

Organization Culture Change: The Bottom Line of Diversity

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After 40 years of Affirmative Action, diversity work still focuses heavily on increasing the representation of people who have traditionally been excluded. Logically, if we spent 40 years filling the lower ranks of the organization with diverse people, shouldn't we have diversity at every level? There are many quotable statistics that show the progress we have made in hiring more diverse people, but has anything really shifted? The answer lies in the "intent." In another words, what do we **really** want to accomplish?

For the last 20 years, Celia Young of Celia Young & Associates, Inc., has helped clients develop vision and strategies, and implement "change" in their businesses worldwide.

The CEO of a prestigious publishing house asked, "Why don't we have more black men working here?" The next year, managers busied themselves recruiting these candidates. The CEO's question was never answered. Many people believe that to solve their diversity problem they need to hire more people of a certain group identity. A more pressing problem is why no one took the initiative or knew how to answer the

CEO's question. We then wonder why, for example, no one has come close to solving the mystery of why black men in corporate America have become an endangered species.

I sometimes ask myself, "How come we are still doing the same work?" If what we are doing is no more than extended Affirmative Action work, which many people negatively attach to "quota setting," it's no wonder the term "diversity" has become a dirty or tired word in some parts of the landscape.

The Most Fundamental Diversity Issue Remains Untouched

While we are busy working on representation, we have left the most fundamental diversity issue for the organization untouched. Increasing representation is important work, but until we can really address the fundamental diversity issue that lies underneath the current organization conditions, we have not truly touched the issue of diversity. We are talking about organization culture change.

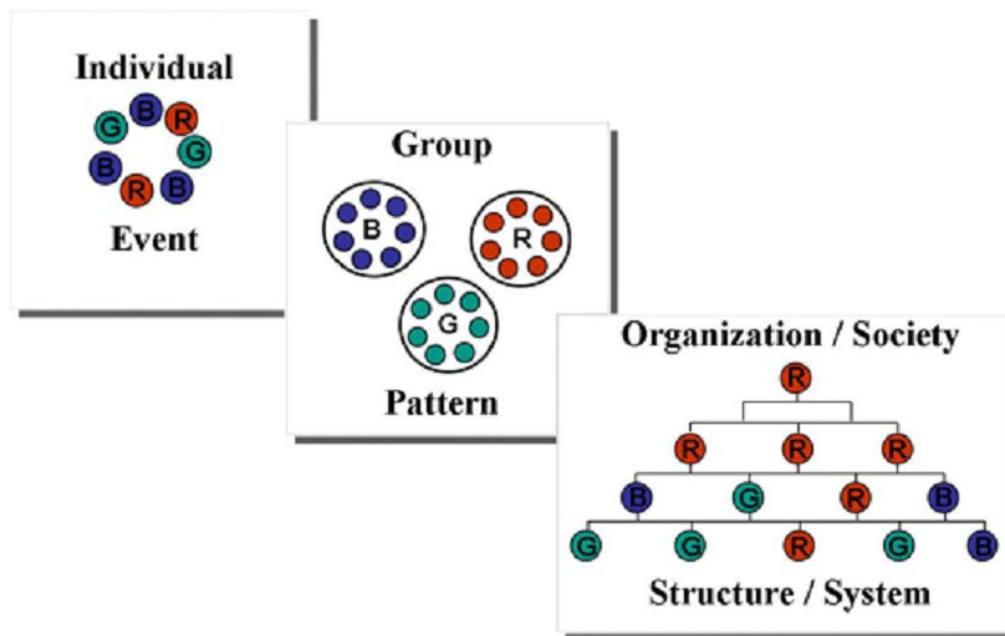
The deeper work of attracting and retaining diverse talent and customers is to create the kind of organization environment that attracts employees and customers who want to come and stay. This work requires us to go beyond just collecting people who might look different. We must allow them to **be** different once they arrive. After 20 years of consulting to organizations about diversity, I have not seen many companies make a significant move towards embracing people's differences. Many of them focus energy on hiring diverse people but don't pay enough attention to how they are losing these people at a higher rate than normal. In the end, there is not much net gain to show for their diversity work.

