or discussion groups
- providing flexible work schedules
- provides choices in its benefits policy
- internships/scholarships projects with an outside agency/agencies
- no special program effort
- other, please specify

The measures lens, the most difficult to determine, asked the interviewee to state how the organization measures its diversity program. In order to understand how the FDIC measures its diversity program, interviewees selected responses from the following list:

- the number of new hires of women and minorities or the number of promotions by demographic category

- the retention rates for women and minorities
- individual performance on management objectives related to diversity
- number of senior level managers involved in diversity initiatives
- evidence of senior-leader commitment to diversity in speeches to

internal/external groups

- implementing changes in policy/structure to reflect diversity
- the number of employees who take advantage of new policy/structure
- number of complaints, grievances, lawsuits filed
- the existence of employee networks, advisory and/or discussion groups
- the number of employees who participate in networks, advisory and/or

discussion groups

- the existence of an internship/scholarship program
- the number of diversity training programs offered
- the costs associated with a diversity training program
- determining the satisfaction levels at the end of diversity training
- reevaluating the satisfaction levels of diversity training after several weeks
- outside recognition of its diversity program (i.e., named as “10 best” lists)
- other, please specify

Feedback from the reviewers suggested the use of open-ended questions instead of providing multiple choices. Limiting the discussion would defeat the project purpose, and not obtain rich data needed to learn about the FDIC diversity program. The initial design did not allowed the interviewer to hear the underlying ideas, concepts, and themes

that described the culture and explain why events happen, nor link the lenses of the framework. The researcher published the interview protocol after several iterations.

### **Linking the Lenses to the Interview Protocol**

The questions in the interview protocol addressed the related research sub-questions and helped determine how Gentile's *Reframing Diversity* model can be used to design, implement and measure a public sector diversity program. The first four (4) questions in the protocol were under motivation lens. Questions 5 – 7 represented the mindset lens. The methods lens consisted of questions 8 – 10. The final two questions, 11 and 12, were the measures lens. Charts 2 through 5 identify the major themes in Gentile's lenses used for the FDIC interview protocol.

## Motivation Lens



Source: researcher developed charts 2-5 after reading Gentile's description of the lenses

### Chart 2

Gentile states that in many organizations, legal and regulatory pressures serve as a catalyst for attending to diversity-related issues. Examples of this type of pressure include complaints of discrimination in hiring, compensation and promotion practices, and charges of wrongful discharge or harassment.

Projected labor market demographics, another example of this lens, serve as a motivator for organizational attention to diversity. Gentile believes that external pressures

from the community, religious, and/or political groups, internal employee pressures, and personal commitment of organizational leaders are also part of what motivates an organization to address diversity-related issues. She states that the answers to questions of definition [of diversity] reveal the implicit goals embedded in an organization's motivations. The motivation lens examined what inspired the corporation to begin to recognize, and address behaviors or trends given their definition of diversity. The open-ended questions under the motivation lens were:

- 1). Tell me how you think diversity is defined in (division's name).
- 2). Tell me about the diversity program in (division's name).
- 3). Why do you think the diversity program exists in (division's name)?
- 4). Why is that important to (division's name)?

### **Mindset Lens**

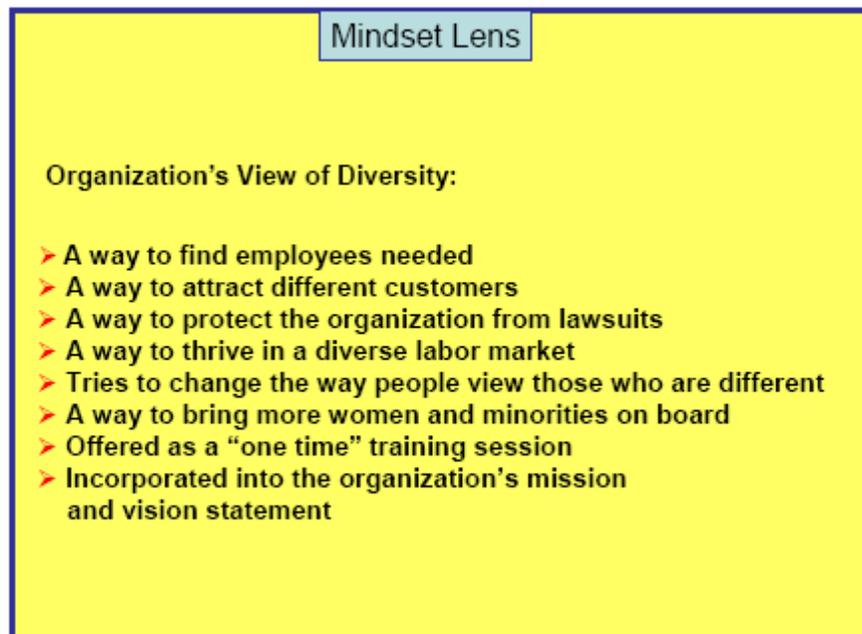


Chart 3.

Gentile believes that the organization's culture, structures, policies, and

procedures determine its response to diversity issues. The organizational mindset either enhances or inhibits the ways it thinks about diversity. The answers to the mindset questions helped identify whether the organization believed diversity was a discrete problem to be solved (i.e., how do we find the employees we need?), or a competitive opportunity to be tapped.

Mindset is the organization's culture. It represents the choices, decisions, and attitudes the organization exhibits in response to external and/or internal pressures to develop a diversity program. The questions developed for this lens were as follows:

- 1). Describe the kind of person who would enjoy working in (Division's name).
- 2). Tell me how your Division recruits/retains that person you described.
- 3). Tell me why (if you wish) you stay with (Division's name)

## Methods Lens

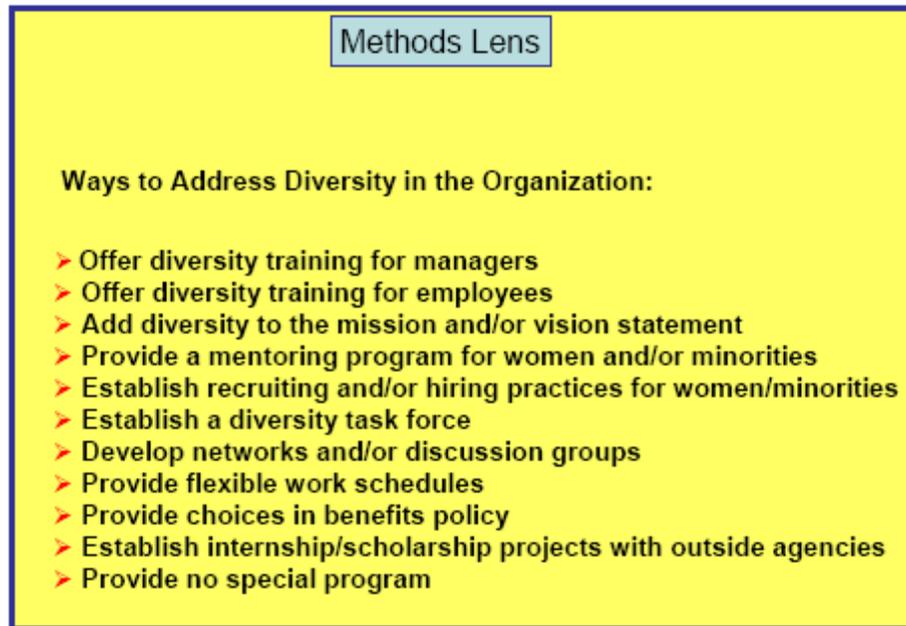


Chart 4

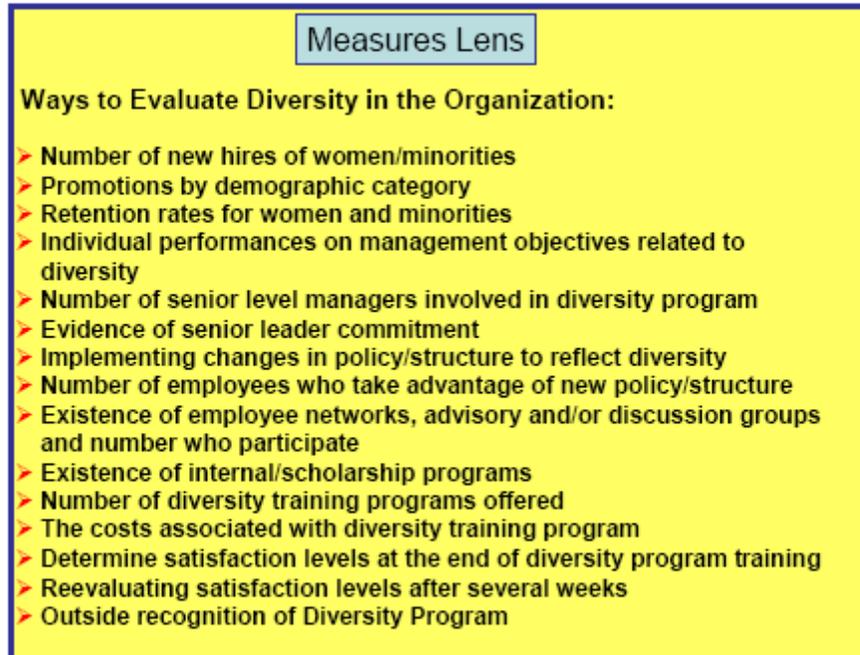
Gentile's methods lens describes the way the organization responds to diversity. This lens represents the programs and/or activities that comprise the diversity program. The cultural audit is one method organizations use to respond to diversity-related issues.

The methods lens provided insight into the implicit values, assumptions, and norms for dealing with people and getting the work done in the organization. The methods lens identifies the programs and/or activities used by the organization to respond to one or more challenges and opportunities of diversity. Each method raises its own set of implementation questions. The questions for this lens are as follows:

- 1). Tell me what you like most about the diversity Program in (Division's name)
- 2). Tell me what you dislike. Why?
- 3). What would you change, if you could. Why?

## Measures Lens

Chart 5.



The measures lens is the most difficult to achieve because many of the methods used by organizations are hard to evaluate in terms of immediate and/or tangible outcomes. Gentile states that training programs often address attitudes and skills that are subtle and manifest themselves over time. Training is the most frequently selected method for responding to diversity in organizations. For these reasons, diversity program measurement is usually in terms of number and reach of intervention (i.e., 12 full day training sessions that reached 30 managers each), rather than in terms of behavior changes or productivity outcomes. The measures questions included the following:

- 1). What do you think (Division's name) gains from its diversity Program? Why?
- 2). Tell me how (Division's name) knows that its diversity Program is/is not

working?

### **The FDIC Interviews**

Several colleagues from the Washington Metropolitan Diversity Council suggested that I contact the Director of the Office of Diversity and Economic Opportunity at the FDIC. I met with him to discuss the project purpose, and ask permission to interview employees. The researcher asked the Director to select interviewees based on the following criteria:

1. knowledge (either first-hand or secondary) of the development, implementation, and evaluation of the FDIC diversity program
2. willingness share insights about the FDIC diversity program
3. employees from a variety of work levels and experiences

The result was a list of employees from different levels and divisions within the FDIC. To facilitate the process, the Director provided an administrative assistance to schedule the interviews. After the selecting the interviewees, each received an introductory email explaining the project purpose, the time, and place of the interview. Before the scheduled interview, each received a formal letter with a copy of the Interview protocol. The interview process took place over a period of thirty days.

