

GLOBAL SKILLS UPDATE

Issue 036



Diversity and Inclusion: A Global Approach for Maximum Business Results

The bottom-line business benefits of diversity and inclusion are increasingly well-established in global companies, including:

- Attraction and retention of top talent through employer-of-choice reputation around the world;
- Improved morale among employees worldwide;
- Cost savings due to better leveraging of strengths and skills within the organization;
- Stronger relationships with global partners and customers;
- Increased productivity of diverse and globally dispersed teams.

As diversity and inclusion become more strategic components of achieving business results, the need to deal with these issues in a globally appropriate way increases. Too many diversity initiatives that are successful at corporate headquarters are then unsuccessfully exported to other global locations. What does it take to develop and implement an effective global diversity and inclusion strategy?

GLOBAL APPROACH: THREE KEY ELEMENTS

Diversity and inclusion strategies often jump directly to actions such as training, coaching, mentoring programs, and the development of diversity councils and employee affinity groups. While these activities may become critical elements of an overall plan, it is important to first ensure that the framework for diversity is in a global context.

A truly global approach to diversity and inclusion begins with a solid foundation in three key areas: **Headquarters/Subsidiary Relationships**, **Local Business Context**, and **Multicultural Teams**.



GLOBAL DIVERSITY: HOW TO WIN CUSTOMERS AND ENGAGE EMPLOYEES IN KEY WORLD MARKETS



[Click here](#) to request an excerpt from our new book on leveraging cultures within cultures for global business results.

GLOBAL INCLUSION PRACTICE

MeridianEaton's blended solutions enable companies to achieve the business benefits of global diversity. [Read more](#) about our unique approach to global diversity.

JULY 19-21, 2006

Ernie Gundling and Anita Zanchettin are presenting at the Summer Institute for Intercultural Communication on the subject of Global Diversity: Cultures within Cultures.

For more information go to www.intercultural.org

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Headquarters/Subsidiary Relationships: Inclusion or Imposition?

In most cases, financial control and leadership direction for diversity and inclusion initiatives originate at headquarters. The quality of the global/local relationship across countries and the history of previous initiatives both factor heavily into the level of openness and acceptance to another headquarters-driven initiative.

A diversity leader at a global manufacturing company comments:

Even before we established the business case, developed a global plan, or created metrics, we received a lot of feedback about the potential fit of our company's diversity initiative around the world based on employees' previous experiences with our other global initiatives. In some cases, this was a real disadvantage, and we had to deal with the fact that employees were skeptical even before we started.

Key questions to consider:

- What are examples of successful global initiatives in our company? What are the factors that contributed to their success?
- Who is included in the development of our diversity and inclusion strategy? Is there involvement of key people across geographies, cultures, business units, job functions, levels, and other diversity dimensions?
- What are the non-negotiable elements of our global diversity strategy that we want to keep consistent across the world? Why are they non-negotiable? Have we fully considered the impact of geography, culture, and other diversity dimensions on our "non-negotiables?"

Cultures within Cultures: Diversity Variables in a Local Business Context

Cultures within Cultures refers to the diversity that exists within each country in a unique combination of variables that impact the work environment. It is often a challenge to identify the diversity variables that make a difference through the eyes of local employees and customers. A diversity council member in a global technology company provides this example:

Our corporate diversity council looked at the demographics in Japan and many of us determined that gender was a serious diversity issue. The representation of women in senior leadership positions was just not there. Fortunately, our diversity council included several employees from Japan and through conversations with them we discovered that the most important diversity issue from their perspective was age. A large segment of the employee population was retiring and the integration of young new hires into the company was having the most serious business impact there. Since we focused on the most pressing issue for their location, diversity and inclusion were viewed as closely linked to business imperatives and employees were very open to an on-going focus on diversity. It's interesting that the next issue they identified was gender. I'm sure if we had insisted on starting with gender the entire effort would have failed.

Establishing a set of diversity variables that reflect the realities faced by local employees and business colleagues requires patient inquiry and a willingness to set aside preconceptions based on one's own background and agenda. There may also be distinctive aspects of the local organization that cause one or more diversity variables to take on greater or lesser prominence than would be the case for the country as a whole.