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To create an inclusive environment, we have to talk about organization culture and culture change. This is where the gap is between what we say we want and what we are doing. We say we want to prevent people from discriminating against different others, then we don't talk about the ways we dishonor how we are different. We end up becoming either the language police or we act as if the only way to include everyone is to make the language so vague that difference does not stand out. The paradox is that while we are doing diversity work, we end up creating more sameness. This does not feel or sound like the diverse world many of us say we envision.

Just talking about how we exclude and discriminate against others because of our different identities does not go deep enough. For example, an Asian employee might be denied a promotion because his supervisor holds a stereotypical view of him. One of the stereotypes of Asians is that they are good workers, but not good leaders. You can see this as a racial bias. But if you look more closely, you'll notice this is a cultural bias as well. The typical American organization has a set of norms and beliefs that say, in order to be a good leader, you must be verbally articulate and visible, among all other qualifications. These are the traits of extroverts. If you buy into this belief, then introverts will have a harder time becoming leaders. Asians often are seen as introverts. So their chances to be considered good managerial candidates are limited.

Diagram Organizational Power Dynamics



Organizational Power Dynamics

How does organizational culture form? Fundamentally, we are all individuals, as illustrated by the (R)ed, (G)reen and (B)lue dots in the above diagram. We are also members of the red, green and/or blue groups. Each group has its group norms and patterns that make up each group's culture. These cultural norms and patterns include our thoughts, behaviors, beliefs, feelings and values.

One day, two red dots who invented an advanced mousetrap, decide to take their product to market. They need to hire people who can produce and sell the mousetraps and manage the business. Obviously, they need to build an organization. Since most organizations develop

hierarchically there is a reporting structure of higher and lower positions. The higher you are in a hierarchy, the more positional power you have. In a typical hierarchical organization, the dominant groups are the ones who control the resources and have the power to set the rules. This is an inherent power dynamic.

If two red dots build an organization, it is logical and natural to assume they will build it based on their own values, beliefs and their preferred way of conducting business. Their organization will reflect their red culture. And it is also natural to hire people who are just like them and can carry on their legacy. Therefore, other red dots are often chosen to fill the ranks for this red organization.

An organization with red policies and practices impacts people from the red, green and blue groups differently. Life for the red dots in a red-tinted organization is normal, easy and feels like home. For the green and blue dots, life is more challenging because in order to get along and succeed in a red-tinted organization, they will have to assimilate and act more like red dots.

In a red-tinted organization, the dominant group is the red group where the power and privilege is given. Subordinated groups, such as the green or blue, will have to depend on the dominant group for resources and follow the rules. When the red-tinted organization succeeds in business, employees, regardless of their color, are rewarded to continue to apply the red success formula. This is how the red culture becomes the dominant culture, because the red way is the "right" way. So, if you are not a red dot and/or you are not occupying a top spot on the pyramid, but you have a new idea for the business that is different than the red way, your chance of expressing yourself and being heard would be slim because the power distance is too great.

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Power dynamics and power distance are at the center of true diversity work. It is not necessary to abolish the organization hierarchy, but it is necessary to shift the power dynamics and to shorten the power distance from the top to the bottom of the pyramid. This is the work of organization culture change.

Challenges to Culture Change

The reasons diversity work stalls are complex. I say this knowing that experienced diversity practitioners have been working on this issue for more than 30 years. Organizations that are entrenched in their status quo face the biggest barriers for progress with diversity issues. To change the organization culture is very difficult. Here are eight challenges that organizations involved in culture change must face.

1. Resistance to Change

Organization culture, like all other group culture, is formed, duplicated and perpetuated through generations. The founders are long gone but their ghosts still roam the hallways. Their successors were hired to carry on the legacy and the work. This is how the culture sustains itself. Members of the dominant culture come in and feel at home and don't have to adjust themselves. All others have to assimilate. So, red dots are happy and feel normal in a red-tinted organization. The green and blue dots that have learned to act like red dots successfully are also contented. Many of them don't see what the fuss is about.