## **Transcribing the Interviews**

The researcher gained permission to record each interview. The Business Center, in Alexandria, Virginia professionally transcribed the taped interviews. The Business Center returned the original tapes and emailed a Microsoft (MS) Word document for each transcribed interview. The transcripts for some of the interviews are included (see Appendix B).

## **Grouping the Interviews**

According to Rubin and Rubin (1995), the process of grouping interviewees' responses into categories brings together similar ideas, concepts, or themes. The initial grouping used in this project included:

- Determining what was being done according to the FDIC Diversity Strategic Plan
- Allowing interpretations to become evident as data were examined response by response;
- Rereading the interviews, in order to have their general content clearly in mind;
- Considering the themes, concepts, and ideas explored in each interview
- Developing a starting point for the coding categories by reconstructing the themes, concepts, and ideas that were successfully examined
- Completing a final read of the interviews, marking off concepts, themes, and ideas each time they occur in an interview.

## Coding the Data

Each MS Word transcript was converted to a text file and imported into the Non-numeric Unstructured Data Indexing Searching Theorizing (NUD\*IST) computer program to help organization, sort, and manage these qualitative data. While rereading each transcript, the researcher looked for key ideas/terms/words and coded them according to the appropriate lens (see NUD\*IST coding below). For example, under the motivation lens, if the interviewee stated that the organization began its diversity program because of complaints of discrimination, harassment, hiring practices, or others identified by Gentile, this may have indicated that there were legal/regulatory pressures to address diversity-related issues for this organization. Additionally, the coding could have shown that the interviewee believes the organization was concerned about the demographic changes in their markets, or whether the current workforce was aging and fewer young workers were in the labor pool. The researcher asked follow-up questions for clarity.

Nodes are part of the NUD\*IST computer program and are considered containers for ideas about the imported data. After the transcripts were imported into NUD\*IST, nodes were developed for each lens. Each lens of the *Reframing Diversity* model served as the “parent” and the questions under each lens are the “child/children,” which locates these data in the hierarchical Index Tree. The Index Tree organizes nodes in “parent/child” relations, so any category can have a place, and under it are the sub-categories.

Based on the coding assigned by the researcher and stored in the NUD\*IST program, a report was generated. For example, if something is coded (1 1), the researcher knows these data address the motivation lens, and that the interviewees’ answered the first question under the motivation lens which ask the interviewee to explain how diversity is

defined either from a personal or corporate perspective. Node address (4 1) is assigned to interviewee's statement about what is gained from the diversity program. After completing the coding, this researcher separated information into categories that allowed her to compare what different people said, the themes discussed, and how they understood concepts. A thorough examination of the categories provided by the report of each response, by lens, helped the researcher develop a summary of each reply and revealed consistent comments, key words, and ideas. Examples of how the transcripts were coded follows:

Motivators (parent)

- (1) diversity defined (1 1) child
- (2) existing diversity program (1 2) child
- (3) why diversity program exists (1 3) child
- (4) importance of diversity program (1 4) child

Mindset (parent)

- (1) characteristics of personnel (2 1 )
- (2) recruit/retain personnel (2 2)
- (3) reason(s) for staying (2 3)

Methods (parent)

- (1) like most about diversity program (3 1)
- (2) dislike most about diversity program (3 2)
- (3) what needs to change (3 3)

Measures (parent)

- (1) what is gained from diversity program (4 1 )

(2) diversity program is/is not working (4 2)

### **Analyzing the Data**

The researcher coded the interview text and compared information within the categories, looking for variations and nuances in meaning. The goal was to integrate the themes and concepts into a theory that offered an accurate, detailed, yet subtle interpretation of the FDIC approach to diversity.

## **Summary**

The flexibility of the qualitative interviewing methodology allowed this researcher to suspend her own assumptions about the FDIC diversity program, and solicit ideas and themes from the interviewees. Qualitative interviewing focuses on a single setting, one agency, or company, but the implications of the study could extend beyond the immediate arena. The qualitative interview protocol used for this project was flexible, iterative, and continuous. The FDIC interviews took shape gradually, as this researcher listened to the meaning of these data. The open-ended interview questions allowed the researcher to hear the thoughts of each interviewee. The qualitative interview methodology helped this researcher unravel complicated relationships and learn how the current FDIC diversity program resulted from past decisions or incidents.

The purpose of this project was not to assess the FDIC diversity program, but to determine to what extent the FDIC diversity program conformed to the contours of Gentile's *Reframing Diversity* model. To make this determination, it was important to understand the motivation, mindset, methods, and measures of the FDIC diversity program.

## **Chapter 6 Federal Deposit Insurance Corporation**

### **FDIC As An Illustration**

This chapter provides an overview of the FDIC and the legal mandates faced before the development of its diversity program. It is not an attempt to evaluate the FDIC diversity program, but to show to what extent this program conforms to the contours of Gentile's *Reframing Diversity* model.

The FDIC preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for up to \$100,000; by identifying, monitoring and addressing risks to the deposit insurance funds; and by limiting the effect on the economy and the financial system when a bank or thrift institutions fails. The FDIC is an independent agency of the federal government, created in 1933 in response to the thousands of bank failures during 1920s and early 1930s. Since the start of the FDIC, no depositor has lost a cent of insured funds because of a bank failure. The FDIC receives no Congressional appropriations because funds come from premiums that banks and thrift institutions pay for deposit insurance coverage and from earnings on investments in U.S. Treasury securities. With insurance funds totaling more than \$44 billion, the FDIC insures more than \$3 trillion of deposits in virtually every U.S. bank and thrift institutions.

The FDIC directly examines and supervises about 5,300 banks and savings banks, more than half of the institutions in the banking system. Chartered by the states, which do not join the Federal Reserve System, the FDIC is the primary federal regulator of banks. In addition, the FDIC is the back-up supervisor for the remaining insured banks and thrift institutions. The FDIC responds immediately to protect insured depositors, when a bank or thrift institution fails. The FDIC employs about 5,200 people. The headquarters for the Corporation is located in Washington, D.C., but much of its business occurs in six

regional offices and in field offices around the country. A five-person Board of Directors, appointed by the President, and confirmed by the Senate, manages the FDIC.

The FDIC employs large numbers of people. This requires the development and maintenance of an environment free from hostility and harassment. A healthy work environment appears essential for the emotional and physical well being of an employee. Unfortunately, dysfunctional work places exist, and they serve as breeding grounds for discontent. Decisions about whether the FDIC work environment classifies as dysfunction is not the purpose of the project, but leaves open the possibility that some type of dysfunction occurred given the class action lawsuit.

### **FDIC Civil Rights Case**

On November 8, 1993, Chris J. Conanan and Wilitta Gordon Hawkins, acting as class agents, filed under Title VII of the Civil Rights Act of 1964, as amended, a formal administrative class complaint alleging discrimination based on race by their employer, the Federal Deposit Insurance Corporation. Mr. Conanan and Ms. Hawkins, in their administrative class complaint, alleged that FDIC discriminated against African-American employees by denying them promotional opportunities based on its employment policies and practices. Mr. Conanan and Ms. Hawkins sought declaratory, injunctive, and monetary relief on behalf of themselves and the putative class for claims arising on or after May 13, 1992.

The FDIC forwarded the complaint to the Equal Employment Opportunity Commission on December 8, 1993. After a recommended decision by an EEOC administrative judge on December 14, 1994, and a Final Agency Decision by the FDIC on January 17, 1995, the EEOC's Office of Federal Operations issued a decision on January

13, 1998, ordering certification of a class and requiring the FDIC to continue processing the remanded Administrative Class Complaint. On March 13, 1998, the FDIC sent out a Notice of Acceptance of Class Complaint.

In January 2000, the parties began voluntary mediation session, which ultimately led to an agreement in principle on terms for settlement. On December 22, 2000, the Class Representatives filed a new class complaint regarding the FDIC's Employment Practices in the United States District Court for the District of Columbia, and on March 6, 2001, the parties voluntarily sought dismissal of the Administrative Class Complaint pending before the EEOC. On March 8, 2001, the EEOC dismissed the Administrative Class Complaint.

An agreement on *Conanan, et al. v. Tanoue* came after almost a decade of litigation and mediations. The parties agreed on a settlement that achieves the equitable relief sought, in addition to significant monetary relief for over 3,000 current and former African-American employees of FDIC.

This settlement called for substantial changes in the FDIC policies and procedures and it provided for a payment of monetary relief to the Class in an amount that was larger than any other known settlement of a race discrimination class action against a federal agency. While negotiation of these reforms came as a result a claim of race discrimination against African-American employees, these measures were to benefit all FDIC employees by promoting fairness, consistency and objectivity in the administration of employment practices. No quotas exist and no employee would lose his or her job because of any provision of the Consent Decree.

The first major term of the decree, Changes in Personnel Procedures and Practices, states, "Under the supervision of (and after training by) a neutral expert, the FDIC will

analyze all jobs in clusters to ensure that promotions and other selections for positions are based on legitimate, merit-based criteria. These cluster job analyses will provide a solid foundation for the creation of legitimate, merit-based vacancy announcements, position descriptions and crediting plans. The actions by the FDIC ensured that accountability in the competitive and non-competitive promotion processes increased the availability of career enhancement opportunities and desirable job assignments for all employees. The FDIC provided, and promoted formal mentoring and expressions of interest programs. The second term of the Decree, Monitoring FDIC's Compliance With Changes in Personnel Procedures, states "To ensure the FDIC's compliance with the Consent Decree, the Decree will be adopted as an order of the United States District Court for the District of Columbia and enforced as such. The Court will retain jurisdiction over the Consent Decree for 3 years." The last term of the Consent Decree, Monetary Payments, states, "the Consent Decree requires the FDIC to pay, among other amounts, the sum of \$11.5M, which will be deposited into a settlement fund and paid to Class Representatives and to all other Class Members in accordance with the distribution formula, as compensation for lost earnings and compensatory damages claim. The FDIC developed a strategic plan for diversity to implement court ordered changes.

## **FDIC Diversity Strategic Plan**

On May 25, 1999, the FDIC Board of Directors approved its first comprehensive Diversity Strategic Plan. FDIC employees across the country developed the plan. The former Chairman, Donna Tanoue, wanted the FDIC diversity program to be an example for the nation. Diversity, according to Chairman Tanoue, is a business imperative for the Corporation, since trends and events in the financial services industry and in society affect the FDIC. Increased diversity in society dramatically changes the composition of potential employees. Former Chairman Donna Tanoue states, “We are making those changes work for us when we honor the different perspectives of our employees and value the growing diversity of our Corporation.”