DIVERSITY VARIABLES AND THE BUSINESS IMPACT

The table below provides a sample of the variety of diversity dimensions that make a difference in several countries along with potential actions to better leverage local diversity for greater business impact:

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WORKING

GLOBESMART is an easy-to-read handbook for global managers authored by MeridianEaton's co-founder, Ernie Gundling. Each stand-alone chapter provides readers with informative case studies and practical guidelines that can be applied immediately.



For **bulk purchases of the Working GlobeSmart book**, [click here](#).

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Country	Diversity Variables and Related Business Issues	Possible Actions to Better Leverage Local Diversity
China	<i>Regional Origin:</i> Salespeople from Shanghai face obstacles selling to customers in Guangzhou.	Salespeople based in Guangzhou prep colleagues from Shanghai prior to customer visits to familiarize them with local requirements and key phrases in Cantonese.
India	<i>Language:</i> Customers in many states prefer to buy software products in their own language.	Employee language skills are leveraged to develop new business in selected states or regions that require products in a specific language.
Mexico	<i>Socioeconomic Status:</i> Factory absenteeism and turnover are high because employees are from other parts of the country, live far from the factory site, and do not have reliable forms of transportation.	Employee housing, meals, and transportation to the job site are provided in a <i>maquiladora</i> environment in order to increase retention of economically disadvantaged workers from other parts of the country.
United Kingdom	<i>Race and Ethnicity:</i> Highly qualified job candidates are increasingly available from minority groups whose members the company has not sought out in the past.	Qualified minority employees are recruited aggressively in order to make the company an employer of choice with a fast-growing segment of the population.

Key questions to consider:

- What is our process for engaging country partners in identifying diversity variables with local business relevance?
- What is the impact of the identified diversity variables at work? What are the current challenges in leveraging the diversity variables and ensuring full contribution of employees?
- What are possible actions we might take to better leverage diversity variables for improved business results?

Multicultural Teams: The Engine Driving the Diversity Process

The most successful global diversity and inclusion initiatives effectively utilize multicultural teams as the engine to drive the process. Diversity councils, strategy teams, employee affinity networks, and executive sponsors all play critical roles. These groups are often diverse by design in order to ensure a cross-section of perspectives, ideas and experiences.

Bringing diverse groups of people to work together is not enough. Multicultural teams need support to ensure they are fully leveraging the diversity of the team and working together effectively. A diversity council member at a global consumer products company shares her experience:

The first few meetings we were all so entrenched in our own viewpoints that we barely listened to one another. We didn't take the time necessary to build trust and understand the different perspectives we were brought together to express.

Multicultural teams working on global diversity and inclusion initiatives can benefit by paying special attention to the following best practices:

Team Foundations: Create a shared team operating system and working agreements. During the start-up phase, it is important for the team to discuss and clarify expectations about how the team will work together,

including approaches to meeting protocol, decision making, and feedback.

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

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

Key questions to consider:

- What support are we providing to diversity councils, strategy teams, and other multicultural teams?
- What is the level of awareness of the impact of culture on decision making, problem solving, conflict resolution and other team processes?
- What opportunities can we create for face-to-face meetings in order to accelerate the trust and teambuilding?

GLOBAL DIVERSITY JOURNEY

The momentum in the diversity world has been shifting from "Why should we do this?" to "How can we get this done?" Although global diversity is a journey rather than a destination, along the way it offers compelling benefits worldwide such as access to new markets and customers and the sourcing of superior talent. It would be a mistake for companies to assume that they are finished with diversity issues in their home country and move on to tackle diversity elsewhere. Yet they should also not be so preoccupied with the challenges and opportunities at home that an even wider set of potential advantages in other countries is neglected.

We can keep creating our own story even as it is interwoven with, but not forced upon, the forms of diversity that exist elsewhere, learning about ourselves as we learn about others. Cultural competence takes on a new and more complex meaning when global diversity and cultures within cultures are considered, but the opportunities are greater as well.

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