The people for whom the organization culture was made usually find it hard to share their

power and privilege. They don't want to dig deeper and find out what is in it for them to change. They don't want you to mess up their environment. Others who have assimilated do not want you to remind them of the cost they paid to be there. So, when we go in to change the organization culture, not only do the dominant groups not want us there, the subordinated groups don't either. They would rather hold onto what they know and have. Women say they are doing just fine and ask why we have to point out the fact that they are women. They do not want to be seen as tokens, as if all their hard work, including emulating men, would all be in vain if we brought out the fact that women still earn approximately 75 percent of what men do.

2. Cultural Clashes

When the dominant culture in an organization is the "red" culture, managers often examine employees' performance through a "red" lens. The farther away you are from the "red" culture, the more you have to give up your own color / culture and try to change yourself to "red" in order to satisfy your manager's "red" standard. There comes a time when it does not matter how much you have tried, you are not "red" enough. This is when cultural clash happens.

A leading consumer products company experienced a 45 percent attrition rate among its Asian American first-line managers. This rate is three times as high as the company average. It looked as if one of every two Asians they hired would leave by the end of two years. This phenomenon begs several questions. Are all the ones who left the organization bad hires? What else is possibly going on? Cultural clash — that is what's going on.

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3. Looking for a Magic Pill

When a new book on management practices rolls hot off the press, managers flock to the bookstore and the lecture hall, studying and listening to the "gurus" preaching the new solution to the same old problem. If we peel away the fancy book titles, they all say basically the same thing. It is like drawing water from the river of wisdom with buckets of different sizes and shapes. The river is still the same river.

What the wisdom basically teaches us is that if you treat people right, they can become the best they are born to be. When individuals flourish, so do the organizations and the world. Diversity work is basically good management principles in action. No need for anything fancy. Treating people right requires leaders and organizations to do some serious deeper work. Often, the simplest work is also the deepest work we can do. This takes courage, vulnerability and humility. Many leaders and organizations are too busy to do the harder, deeper personal work that will bring them wisdom. Instead, they throw one book out and search for the next book that will give them that magic pill or formula. This is what happens when organizations go from one type of training to another but never embark on the real "change" work.

4. Lack of Failure Experience

I believe our whole nation suffers from a lack of failure experience. Many of our children were pampered into believing they would not fail. Then when they enter the workplace, they cannot handle the first sign of failure. They cannot see a failure experience as a learning experience. On the other hand, many organizations say they encourage experimentation and innovation yet don't make enough room for people to fail. Often failure comes with punishment. In this culture, why would anyone be willing to experiment?

5. A Fear-Based Atmosphere

When an organization climate is not conducive to embracing diverse talents, employees are reluctant and even afraid to tell the truth, speak up or just bring up new and different ideas. Employees are not fools. They see and experience when an organization does not walk its talk.

In a major consumer product company, the CEO did not like bad news. So the people around him did not tell him any. Based on less than comprehensive data, he championed to acquire a smaller business. The deal turned out to be a disaster and the company's stock plummeted. It took several years for the business to recover. The CEO was gone but the employees who were vested in company stock options lost a major chunk of their retirement portfolio.

6. Too Much Alignment, Not Enough Empowerment

Organizations with a successful business usually find a success formula after years of hard work. While we celebrate that success, we should not depend on this success formula alone. If we do, we leave no room for improvement. No fresh idea or innovation will survive in a stagnant environment. Organizations with a success formula often spend a lot of time training people into alignment so they can all march to the same drum beat. They do this because they believe that yesterday's success formula will also work for tomorrow's market. They don't spend enough time empowering the employees to invent new and different ways to succeed.

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Without opportunities to offer their thoughts and ideas, people are just good soldiers with marching orders. They can be sheep following each other over the cliff. Many organizations went over the cliff when no one stopped the momentum and questioned what they were doing. Group-think takes over and the potential of being different or sticking your neck out looks too dangerous. Great empires throughout history faded because they depended on yesterday's success formula and forgot to be learners. Many great organizations will experience this same fate.

I have seen not only women and people of color, but also white men who have become sheep. When a person becomes so assimilated, they lose their uniqueness and true value to themselves and the organization. Managers spend a lot of effort to hire the brightest and freshest talents in the marketplace. Every time the young recruit makes a suggestion, they are told, "we do things this way here." Within six months, they have learned the rules of the organization and lost the raw edges that made them attractive to the organization in the first place.