The current Chairman, Don (Donald) Powell, contends that the FDIC diversity initiative is a genuine success story. According to Chairman Powell, the Corporation is attaining its goal to ensure that the work place is fair and inclusive, giving all employees the chance to work to their fullest potential, in pursuit of the FDIC mission. Chairman Powell states, “We can all be proud of what we’ve accomplished- as an agency-toward making the FDIC an employer of choice.” According to the current chair, all FDIC employees, executives, managers, and supervisors attend corporate diversity awareness training. Since adoption of the diversity plan, the FDIC created more than 80 cross-divisional developmental opportunities; established a pilot for the diversity dialogue group that enhanced individual awareness, and understanding of workforce diversity; and a thriving mentoring program with 97 mentor pairs participating.

The FDIC diversity steering committee working groups researched and developed the FDIC diversity strategic plan.<sup>13</sup> Each group had a single strategic area on which to focus, namely leadership behaviors, recruitment and selection, education and communication, and career development. The leadership behaviors working group's mission was to identify leadership behaviors that support a corporate culture, which encourages and values diversity. Communicate effectively, provide vision and direction, show respect and concern for others, demonstrate and promote teamwork, develop others, and demonstrate initiative are six of the twelve identified FDIC success factors. The recruitment and selection working group's mission was to establish a strategy for the FDIC to consistently recruit and select both internally and externally, from diverse pools, the best-qualified candidates for all positions. The education and communication working group's mission was to establish an education and communication strategy and mechanism designed to promote the FDIC diversity goals. This working group understood that in order to facilitate a cultural change it was necessary to provide and reinforce a consistent message to all employees. The career development group's mission was to develop a strategy to retain, develop, and motivate a diverse workforce. This working group addressed developmental opportunities and retention issues that included work life and benefits issues. The working group understood that individualized developmental practices, flexible work place policies, and comprehensive benefits packages are all important in developing, motivating, and retaining a diverse workforce.

A fifth working group, the affirmative action working group, developed affirmative action policies for employment and procurement that are consistent with federal, legal and statutory guidelines and corporate diversity objectives. The affirmative

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<sup>13</sup> See Appendix C for the FDIC diversity strategic plan

action employment and procurement policies are separate documents from the FDIC diversity strategic plan.

In 1999, the FDIC adopted its first Diversity Strategic Plan. All FDIC employees, executives, managers, and supervisors have attended corporate diversity awareness training. FDIC created more than 80 cross-divisional developmental opportunities since the adoption of the diversity strategic plan. Guidance on rating-panel membership ensured that merit promotion panels represented the FDIC's diverse workforce. When naming panel members, officers consider diversity. Through these and other efforts, the FDIC continues to build and reinforce a culture that values all employees. Diversity remains an ongoing business priority at the FDIC. As stated in the preface to the diversity strategic plan, the FDIC diversity steering committee and all working groups acknowledge that without the cooperation and commitment of every Corporation employee this plan will not be successful. FDIC employees could voice their concerns and comments through the FDIC diversity web page. Building commitment, and developing awareness; enhancing corporate recruiting; creating developmental opportunities; enhancing the internal and external selection process; addressing benefits and work place issues; and monitoring progress and establishing accountability were the working groups' strategies and goals.

The diversity vision statement reads, "FDIC is recognized as a preferred employer by the public. Its employees respect each other and work cooperatively and effectively with one another in achieving the Corporation's mission." The diversity mission statement says, "FDIC achieves its mission by creating an inclusive work environment that recognizes and appreciates all employees' perspectives and talents, allows employees opportunities to reach their highest potential, and attracts and retains the most talented

employees.”

According to the FDIC Diversity Strategic Plan, the definition of diversity distinguishes individuals in terms of both differences and similarities. The Corporation recognizes that its strength comes from the dedication, experience, and diversity of its employees and believes that, given the opportunity, each employee can make a difference. The FDIC is committed to promoting and supporting an inclusive environment that provides to all employees, individually and collectively, the chance to work to their full potential in the pursuit of the Corporation’s mission.

### **Examples of FDIC Diversity Programs**

The divisions and offices listed below reported on the diversity events and activities held from January 1 - December 31, 2000. These activities and/or events followed the six focus areas of the diversity strategic plan.

Due to the reorganization efforts within the FDIC, several offices combined before the scheduled interviews. Under the area of career development opportunities, the Division of Finance (DOF) reported for first quarter 2000, that a monthly meeting for all support staff began. The purpose was to provide an opportunity for all members to be a cohesive team. DOF initiated a program with the Department of Justice, Immigration and Naturalization that provided a venue for an exchange of information on budget policy and procedures. Under the area, enhancing the corporate recruiting program, DOF had three (3) students in the career experience program. These employees have college majors in accounting, finance and information systems. In January 2000, DOF implemented an informal non-monetary award program which provides instant recognition of an employee who has made a significant contribution on a given project, task or work assignment.

During the fourth quarter 2000, the Washington, D.C. office of DOF held a two- day workshop for executives. Communication styles and working together were workshop topics. The Dallas, Texas office of DOF co-sponsored the arts and exhibits showcase. In this initiative, DOF employees, teamed with other divisions to bring awareness of diversity and cultural differences and similarities in a festive fashion.

The program initiatives in the Division of Supervision and Consumer Protection (DOSACP) began in May 1999. These programs fell under three of the six focus areas: building commitment and developing awareness, enhancing the corporate recruiting program, and creating developmental opportunities. Within that year, DOSACP held regional training conferences in Atlanta, Kansas City, New York, Memphis, and San Francisco. Each conference featured a diversity speaker who discussed the benefits that diversity brings to the organization and to the individual, the differences between diversity and affirmative action, and understanding differences and cultural identities.

The Acquisition and Corporate Services Branch's System Support Section initiated a program to teach employees sign language. An employee within the branch, who is hearing impaired, shared his knowledge of sign language with his co-workers. The sign language training, under the focus area building commitment and developing awareness, improved interaction and effective communication within the working group.

During the second and third quarter of 2000, the Division of Administration (DOA) administered the corporate-wide organizational assessment survey; established the diversity dialogue group; and trained new group leaders. The assessment surveyed elements of the diversity strategic plan, and gathered information about the level of employee engagement and satisfaction with their work environment. Additionally, it was to show how well the Corporation met its goals under the diversity strategic plan. The

diversity dialogue group provided employees an opportunity to gain insight and share perspectives with their colleagues on issues related to diversity.

To build a commitment and develop awareness, Division of Insurance and Research (DOIAR) leadership designed and implemented a lottery based mentoring program. This division conducts several outreach programs and participates in the Chairman's outreach initiative. The outreach program includes bank trade groups and consumer conferences. DOIAR employees attend the event and/or staff the FDIC booth to demonstrate financial and statistical applications on the FDIC web site and answer questions related to deposit insurance. To fulfill its obligation to the enhancing the corporate recruiting program focus, DOIAR made special attempts to attract minority applicants by advertising in the *Amstat News*, the *Washington Statistical Society Newsletter*, and by attending the annual conference of the American Statistical Association (ASA). From the Department of Education and the ASA web site, the Division received a list of minority colleges and universities that offer degrees in statistics. To be included on the lists, the university had to offer at least a masters degree in statistics. DOIAR compared the lists and found six matches. For each match the division got the name, email, and fax number of the contact person for the statistics program. The division then faxed the vacancy announcement for the position to each of the six contact persons, requesting that they post the vacancy announcement in an appropriate location for potential job candidates to see.

Several DOIAR employees attend college. Senior analysts and analysts working with the support staff teach them how to access and use Data Access Retrieval Tool (DART) to generate statistical data. This initiative falls under the creating developmental opportunities focus. These programs represent many of the activities and events held in

the various Divisions of the FDIC in response to the Chairman's desire to make the diversity strategic plan a part of every division.

### **FDIC Measurement Working Group**

The FDIC established a measurement-working group to discuss how to measure the initiatives in their diversity strategic plan. The group met several times, but the Corporation never used their suggestions. The FDIC administered the survey only one time. Interviewees confirmed that the measurement group simply disappeared. An interviewee from DOF suggested that the FDIC "lost its corporate nerve" by not administering the survey on an annual basis. He felt the Corporation missed an excellent opportunity to show positive results associated with its diversity program, specifically those initiatives that serve to mitigate the stress of downsizing.

## Chapter 7 Results

This chapter covers the results of the interviews selected employees at the FDIC. This dissertation is not an evaluation of the FDIC. The results show to what extent the FDIC diversity program conforms to the contours of Gentile's *Reframing Diversity* model.

The FDIC diversity program illustrates how Gentile's model can apply to a public organization. Diversity is an opportunity to develop greater personal and organizational success, not a problem to solve. The reality is that we all confront and respond, more or less well, to various forms of diversity every day. Even in homogeneous groups, there are distinctions among individuals, and some fit in more easily than others. The more pronounced the differences and the less powerful the individuals with those differences is perceived, the more easily hierarchies tend to be created along with stereotypes, and categories for exclusion or oppression. Gentile tells us that, it is precisely through interactions and confrontations with differences of perspective, prior experience, style, and of identity that it is possible to recognize the limits of one's own perspectives, experiences, and styles. Understanding and accepting new points of view even when expressed in different ways allows the individual to learn, grow, and adapt to an ever-changing world. Gentile also stresses that understanding and responsiveness to the differences between one another is most effective if one understands and responds to diversity within oneself (1995).

Gentile's descriptive *Reframing Diversity* model also has six (6) observations (multiple identities, salience, costs and benefits, choice, redefinition and change, and shared goals), and a mental matrix. The observations and matrix represent ways to examine the individual response to diversity. This project examined how the lenses

(motivation, mindset, methods, and measures) of Gentile’s model applied to the diversity program within a public organization like the FDIC. The research question for this project asked, “To what extent does the FDIC diversity program conform to the contours of Gentile’s *Reframing Diversity* model? Additionally, there were two (2) sub-questions:

1. How useful was Gentile’s model in guiding the implementation of a public sector diversity program?
2. How effective did Gentile’s model measure a public sector diversity program?

Gentile’s assertion is that it is an organization’s ability to accommodate new ideas and different kinds of employees that allows it to foresee necessary changes, and to embody the continuous learning that management scholars advise is required for survival in an evolving business environment. The Gentile model emphasizes that organizations approach diversity from an internal and external perspective. This sometimes provides the motivation for organizations to define diversity to match its environment. It was true for the FDIC diversity program, especially the mandates of the consent decree. The examination of the FDIC diversity program through the lenses (motivation, mindset, methods, and measures) of Gentile’s *Reframing Diversity* model, answer the research questions.

According to Gentile’s description of the motivation lens, there are several reasons organizations begin to recognize and address diversity-related issues. Some of these include legal and regulatory pressures, and projected labor market demographics. The motivators that seem to have triggered a response to diversity-related issues in the FDIC are legal and regulatory pressures. These pressures resulted in an FDIC response to complaints of discrimination in hiring, compensation and promotion practices, and

charges filed by the Equal Employment Opportunity Commission (EEOC) in response to complaints from current and past FDIC employees.

The answers to questions of definition identify the implicit goals embedded in an organization's desire to develop a diversity program and the primary targets of its efforts. For example, the focus might be the organization's workforce issues versus the markets it serves. The organizational definition of diversity leads to specific programs. The methods lens is a manifestation of the organizational definition that results in initiatives or programs to address diversity-related issues.

There are four (4) questions in the Interview Protocol under the motivation lens. The first motivation question asked interviewees to define diversity in their division. The majority of the interviewees believe that FDIC defines diversity broadly. When describing diversity, the interviewees used terms like inclusive workforce; the ability for everyone to contribute to the mission, and it is about similarities and differences among people. The consensus is that the corporate definition represents all people and all of the variations of their experience, their backgrounds, their grades, their interests, and their hopes, dreams, and desires. While the FDIC defines diversity broadly, a couple of interviewees felt that diversity is the latest flavor of the month. These interviewees were more likely to give the Corporation's published definition of diversity than one of their own. The general sentiment of these two interviewees is that diversity should reflect a more narrow definition, or one that addresses the needs of specific groups, like African-Americans, for example.

The FDIC diversity program contains many of the motivators Gentile discusses. For instance, there was personal commitment from key leadership, namely the former Chairman. There was an attempt made to include every employee, regardless of grade or

position, in the initial training. There appeared to be an effort to minimize white male backlash by keeping the program focused on every employee and the mission of the FDIC rather than on protected groups of employees. In addition, the motivation lens asks whether there is a vision of interdependence between the individual and the organization. The former Chairman saw attention to diversity as a matter of survival for the FDIC. Interviewees felt that the overall corporate commitment to diversity continues, but the programs do not have the same personal commitment that former Chairman Tanoue exhibited. Employees use the internal diversity web site to respond to activities and issues related to diversity. Employee chat rooms provide anonymity.

The Corporation developed a bridge program that trains technicians to become specialist that may help them become eligible for promotion and/or the expression of interest program. The bridge program was of particular importance given the fact the FDIC has been downsizing for a decade, and must institute a reduction in force if attrition and employee buy-out programs do not garner the positions needed. Most of the Divisions report no special programs other than those under the focus areas of the diversity strategic plan.

The majority of those interviewed believe the breath of the diversity plan is advantageous to open dialogue between people. Specifically mentioned was the Chairman's diversity advisory committee (CDAC) because it allowed the dialogue on diversity-related issues to begin. Some of the issues discussed by the CDAC included whether the Corporation supported working mothers or whether those employees with a disability had access to the building. The CDAC was an open forum with a direct connection ultimately to the Chairman. Anyone could serve as chairperson of the CDAC. That was its most interesting aspect. At one time, a woman who held a lower grade led

this group.

In the Division of Finance (DOF) a program entitled “Our People Segment,” began to honor DOF employees. These employees realized, after developing their shared values, that there was no value to “honor their people, to show that people are important.” One of the interviewees in the Division of Finance stated that the process to develop values began about six years ago. The management group went off-site to develop these values, but when they shared them with their subordinates, they quickly realized that they did not capture the values that were important to their employees. Instead of the original six values developed by management, the employees suggested three: teamwork, integrity, and excellence.

When asked to describe the FDIC diversity program, interviewees mentioned programs like expressions of interest, which allows employees to apply for positions throughout the organization. Interviewees mentioned the “Our People Segment,” which was specifically designed to acknowledge and honor employees. The DOF started a speaker’s series, which covered areas like stress management, and finding a way to address their strategic objectives. The Division provides an opportunity for technical employees to become specialist and eligible for promotion and/or apply for the expressions of interest program.

The third question of the interview, which provides insight into the reasons for beginning the FDIC diversity program, asked respondents why they believed the diversity program exists in their division or the FDIC. The majority of interviewees believe the diversity program exists because it was a high priority of the former Chairman, Donna Tanoue. However, the most consistent reason given for the diversity program is the large class action suit against FDIC. This represents an external pressure in the form of a legal

mandate and pressure from internal groups, mainly African American employees. The terms of the lawsuit resulted in a number of programs, mainly the beginning of expressions of interest program because everyone who applies gets full consideration. Interviewees believe that the Corporation is going to face many more lawsuits because of the “buyouts” which is a euphemism for downsizing, and ultimately a reduction in force (RIFs).<sup>14</sup>

The final question in the motivation lens asked interviewees why diversity is important in their division and/or the Corporation. One reason given is that diversity helps the organization accomplish its mission. A follow-up question revealed that the interviewee did not know how this should occur. He did express a feeling that the diversity program is not a social program to give to some protected classes of employees. There is general acknowledgment that the demographics of the American work place are changing and organizations must be cognizant of these changes if they want to survive. The interviewee stated that diversity is not about meeting once a year to eat ethnic food. Diversity at the FDIC is important because, according to an openly gay interviewee, it allows gay and lesbian employees to have a voice in the Corporation. The FDIC began a gay-lesbian affinity group as one initiative under its diversity program, and this interviewee was instrumental in establishing the group at the FDIC. He acknowledges that the diversity program at the FDIC helped establish a more positive environment for gay and lesbian employees.

The former Chairman of the FDIC, Donna Tanoue, stated in an open letter to FDIC employees that, “diversity is a business imperative for the Corporation.” She

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<sup>14</sup> When the FDIC Interview Protocol was developed, the researcher was unaware of the Class Action Suit, but learned about it during several interviews.

believed this because the trends and events in the financial services industry and in society affect the FDIC. Also evident in the demographic changes is that one out of every six employees in the FDIC is eligible to retire in the next five years.

A review of the motivation lens as shown in Chart 2 reveals that organizations are sometimes motivated to develop a diversity program because there is need to respond to the changes in their internal and/or external environments. Many of the ideas expressed by Chairman Tanoue serve as motivators for the FDIC to address diversity-related issues.

This researcher did not interview the former FDIC Chairman, so it is impossible to know if she felt pressure to develop a diversity program because of the legal pressures arising from the settlement of the class action suit. However, interviewees freely expressed that the diversity program was the result of the personal commitment of the former Chairman. Some thought it was because she is a woman of Asian descent. Others felt that the former Chairman believed that diversity was the right thing to do, a business imperative for the FDIC. Gentile (1996) explains that some motivators are responses to the diversity that already exists in an organization; some are responses to the diversity that will exist in the near future; and some are responses to a vision of the diversity that individuals feel should exist in an organization.

It was evident after interviewing FDIC employees that the former chairperson's personal commitment to diversity led to the development of the diversity strategic plan. However, the consent decree provided the politically acceptable vehicle to institute changes that reflected her personal commitment to diversity within FDIC. The clarity, consistency, and strength of her commitment led the FDIC to define diversity broadly and to make it an inclusive program. In her open letter, dated July 16, 1999, the former Chairman stated, "For the Corporation to continue to be successful, we must retain and

recruit the most qualified and most motivated employees that we can." We must develop a reputation as a place where people want to work. We must become an employer of choice. The diversity strategic plan, according to the former Chairman, "is comprehensive, fair, and inclusive. It is not limited to any one group..."

The FDIC developed its diversity program because the former Chairman was committed to making the Corporation a fair and inclusive work place that would ultimately lead to it be an employer of choice for potential employees. Historically, the organization's structure, policies, and systems failed to reflect concern about employee differences. The mores of the FDIC reflected those of the banking industry in general, which is traditionally conservative in its policies, structure and systems. In light of the class action suit, the senior leadership of the FDIC understood that they needed changes. This introspection clarified the organization's mindset toward employee differences. The result was implementation of the FDIC diversity strategic plan of which the diversity program is a part. When taken together, motivation (external/internal pressures) and mindset (organizational mores) identify the type of programs or methods developed, and the target audience. There is a direct relationship between why diversity programs begin in the organization, and its internal thinking about diversity. Gentile states that by examining what motivates an organization to begin to think about diversity reveals how that organization will define the subject. Organizational motivation and mindset help clarify internal thinking about diversity:

- 1) Is it a discrete problem?
- 2) Is it a competitive opportunity to tap?
- 3) Is it a potential threat to avoid?
- 4) Is it a cluster of interrelated challenges and opportunities? or is diversity

5) Fundamentally reactive/defensive, or proactive and goal oriented?

The answers to these questions uncover a great deal about the goals embedded in the FDIC mindset, about the primary targets of its diversity efforts, and the organization's attitude toward diversity. Gentile contends that while there is no right answers to these questions, organizations must develop the capacity and willingness to answer them in multiple ways and to approach diversity in multiple ways.

There are three (3) questions under the mindset lens. The first question asked interviewees to describe the kind of person who would enjoy working in their Division or for the Corporation. Identifying the type of employee who could find success at the FDIC provided insight into the organizational climate. This researcher found that one of the most important aspects of working for the FDIC is the ability to communicate whether it is with banks, the public, or community and consumer groups. The kind of person who would enjoy working at the FDIC exhibits:

- 1) Personal integrity;
- 2) Willingness to work on important projects like building a better bank-failure protection model or a better methodology for pricing deposit insurance;
- 3) Believes in teamwork; and
- 4) A willingness to take risks and does not need constant supervision.

The result is that the type of employee who would enjoy working in the Division of Finance (DOF), for example, likes to solve problems and wants to find alternative solutions to problems. Interviewees in the DOF identify themselves as “fiscal conservatives” and not “social extremists.” They believe the diversity program should address ways to accomplish the mission and show results for the Corporation rather than attempting to be a social experiment in race relations. However, the typical employee for

the Division of Administration (DOA) could be almost anyone, especially if he or she was open to change. These interviewees believe that “change” is a way of life in the FDIC especially as employees face a decade or more of downsizing. The most interesting and easily understood response to the questions is that each Division is different within the FDIC and attracts a different kind of person. The description of the “type” of employee who could find success in the Divisions within the FDIC may be indicative of an environment wished for rather than one that exists. The affects of the decade long downsizing have been very stressful. There are those who claim not to be affected, but this researcher does not believe that employees living day-to-day in an organization are unaffected by a process that seems to have no end. When asked how the Corporation recruits and/or retains the type of person identified for hire, interviewees reminded the researcher paramount to recruiting/retaining future employees is recognition of individual talent and contribution to the FDIC mission. Recruiting to find potential employees for the FDIC is difficult.

Two years ago, the FDIC started a minority recruitment program that targeted students in historically Black colleges and universities. If the student was hired, s/he would attend an orientation program and at the end of the program be given a mentor to provide support and guidance to negotiate the FDIC “maze.” All interviewees believe that the major recruitment benefits for the FDIC is that it is a great place to work, provides excellent opportunities to improve marketability, and has an exceptional pay and benefit plan, which is the most generous in government service. Interviewees in DOIAR revealed that the work projects at the FDIC are high profile in that one could add published articles to their resume. A potential employee can come to the FDIC and know s/he will get all the tools needed to do their best work. The answers to this question

indicate that the FDIC mindset is changing from a closed, conservative, banking-like mentality to a more open and inclusive environment. All of these answers provide insight into the FDIC mindset.