7. Command and Control Leadership

A "command and control" leader often cannot take in feedback from subordinates. The leader has great vision but does not lend specific support or hold himself or herself accountable to support the vision. People who follow this kind of leader end up doing all the work. The leader sits and waits until employees bring the solutions and the details. They then critique the work. The employees spend their work life trying to please the emperors and empresses.

People also end up having too many projects to do. Regardless of who we hire, they are required to run faster and faster and produce more and more. Sooner or later, they will burn out on the job. The endless tasks have drawn their creativity and even the most talented people lose their steam. No one dares to say, "Stop, let us reflect and examine what we are doing." Organizations do not seem to have a better way to thrive in this changing world except

running faster. So it does not matter if you are white, black, yellow, brown, man or woman, if you cannot run fast enough, you will be left behind.

During the worst circumstances, people choose to stay at a job not only because they need a paycheck, but because they are committed to doing the best work they can. This is a precious asset for any organization or nation. We are squandering it away. Organizations are in danger of losing the one currency they cannot afford to lose: employees' passion. My heart breaks for this loss.

8. A Fear of Telling the Truth: Conflict Avoidance

A top Chinese scientist for a leading telecommunication company constantly makes technical breakthroughs. The organization gave him a "director" title. Instead of helping him improve his communication skills, his boss often sent one or two other people to shadow him every time he made a presentation, to make sure the audience could understand his English. What is the cost of this behavior? He continues to be seen as less competent even though he has many patents assigned to his name. The organization spends the resources of the extra people who could have been used for more productive endeavors.

An Asian Indian American electrical engineer was recently deemed to have a performance problem. However, in the last nine years of his employment, he received satisfactory ratings. Further investigation showed that he had four supervisors. They passed him around. No one gave him true feedback until the company's new performance evaluation system forced his current supervisor to do so. He was shocked and devastated. His current supervisor bears the burden of placing him on probation and losing productivity. The organization is at risk of being sued for discrimination.

Why is truth telling so hard to do? What are we Fear of the tough work ahead? Fear of confrontation? Fear of losing the surface politeness? Fear of being seen as a racist? Fear of losing our job? A very wise client once said to me we ought to go to work every day assuming that this would be the last day we are on the job. Then we will not have to be worried about keeping our job. Instead, we will concentrate on doing our job.

In Conclusion

In 2007, we can no longer say that there are no "qualified" women or minorities out there to hire or promote. If one organization cannot find a way to keep them, plenty of other organizations will.

No market is standing still. In order to meet the needs of a changing market, an organization must learn to be versatile. Yesterday's success formula may not work in tomorrow's market. The only way to maintain a winning edge for any business is to attract and keep the people who are innovative and make the organization nimble. Just running fast will not be enough.

In a truly diverse organization, people have the freedom to stand apart, bring in different ideas and challenge what is entrenched. Most importantly, they bring their passion to work in order to build a sustainable future for the business.

Culture change is hard work. It takes courage, commitment, patience and wisdom. Just because the CEO wants it, it does not mean the organization will move toward it. It takes a whole organization that is energized and purposeful to make it happen.

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So, to be serious about changing the current organization culture to embrace more diversity, here are some simple principles:

Slow down, know who you are and what's in it for you, the leaders and the organization to change and truly embrace diversity.

Do the right thing right the first time, so you don't have to do it again or run so fast.

Have the courage to tell the truth and to hear the truth.

Accept humility and be open to learn something new.

Have the vulnerability to examine yourself.

Have the skills to be flexible.

Have the conviction to shorten the power distance.

Hold yourself accountable.

If we are committed to doing the work, the rewards will be bountiful.

Celia and her colleagues coach and develop globally competent and multiculturally versatile leaders on an individual and team basis in order to help mold a new organization that is open to and capable of fully utilizing the "diversity" of its people in order to achieve business success.



Published by Elsie Y. Cross & Associates, Inc.
Developed by Rutgers University - Division of Continuous Education and Outreach
2007 *The Diversity Factor*.