Another retention benefit of working at the FDIC is that employees receive training even if the potential for promotion does not exist. The current leadership believes that other agencies seek well trained and experts in their field. The interviewees believe that the Chairman enjoys knowing that other agencies want to hire away FDIC employees. He considers this a compliment.

Increasing the staff of FDIC during the saving and Loan (S&L) crisis was easy, according to those interviewed in DOIAR, but now the Corporation is facing a potential reduction in force (RIF). This researcher asked if the Corporation does anything special for downsized employees or those who participate in the employee buy-out program. Those who have retired receive the newsletter so that they still feel connected to the organization. Employees who choose to take the buy-out receive 50% of their salary. This is a good incentive because they can leave the FDIC and take a job with another government agency without having to wait the customary three year period. If an employee worked for any other agency, for example the Department of Defense, and took the buy out, s/he could not take a job in government service until they had been out of the government for three years. On the contrary, FDIC employees who are “bought out” can leave the FDIC one week, and go to a job at the Department of Defense the next week.

Interviewees in the DOA shared that it is important that future employees understand that travel is an integral part of their new job. If a potential employee is asked to travel to Paris, the Corporation means Paris, Texas not France. This explanation is important to show that the Corporation must be honest with future employees. Finding

the “right” fit in the employee is vital to their success at the FDIC because it is expensive to hire the wrong person. When someone is hired, there is an assumption that the recruiter is committing the FDIC for twenty to thirty years. Later interviewee responses will confirm that employees do not willingly leave the FDIC once they are hired.

The third question under the mindset lens asked interviewees to express why they stay with the FDIC. This is further evidence of the climate or mindset at the FDIC. All of those interviewed love what they are doing and their ability to influence change. An interviewee from DOA stated that she had planned to stay five years, but stayed thirty-nine because she loves the work she is doing. The buy-out or downsizing does not concern her because if it happened, she would take retirement and the new skills she has learned and go happily. The researcher concluded that the majority of those interviewed continue to stay with the Corporation because of the pay and benefit package. The only negative heard by this researcher involved the lack of benefits for domestic partners, and the constant talk about the RIF and downsizing. As this project was ending, the researcher learned that the Corporation and the employee’s union were trying to resolve the domestic partner benefit issue, but there seems to be no indication when the downsizing process will end.

It is important to remember that the choices, decisions, and attitudes reflected in the answers to why the FDIC implemented a diversity program are usually the choices, decisions, and attitudes of those individuals with decision-making powers, as constrained and directed by the Corporation’s culture. Individuals with little influence in the FDIC often have limited influence on the Corporation’s mindset toward diversity with the exception of filing a lawsuit. The FDIC leadership needs to better understand, empower, manage, and provide a market to these individuals.

The questions posed in the mindset section are the beginning of an organizational cultural audit around diversity, and tend to be the first method used by organizations to address diversity-related issues. The second most frequently used method is training. Gentile states that 40% of American companies utilized training in some form. It is possible to generate an extensive list of methods or programs that organizations use to respond to one or more of the challenges and opportunities of diversity, and each of these methods raises its own set of implementation questions. There is a link between the specific methods developed at the FDIC and the settlement of a large class action suit detailed above. Claims of race discrimination against African-American employees triggered negotiation of these program reforms. The programs benefited all FDIC employees by promoting fairness, consistency, and objectivity in the administration of employment practices. No quotas were established or employees displaced because of the provision of the consent decree.

The major terms of the consent decree called for changes in personnel procedures and practices, monitoring FDIC's compliance with changes in personnel procedures, and monetary payments. Changes in personnel procedures and practices require the FDIC to standardize the interviewing process and develop written interview guidelines. The consent decree mandated steps that increased the availability of career enhancement opportunities, and desirable job assignments for all employees. The FDIC was required to expand and strengthen the career development program by distributing information, encouraging its use, monitoring its success, and ensuring that employees have access to training that will enhance their ability to take advantage of employment opportunities. The FDIC was required to provide and promote formal mentoring and expression of interest programs.

A careful reading of the approved consent decree identifies the impetus to develop methods or programs to address diversity-related issues within the FDIC. The attitude to establish a diversity program may be the result of external and internal employee pressures (i.e., pressure from the plaintiffs in the class action suit). The development and implementation of the FDIC diversity strategic plan was one answer to these pressures. Whatever the reason, the FDIC had a clear mandate to address serious diversity-related issues, which does not negate the fact that many of those interviewed still believe the former Chairperson was making a difference, and that her personal commitment to diversity had nothing to do with the legal mandate.

The diversity strategic plan, of which the diversity program is a part, appears to answer the requirements of the consent decree. As noted previously, there is a direct link between the terms of the decree and the FDIC diversity program. There is further evidence that the consent decree played a major role in the development of the diversity strategic plan. The focus areas of the plan: building commitment and developing awareness, enhancing the corporate recruiting program, creating developmental opportunities, enhancing the internal and external selection process, addressing benefits and work place issues, and monitoring progress and establishing accountability are in the summary of the major terms of the consent decree. These focus areas are the foundation of the program initiatives within the FDIC diversity program.

Those interviewed liked the idea that many of their peers “stepped up to be champions of diversity.” Different people within the Corporation stepped up because they wanted to be a part of change. They believe that the diversity program has resulted in richer dialogue and conversation in small groups, but the idea still exists that diversity is just another “flavor of the month, or a passing fad.” This researcher found that some still

are not convinced that discussions of diversity belong in the work place, but they are willing to participate in small group discussions. A follow-up question on the impact of the lawsuits on the diversity program revealed that they have impact because people are afraid to engage in discussion. They fear being misunderstood or saying something inappropriate. The lawsuits changed the hiring practices at the FDIC. At one time, it was difficult to get a job in another division because movement between divisions was uncommon.

When asked what they liked about the diversity program, management accountability was the response most often given. They shared that the FDIC had a history of developing wonderful programs on paper whether it was about recruitment or diversity. However, actual practice was less impressive; no one was accountable for implementing these programs. Currently, the senior leadership of the Corporation holds managers accountable for implementing diversity initiatives in their divisions. The researcher did not find evidence that the impetus for increased management accountability was a result of a personal commitment from senior leaders or the influence of the very large class action lawsuit.

When asked to respond to what they disliked about the FDIC diversity program, an interviewee in the DOIAR questioned the logic of attending a one-hour lunch session designed to fulfill her division's attempt to satisfy the FDIC requirement. This interviewee did not see a clear link between the diversity program, and her job. She did not believe that participation in a lunch hour discussion, and the emphases of the diversity program linked to the requirements of her job. To her, the linkages were more difficult to understand especially in an environment filled with constant discussions of reorganization, downsizing, and RIF.

There are pockets of resistance for the diversity initiatives according to an interviewee in DOA, whose division is responsible for implementing and evaluating the FDIC diversity program. The discussion on the internal diversity web site chat room indicates that resistance to the diversity program is real. This researcher found, in follow-up questions about the web site, that many people in the FDIC are experiencing severe depression about the downsizing and reorganization, and the lack of promotion potential. An interviewee from DOIAR suggested that the remedy to the malaise seems to be to provide a balance between challenging work and potential for promotion.

This researcher concluded that even with the mandatory training on diversity, the idea still exists that diversity at the FDIC is about race relations. Interviewees from DOA related that most people who attended the training classes thought diversity involved discussion of race only. They did not want to be there and did not see the need for it. The trainers were mindful of this, and skillful enough to help them understand that diversity encompasses more than race. Those willing to listen discovered the broadness of the concept and how the Corporation planned to implement its diversity program.

When asked to state what they would change in the FDIC diversity program, interviewees listed the following:

- provide more visibility for the work-life program
- not negotiate with the union for domestic partner benefits because employees want it and because the FDIC should do the right thing
- tell the Corporation that it should have been more realistic about what the diversity program could accomplish
- vote to continue the internal diversity program assessment process
- clearly identify the differences between Equal Employment Opportunity

and diversity

- complete the reorganization and downsizing process that has lasted a decade, get that behind them
- change individual behavior so that everyone buys into the need for the diversity program
- establish a revolving group of people who act as an advisory council to share perceptions with senior managers
- promote telecommuting; and
- find a way to measure diversity that shows results

The measures lens is the most difficult to complete because many of the diversity programs organizations develop are difficult to evaluate in terms of immediate and/or tangible outcomes. Unfortunately, to date the FDIC has not found a way to measure its diversity results. This researcher found no evidence of consistent measurement of the FDIC diversity program. The measurement focus is totally on the superficial aspects of diversity. For example, there is a report that shows how many diversity events employees attend. Too much emphasis placed on celebrating diversity like ethnic food or dance activities, and too little on promoting respect for people or understanding how to work with different people.

The FDIC had an assessment done early in the process to measure the diversity strategic plan, but administered it only one time. All those interviewed know that the diversity program is not perfect, but the assessment would have provided valuable feedback on progress of some of the initiatives. A follow-up question on how the FDIC measures the diversity strategic plan revealed that it “only measured effort.” An example

of a measurement was the number of training sessions held, and how many people attended. An interviewee from the DOF stated that he wanted the Corporation to measure results. In other words, does the diversity program lead to better success and/or better products? He wished the Corporation had the courage to find the answers to these questions. He stated that the Corporation could have measured sick leave taken by employees, or the number of EEO or union complaints filed. When the FDIC failed to administer the assessment again, the opportunity to determine whether the diversity program works was lost. The employees interviewed from the Division of Insurance and Research (DOIAR) feel that the diversity program initiatives are not working because of the number and type of comments posted on the internal FDIC diversity web site. Interviewees in the DOIAR do not believe they will ever know that the initiatives are working because circumstances changes, the workforce changes, the problems change, or the banking industry changes. One interviewee's simple answer was we would know because "we wouldn't have to talk about it anymore."

The broadness of the diversity program does not make it easy to measure. It is imperative that an assessment mechanism capture results of a broadly defined program. The strength as well as weakness of the program is its inclusive nature. The feeling of an employee who is gay reflects the strength of the broadly defined FDIC diversity program. He stated that the biggest measure of the program is personal comfort and an added sense of well-being. Specifically, the interviewee felt that his "well-being" meant feeling like a valued part of the FDIC family especially with participation in the affinity group. He believes that more than 40% of the Corporation really embraces diversity, but embedded institutional practices that hinder diversity remain. This researcher believes that one of the most rewarding measures for the FDIC would be outside recognition (i.e., Top Ten

Corporations to work for, or being named as one of the Fortune 500) confirming it as an “employer of choice.”

FDIC interviewees commented on what the Corporation or their division gains from the diversity program. One interviewee stated that he felt the diversity program has helped to counteract the negative effects of downsizing and made the workforce happier. He explained that the workforce is happy because the FDIC instituted casual dress, telecommuting, flexible work schedules and reporting times, and a commuting subsidy to offset the negatives of downsizing. He believes that this has given people something else to look forward to other than reorganization. When asked how they know that the diversity program is working, interviewees expressed that they are not sure if you ever know that diversity is working without a systematic evaluation process.

Chart 6.

### Application of Lenses at the FDIC

Lenses of Gentile’s Model	Lenses applied to the FDIC Diversity Program
Motivation: (Organizational reason for developing a Diversity Program)	<ol style="list-style-type: none"> <li>1. Class Action Lawsuit</li> <li>2. Personal commitment of senior leader(s)</li> </ol>
Mindset: (Organizational view of Diversity)	<ol style="list-style-type: none"> <li>1. A way to protect the Corporation from future lawsuits</li> <li>2. Attempted to change the way people view those who are different</li> <li>3. Developed ways to bring more women and people of color on board</li> <li>4. Developed a Diversity Strategic Plan</li> </ol>
Methods: (Programs that make up the Diversity Program)	<ol style="list-style-type: none"> <li>1. Provided diversity training for managers/employees</li> <li>2. Added diversity to its mission/vision statement</li> <li>3. Established a mentoring program</li> <li>4. Established a Diversity Task Force</li> <li>5. Established Affinity Groups</li> <li>6. Implemented flexible work scheduling</li> </ol>
Measures: (Organizational effort to evaluate Diversity Program)	Administered a one-time survey to employees

Source: researcher developed chart 6 from Gentile’s descriptions

Chart 6 above illustrates how the lenses of Gentile's Reframing *Diversity* model applied to the FDIC diversity program. The FDIC diversity program conforms to three of the four lenses in Gentile's model (i.e., motivation, mindset and methods). The FDIC diversity program failed to conform to the measures lens.

The lenses of Gentile's *Reframing Diversity* model provide a way to look at the FDIC diversity program. They offered a systematic process that identified a possible answer to why the Corporation began to address diversity-related issues. No conclusive evidence exists to suggest that the large class action lawsuit and the personal commitment of the FDIC Chairman served as motivation to develop a diversity program for the Corporation. Gentile's model helps identify some of the circumstances, that when found, serve as motivation to develop, implement, and evaluate a diversity program.

Diversity for the FDIC was a way to bring more women and people of color into the mainstream. The FDIC cultural mindset viewed diversity as a way to protect the Corporation from future lawsuits. The class action lawsuit forced the Corporation to change its cultural mindset. The FDIC developed a diversity program to change the way people view those who are different. The final cultural mindset shift was the development of a diversity strategic plan. While these may appear to be programs, they reflect systemic changes necessary for the development of future programs.

The programmatic aspects of the FDIC diversity program included the development of training for managers and employees. The FDIC added diversity to its mission/vision statement, established a mentoring program, a diversity task force, and several affinity groups. One could argue that the FDIC developed programs to adhere to mandated changes of the class action lawsuit. The weakest aspect of the FDIC diversity program is the lack of a measurement process. This shortcoming made it difficult to

determine whether the diversity program achieved its goals or what the FDIC needed to ensure improvement of its employees' work life.

The most critical element in any diversity program is the ability to measure results. The measures lens of Gentile's model provides a mechanism that, if implemented, would help the FDIC measure the initiatives of its diversity program. This lens offers measurement suggestions that are results oriented and geared to meet the needs of the Corporation.

The most salient characteristic of Gentile's model, the lenses, apply to any program regardless of the target audience. The lenses offer questions that are straightforward and easy to understand which makes the organization's answer to the questions in the lenses unique. They suggest that there is no "one-size-fits" all design for diversity programs. However, what the lenses provide is a way to frame the discussion about the need to develop a diversity program. The *Reframing Diversity* model provides the foundation for the development of a diversity program by asking questions that one must ask when beginning a new endeavor to address differences within the organization. For example, the motivation lens guides the developer through the initial thought processes of why the organization needs to consider developing a diversity program. The basic management question for an organization is to determine what is happening internally or externally to the organization that dictates whether it should address diversity-related issues. Additionally, the organization leadership must ask what affect those external/internal pressures have on how to accomplish its mission, vision or reason for doing business.

## CONCLUSIONS

The ability to recognize and voluntarily respond to diversity of all kinds is a critical skill for success today and in the future. One weakness of Gentile's model is that absent external or internal pressures to change, most organizations would not willingly develop a diversity program. The descriptive nature of Gentile's *Reframing Diversity* model allows public organizations to develop diversity programs that are voluntary in nature; inclusive of its total employee population; and incorporated into day-to-day activities. Gentile's model acknowledges diversity in the workforce and in the customer base, defined along all dimensions. The broadness of the concept is the second perceived weakness, which limits effective implementation in organizations not motivated by profit. The challenge for public managers who acknowledge the reality of diversity, broadly defined, becomes not whether to address and adapt to diversity, but how individuals and organizations can do so effectively, efficiently, and productively (Gentile 1998, pg.vii).

Finally, developing a diversity program for all employees requires senior leader commitment. Gentile's model does not address how to bridge the strong and often contentious differences that exist among groups in organizations. The responsibility for change is personal, and not dictated by any model.

Is Gentile's model useful in guiding the implementation of a public sector diversity program? The effective implementation of a diversity program for the public sector that shows results involves leadership courage and commitment. The lack of a systemic implementation process defeats the purpose of a diversity program. Too often employees and senior leaders believe that such an effort is the "fad of the month." Diversity, defined for this project, is not just about race or gender; it is about people and

the need to recognize the innate potential of each employee. It is about maximizing that potential for the greater good of the employee and the organization. Finding the diversity champion in a leadership position is integral to the successful implementation of a diversity program in a public sector organization. It is essential to integrate the diversity program into the day-to-day business of the organization (i.e., the organization's strategic plan/performance plan), once the organization finds leadership courage and commitment. Integrating the diversity plan includes activities that make sure every employee, throughout the organization, understands the plan and identifies how he/she contributes to its success.

Does Gentile's model provide a lens for developing a public sector diversity program? The motivation, mindset, methods, and measures lenses of Gentile's model are the architecture upon which a public sector organization could build a diversity program. The model provide an inclusive approach, one in which every employee can "buy into" and they provide a way to do the right thing for everyone.

Public sector organizations like the FDIC are not profit oriented. However, the desire to attract the best employees from a limited pool ensures that the banking industry receives services from the best and brightest minds this country has to offer. A public organization that fails to care for its employees cannot hope to remain the employer of choice, or continue to provide the quality of service its customers require. The implementation of a diversity program, not only ensures that a public sector organization does the right thing for its employees, but it helps senior leaders:

- continually assess the impact of internal and external pressures on business processes;
- institute a continued reflective posture of their organizational mindset

which impacts the type and reach of the programs the organization develops;

- perform the planning, implementing and measuring aspects that show the benefits of its diversity program.

Diversity programs are not just about serving ethnic food or providing a monthly ethnic or gender observance. It is about continual improvement of the organization and the desire to be the best it can be and fulfill its mission. It is about making the business case for difference and incorporating its unique organizational assets into to becoming the best place to work for all employees.

Does the Gentile's model provide a measure for a public sector diversity program? The pedestrian answer is that implementing a diversity program within a public sector organization without a well thought-out strategy to measure results can destroy the best intention of any program effort. Without a clearly articulated justification for diversity, the program evaluation process fails. The application of Gentile's lenses proposes that leaders in public organizations must have:

1. A clearly articulated justification for a diversity program (motivation);
2. An understanding of the organization's embedded systems, policies, and practices (mindset);
3. A working knowledge of how the organization mindset either enhances or hinders the development of programs (methods);
4. An appropriate outcome-based evaluation mechanism (measures)

We all bring a full range of multiple identities to any diversity-related question. The potential conflict, and contradictory responses generated by diversity-related questions, if openly addressed, reduces individual defensiveness. By reducing defensiveness, multiple perspectives and multiple hypotheses, enable individuals to see

through masking terminology. Getting in touch with personal multiple perspectives makes it easier to imagine a similar range of responses in others. Such thinking discourages the painting of one's own or others' points of view with a single brush, and it allows for the consideration of diversity-related issues as both an individual situation facing a manager, as well as a representative action on the part of the organization.

Managing a diverse workforce involves more than celebrating, valuing, embracing or talking about differences. It involves personal and group responsibility to recognize differences. Accepting that recognition or the lack thereof shapes individual identity, leads one to believe that it is not a courtesy owed. Recognition fulfills a vital human need. Creating a work environment where all employees are treated equitably can be achieved through the dynamics of recognizing the contributions of groups of people, respecting their cultural differences, life style preferences, age, gender; their "otherness" (Taylor 1994).

Living and working together in organizations requires individual commitment and responsibility to acknowledge past inequities without dwelling on them. It is essential to let go of guilt and feelings of historical injustice, but this requires that we look at ourselves first, identify who we are, and apply that lens to those who are different. This provides a creative way to expand the sphere of understanding beyond the social constructs of race and gender. These constructs tend to create barriers and divide people according to racial and ethnic characteristics. Race and ethnicity are flexible and evolving, yet, there is a tendency to regard and treat them as fixed, stable, and scientifically grounded entities (Yanow 1996).

Creating an environment that works for all employees is essential for the success of a diversity program particularly during a downsizing era when organizations are

operating with less fiscal resources, fewer people and larger missions. However, unimaginative the idea, people are the most important bottom-line cost for most organizations. Public and private organizations have to develop management practices that respect diversity and leverage organizational needs against those of its employees. Managers need to unlearn practices rooted in the old hierarchical mindset, change the way their organizations operate, shift the organizational culture, revamp policies, create new structures, and redesign human resource systems.

Managers in public organizations must realize that the concept of diversity is much more than the visible differences (i.e., race, gender, age, or disability) expressed in equal employment opportunity or affirmative action (EEO/AA) legislation. Diversity extends this narrow definition to include a worker's sexual orientation, religion, inconspicuous disability, education, work style, lifestyle, culture, and all of the less visible differences (Pynes 1997). Systemic changes are required to make the organization the employer of choice for a diverse workforce.

Psychologists inform us that when we are considering change, it is necessary to target our beliefs, our feelings, and our actions. The most difficult target is beliefs. Therefore, the most feasible approach to change is through action (or behavior), where changes will in turn affect our feelings and finally our beliefs. This mindset forms the rationale for the type of activities organizations undertake when implementing diversity. Often training programs aimed at increasing awareness are the primary focus of an organization's diversity program. The hope is that the individual's way of thinking, acting and drawing conclusions about diversity-related issues will change. When this occurs, training affects feelings and beliefs (Gentile, 1998).

The key to understanding how organizations respond to these issues relates to how

individuals within the organization deal with them first. From the individual perspective, Gentile's mental models force an inward look first, and then it becomes possible to respond appropriately when faced with diversity issues in the work place. We continually oversimplify our observations by limiting them to binary oppositions instead of complex and multiple perceptions. When this occurs, we block creative problem solving and learning (Gentile 1998). If we consciously analyze the very reasoning and critical thinking processes we use when faced with diversity-related issues, a consistent application of these patterns would be evident.

Diversity programs alone will not improve race and/or gender relationships in an organization. When we generalize the challenges, we fail to acknowledge past perspectives, values, and assumptions embedded, maintained and reproduced in organizational structures, systems, and cultures. These challenges influence how individuals perceive and respond to various forms of diversity.

Acknowledging that diversity exists moves the discussion beyond the emphasis on race and gender to a discussion of inclusion in which every employee has value and makes a contribution to the successful completion of the organizational mission. This is not to imply that historical injustice has passed, it has not, but discrimination in any of its insidious forms in the work place is illegal and there are federal mandates (e.g., EEO/AA programs) to address this injustice. The belief that diversity-related solutions result if we understand the nature and impact of differences within and between individuals is overly simplistic. Even if managers and employees understand and manage their reactions to individual differences, there would still be challenges left for organizations to address because diversity and associated issues are a dynamic process and require continual reflection, internal negotiation of identity and self-definition, and reconciliation.

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# Appendix A

## Interview Protocol

Time of Interview:

Date:

Place:

Interviewer: Brenda J. Sherrer

Interviewee:

Position of Interviewee:

Length of Service:

### QUESTIONS:

1. Tell me how you think your division defines diversity.
2. Tell me about the diversity program in your division.
3. Why do you think the diversity program exists in your division?
4. Why do you think diversity is important to your division?
5. Describe the kind of person who would enjoy working in your division.
6. Tell me how you think your division can recruit/retain that person you described.
7. Tell why, (if you wish), you stay with your division.
  - 8. Tell me what you like most about the diversity program in your division. Why?
  9. Tell me what you dislike. Why?
  10. What would you change, if you could? Why?
  11. What do you think your division gains from its diversity program? Why?
  12. Tell me how your division knows that its diversity program is/is not working?

## APPENDIX B

### Selected Interview Transcripts

30 OCT 2002

Interviewer: Today is the 30<sup>th</sup> of October. It's about 10:00 and, how do you say your last name?

Interviewee: (Ph) Speaker.

INTERVIEWER: (ph) Speaker. Now I have that you are Chief Depository, did I say that, Institution (inaudible). INTERVIEWEE: Actually, that's an old, old title.

INTERVIEWER: Old title.

Interviewee: Regional Programs and Bank Analysis.

INTERVIEWER: Do you have a business card?

Interviewee: I can - one minute -

INTERVIEWER: And how long have you been with the FDIC?

Interviewee: Twenty-five, coming on twenty-six years. I'm an old-timer.

INTERVIEWER: Wow. So, are you eligible for one of those. . . INTERVIEWEE: I was, but I didn't take one, but I could have

INTERVIEWER: Oh, you didn't take it. Okay, that's a whole other interview. (laughter) Tell me how you think diveIntervieweeity is defined? You can either go with it

from your section or the whole corporation, it does not matter to me. INTERVIEWEE: Well, I'm sure you've sort of seen the corporate definition. I think that's actually a pretty good one. You know, it's people oriented as opposed to going through a checklist of things, and

(break in tape)

INTERVIEWER: You're not. Come on.

Interviewee: I think it's - basically comes down to this - diversity comes down to understanding people's various values, being accepting, respectful and then recognizing that you have your own prejudices. These prejudices always crop up at particular times, whether you realize them or not, and have your own mindset on different things, and how you deal with it. I guess, I would say its a people oriented goal for the division.

INTERVIEWER: That's good enough. I would be in the wrong business if I thought there was a right and wrong way to do this, and I'm in the business of accepting wherever you are, so whatever you say is all right with me. Your answers are your answers. Tell me about diversity in FDIC as you perceive it, or in your section, however you want to address it.

Interviewee: Well, you know, the division and in DIR, in a lot of ways is a is a very diverse division because it's

people from all sorts of other divisions in the corporation. For instance, I have a bank examination background and - but we have economists and people from the Division of Finance

the Division of Administration. That was done purposely. The division has a mission is to think about emerging risks in the industry, whether its just economic or banking. So you need people with varied bank analysis skills and examination skills. The basic idea is to get everybody in a room and just sort of brainstorm and come up with something in the middle. In that sense, this division's mission is very specifically based on considering a diversity of ideas. The Division's origination was based on a need for a specific division to integrate these tasks. In that sense, bringing this group of people together is why the division was formed.

INTERVIEWER: So how old is this division?

Interviewee: About six years.

INTERVIEWER: Six years old, okay, and the "CFA" (inaudible), is that financial analyst?

Interviewee: Yeah, Chartered Financial Analyst.

INTERVIEWER: Okay, I was guessing certified, but it's chartered financial analyst.

Interviewee: Chartered financial, and I'm also a CPA which I don't list on my card. .

INTERVIEWER: I figured as much.

Interviewee: Yeah, stuff like that. . .

INTERVIEWER: That's almost like the entry level requirement - CPA? INTERVIEWEE: Well, there are a number of people in the division who are either CFAs or CPAs.

INTERVIEWER: Okay.

Interviewee: That's on the analysis side, There are also people with masters or doctorates in economics. Its about half and half across the division.

INTERVIEWER: Well, tell me why do you think that it exists here, diversity?

Interviewee: Well, I think - we sort of talked about it a little bit - it's just - we specifically want people to bring their historical skills together but people have to be willing and accepting of new ideas to do that. I can certainly relate a lot of personal experiences and, you know, it's a very different environment from where I worked before. For instance, when I first come into a room with a bunch of economists, the whole thought pattern, was radically different from my experience - a different way of thinking on the most basic level. We once did a Myers-Briggs test on manager and supervisor. One result we learned was that people in the division have- not just diverse backgrounds and interests, but they actually think

differently. It's very clear, and you have to sort of deal with that. Sometimes it causes a lot of strain and communication goes "over" each other, but over the years we've learned a few of the hand signals. It's fascinating to watch, yet very frustrating, but in one sense that's the basic motivation.

INTERVIEWER: Well, other than the things that you've said already, can you add any other reason why you think diversity is important for this corporation?

Interviewee: Diversity training or whatever you want to call it, is important to get people to be more accepting of those with different ideas. It's important get people to understand that you don't just dismiss what they are thinking even if its so radically different from you -I really don't think it's always possible. Some of the diversity programs we've had around FDIC, , have focused on ethic backgrounds or diverse foods - but sometimes that's just superficial but it just begins to promote the idea of diversity. I don't know how you get people, for instance, at an to always understand someone who's background is radically different. - That is, I grew up here and you didn't, and that's why I don't understand you, or you come from a different religious or other background (inaudible) and then- and be able to understand someone when they're coming

from a "totally different place."

INTERVIEWER: Would it be fair to summarize that by saying that it increases the dialog?

Interviewee: Yes, I think that's a good way of putting it.

INTERVIEWER: Give people some way to start talking to each other. INTERVIEWEE: And I went to - just a few days ago - mandatory training. One of the exercises was to discuss emotional traumas due to unfamiliar situations such a show you feel left out in different types of situations. It's very fascinating to sort out how people react in these instances. You know, everybody has got their baggage - how it exhibits itself is kind of fun sometimes.

INTERVIEWER: (inaudible) It's true. Everyday is different. INTERVIEWEE: Yes.

INTERVIEWER: Well, did they feel free to do this at this training. I mean, did people feel non-threatened?

Interviewee: Well, I ...

INTERVIEWER: Do you know what I mean? Were they willing to share? INTERVIEWEE: I'm more introverted, but there's always other people who- will spark the discussion. I mean everybody, you know, brought some experience to the discussion. inaudible) .

INTERVIEWER:

Describe the kind of peIntervieweeon that would enjoy

working - fiInterviewee: Well, right now, I literally only have one. There's some vacant positions ...

INTERVIEWER: Okay.

Interviewee: ... and, I think you're probably well aware we are going through our restructuring.

INTERVIEWER: Some of you have the flexibility to get out , and some of you don't. I talked to a gentleman at the new Economic - what did he call that?

NEF (Oh, what is that thing called?) ... who said that, ah - Oh, the NFE project ...

INTERVIEWEE: Yes

INTERVIEWER: Okay. That's kind of new. Money and resources have been put into that.

INTERVIEWEE: Yeah. That's a ...

INTERVIEWER: Are you that new that they're putting resources and finding people for you?

INTERVIEWEE: Ah. Well, actually, I've been around for a while. I mean, there're two positions that report directly to me, but in the regional operations branch in total, there are - say- forty people.

INTERVIEWER: Okay.

INTERVIEWEE: And, a lot of the work that I do is to interact and deal with the work these people submit. In

that sense, I work very actively with these other forty people, even though they don't technically report to me.

INTERVIEWER: I see.

INTERVIEWEE: But, the organizational structure is probably a little bit more mushy here, in this division, than you may be familiar with. Some of the projects we do will cross various organizational lines, that type of thing.

INTERVIEWER: I work for Defense, so ...

INTERVIEWEE: It's very .. (laughs)

INTERVIEWER: There's an AR for everything. (inaudible)

Can you tell me the kind of person that would enjoy working here?

INTERVIEWEE: Well, workload changes dramatically and very rapidly ). There's always a crisis, and there's always a need for some odd ball way of looking at something. So, you need someone who is extremely independent. That is, people who don't need a lot of direct supervision. It's a very team environment, and -like I said, a lot of things we do cross a lot of organizational lines. For instance, people from our assessment section will need to talk or work with some of our regional folks, etc.. So it's kind important that they are pretty flexible and independent. What's the right word ...

INTERVIEWER: It's your interview.

INTERVIEWEE: ... self-starter.

INTERVIEWER: (inaudible)

INTERVIEWEE: You know. That type of thing, so ...

INTERVIEWER: We all understand that word. (tape skipped)

Now that you've described that person, how do you go out and get them?

INTERVIEWEE: Well, that's the hundred thousand dollar question. And that's actually important right now. We're about (internally) to go through another sort of restructuring. INTERVIEWER: Oh!

INTERVIEWEE: ... We just merged two divisions together.

INTERVIEWER: Yeah, I heard that.

INTERVIEWEE: And, so trying to rationalize the new structure will likely cause some shifting in how are things done. Also, we've had a lot of people who've been recently promoted ... INTERVIEWER: Hum, hum.

INTERVIEWEE: ... And others going on various work details, etc.. Very shortly, I think, you know, - once we get past filling more senior level positions, some recruiting will be necessary. However, - by our current rules, we usually have to start internally to the FDIC, ...

INTERVIEWER: Okay.

INTERVIEWEE: ... but, historically, we've also done a lot of outside recruiting,

INTERVIEWER: Hum, hum.

INTERVIEWEE: ... I guess it runs in spurts. Sometimes we do active recruiting - a lot of the various colleges ...

INTERVIEWER: Your internal ... do you go and look at that list of folks who have (what is the word?) - you know how they reorganize and say that your function is no longer needed, and they put these people on the list. Do you go and look at that list?

INTERVIEWEE: Well, right now, yes.. We have to sort of deal with that, but a ...

INTERVIEWER: Yeah. The army has a term for that. I don't know ... INTERVIEWEE: Yes, we do too.

INTERVIEWER: ... if you do.

INTERVIEWEE: That term changes depending on what your

INTERVIEWER: (inaudible)

INTERVIEWEE: ... yeah ... it's CTOP

INTERVIEWER: Yeah. Our is called a stopper list.

INTERVIEWEE: Yes

So, yeah, but after the buyout ended on September 30<sup>th</sup>, that list...

INTERVIEWER: Oh.

INTERVIEWEE: ... the list is much shorter, but there will still be some reorganization past that. In our division, you know, we don't have many excess positions. ...

INTERVIEWER: Hum, hum.

INTERVIEWEE: ... When that's all been settled we still have to bring the two divisions together. You know, get the lines of reporting straightened out and get rid of overlapping functions.

INTERVIEWER: Yes.

INTERVIEWEE: ... That process has just started. Some serious thought is being given to that now.

INTERVIEWER: So,

INTERVIEWEE: As an example, we have all sorts of publications ... INTERVIEWER: Oh. Okay.

INTERVIEWEE: ... that we put out across the two divisions - some are very similar. So how do we put them all together?

INTERVIEWER: Okay.

INTERVIEWEE: We have to - simplify the whole structure. The reporting, and the processing, etc. There's a lot of overlap between the two divisions. ...

INTERVIEWER: Okay.

INTERVIEWEE: So, there's not necessarily a clear threat that anybody will be losing a job, but it's definitely going to be reorganized and who knows? ...

INTERVIEWER: Different.

INTERVIEWEE: ... Yes, try to reorganize resources.

INTERVIEWER: And that feeds into your idea that that person has to be able to deal with change ...

INTERVIEWEE: Yes.

INTERVIEWER: ... constant change. Everyday is not the same, ...

INTERVIEWEE: Yeah.

INTERVIEWER: ... kind of thing. Okay.

And now, do you rely on the corporation recruiter's to go get these people for you, or do you have a separate recruiting thing within ...

INTERVIEWEE: Well, both.

INTERVIEWER: ... your division.

INTERVIEWEE: I mean, I've gone out and done recruiting

INTERVIEWER: Oh, you have?

INTERVIEWEE: ... A little bit. I'm not the the best recruiter in the world, but ...

INTERVIEWER: Not if you're an introvert.

INTERVIEWEE: ... but, recruiting sort of depends where the positions are, ...

INTERVIEWER: Okay.

INTERVIEWEE: ... you know. In regional branches number of our regional managers have been very active in

INTERVIEWER: Okay.

INTERVIEWEE: ... in recruiting. It's sort of done on a division-wide basis. I mean, you will recruit at various schools, etc., say but we may have "x, y, z" positions around the country or in different areas ...

INTERVIEWER: Like feeder programs, moreless...

INTERVIEWEE: Yes.

INTERVIEWER: Now, you'd look at the regional folks as potential for moving to the headquarter, or ... you know, I call this headquarters, like (inaudible)...

INTERVIEWEE: Yeah. Right.

INTERVIEWER: ... department would be headquarters.

INTERVIEWEE: Yes. This is headquarters. But, yes it can go the other way, too.

INTERVIEWER: Okay.

INTERVIEWEE: ... Especially in entry level positions where we have various career ladders where you can move up through the organization ...

INTERVIEWER: Hum, hum.

INTERVIEWEE: ... and, , the FDIC does have a recruiting office. We also work with them ...

INTERVIEWER: Okay, 'cuz I had met a woman - one of the women. Well, the next question is (if you choose to answer it) is to ask you why did you stay here, after 25 years. Why, and then you turned down the buyout, right?

INTERVIEWEE: Well, I give up a lot if I take the buyout, but its still tempting ...

INTERVIEWER: Oh, you do?

INTERVIEWEE: Yes. In there are always annoyances ...

INTERVIEWER: Some days, it's a good day to work for the Army; some days, it's not.

INTERVIEWEE: But, it's still ... in other aspects, it's still probably the most interesting place around the FDIC ... INTERVIEWER: Okay.

INTERVIEWEE: ... That is, it has its good and bad points. You know, while everybody asks you for work at the same time, you have a lot of flexibility and autonomy....

INTERVIEWER: That's key, isn't it - the autonomy?

INTERVIEWEE: Yes. Definitely.

INTERVIEWER: Okay. Well, I gather from that is you like what you do.

INTERVIEWEE: Most of time. (

INTERVIEWER: Yes, but that's true of all of us (laughs), isn't it? INTERVIEWEE: Yes, yes ... there are days when I will regret - INTERVIEWER: ... just (inaudible) not feeling well.

INTERVIEWEE: Regret not taking the buyout, yes.

(laughs) INTERVIEWER: I got 'cha (laughs).

Well, tell me what you like most about the diversity program in the corporation.

INTERVIEWEE: Well, frankly, due to the this whole restructuring I'm not, I mean - and I hope I'm not overstating it, but the whole emphasis on diversity has sort of come to a halt as the reorganization gets done, which is not good, but it's (coughs) ... excuse me. Some aspects of the reorganization has resulted in a certain amount of chaos in

parts of the corporation, and that's a very negative. Actively thinking about diversity as a function has temporarily fallen by the wayside. But, at the same time, some aspects like these various training, etc., are going on. I expect very shortly that, recruiting will start again- We we will have a lot of positions that are going to have to be refilled after some of this, - refilling them is still a very high priority. INTERVIEWER: Well, tell me what you dislike about the diversity program, other than what you just said her. INTERVIEWEE: That's a good one. You know, the diversity program, I mean it's gone through its, spurts. At some time point (I think maybe in the last couple years) it got a little bit out of control ...

INTERVIEWER: What do you mean by that?

INTERVIEWEE: ... in (that's probably poor wording), but it got totally fascinated and focused on the superficial aspects of diversity. You had levels of reporting for instance- a reporting mechanism to say how many diversity events you attend, etc.

INTERVIEWER: Is that what you mean by the superficial?

INTERVIEWEE: Yeah. And I understand the reason for it, because there is a lot of resistance in certain areas to some aspects of this. But it also got to the point of that reporting was overtaking the basic reason for the program.

So, we would worry about food day or - whatever and missed the very concept to promote respecting people or understanding how to work with people of differing backgrounds. If there's a negative side to it, I think that would be it. Still it served some purpose to get people to start thinking. I might be overstating it. Yet, it may be more necessary now that differing parts of the corporation are merging together.

INTERVIEWER: Would that be something that would change the superficial part of it? What would you change?

INTERVIEWEE: (tape skipped) How do you measure diversity? How do you promote diverse thinking and getting respect, etc.? I'm not sure I will ever know how you do that, but you know, people are definitely trying. . Frankly, I don't know, but it's definitely good to talk sometimes about different peoples' backgrounds etc.; promoting that type of discussion would be a little bit ... is useful. That's probably a very good idea.

INTERVIEWER: Well, I think that you've answered the question number eleven which is what you think your (position means?) for diversity. I think you (inaudible) unless there is something else you want to add to that...

INTERVIEWEE: No.

INTERVIEWER: ... pretty much is where it stands.

Well, the last question is probably as you said earlier - the most difficult one and that is to say "How do you know that you've gotten there? How do you that diversity exists - is alive and well at the FDIC? INTERVIEWEE: That's a hard one! (laughs)

INTERVIEWER: It's going to keep us all employed. (laughs)

INTERVIEWEE: Some days it feels like it's working; sometimes it's not.

INTERVIEWER: Ah, huh.

INTERVIEWEE: And, ah...

INTERVIEWER: Tell me why (inaudible) think when it feels like it is not working.

INTERVIEWEE: Well, sometimes when you have people from very diverse backgrounds it sometimes doesn't work. Sometimes there is no communication and it gets very frustrating for everyone. Some discussion happen almost an emotional level. That is, people address problems very differently, and unless managers can focus on mediating these interactions and address some these basic differences work can't get done. That raises the question whether they (the manager) are aware of the dysfunction in the group dynamics. Any team or organization needs a facilitator. The manager has to be able to recognize that the dysfunction is happening, and how to correct it. With no clear understanding the group

will get more and more frustrated and work can't get done.

)This is where training can be very useful. If nothing else, focus on the management and supervisor levels. This always occurs, you know, in very ... I can certainly think of instances where people are disagreeing at almost a primal level. It's hard to get communication because it gets very emotional. Unless the leaders of the group are of aware and recognize the problem ...

INTERVIEWER: Skillful.

INTERVIEWEE: Yeah, and that's a good word for it. The dysfunction will get worse. It certainly crosses divisional lines. We sometimes get a very visceral reaction from other divisions. So part of communication is understanding how you might be perceived by other people, because you are in no position to change their beliefs. INTERVIEWER: (laughs)

Well, I have one question that is not on here. A lot of people have mentioned the diversity web site.

INTERVIEWEE: Hum, hum.

INTERVIEWER: Do you find that you look at that or have you provided input to it, or ...

INTERVIEWEE: I look at it on occasion, not very often ...

INTERVIEWER: Not often?

INTERVIEWEE: ... but, probably not as much as I should, but certainly at one time when it originated. Like I said, I

mean, managers also go through various regular training. But recently, maybe I haven't been motivated or focused on it now

INTERVIEWER: (laughs)

INTERVIEWEE: ... right now, but ...

INTERVIEWER: Twenty-five years ... (laughs)

INTERVIEWEE: Yeah the focus is still on our restructuring and getting our new program -in place and ... I definitely think, though, in the very short term diversity issues will be coming up again, and I think we'll need to focus on that a lot more directly. INTERVIEWER: That's all right. (tape skipped) That's just the way it is.

INTERVIEWEE: Yeah.

INTERVIEWER: Thank you for your time.

INTERVIEWEE: Yeah. No problem.

INTERVIEWER: I appreciate it. (inaudible) Yeah.

(End of tape)

10/1/ 02

# APPENDIX C

## FDIC Diversity Strategic Plan

### FDIC

Federal Deposit Insurance Corporation Washington, DC 20429

Office of the Chairman

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July 16, 1999

FDIC Diversity Strategic Plan To All FDIC Employees:

On May 25, 1999, the Board of Directors approved our first corporate Strategic Plan on Diversity.

For two reasons, diversity is a business imperative for the Corporation. The first is that trends and events in the financial services industry and in society at large affect the FDIC - we do not operate in a vacuum. In that regard, the composition of the employee pool is dramatically changing as a result of the increasing diversity of our society.

The second is that one out of every six employees in the FDIC is eligible to retire in the next five years. As a result, we will need to conserve and replenish our institutional knowledge and expertise.

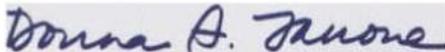
For the Corporation to continue to be successful, we must retain and recruit the most qualified and most motivated employees that we can. We must develop a reputation as a place where people want to work. We must become an employer of choice.

Our new Strategic Plan on Diversity will allow the FDIC to benefit from the changes in the workforce by providing both the additional means we must have to retain our current highly-trained employees and the additional incentives we must offer to recruit the best candidates in the marketplace.

The plan is comprehensive, fair, and inclusive. It is not limited to any one group, nor will it work at the expense of any person or group. The plan will create an organizational culture that would enable everyone in the Corporation to contribute all their talent, expertise, and skill to our mission.

The cultural change the plan envisions will benefit the Corporation, the banking industry we insure, and the public we serve. I encourage all of you to take an active role in implementing it.

Sincerely,



Chairman Donna Tanoue