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Conversations with the Experts

Business Case for Workforce Diversity



Ann Andreosatos

Bio: Ann Andreosatos has been Director, Workforce Diversity & Inclusion for Gillette, a global business unit of Procter & Gamble, since 2004. Ann's focus at Gillette has been to accelerate progress on diversity and inclusion through a five-part business strategy designed to translate inclusive leadership into strong business performance. The diversity team at Gillette designed a multi-faceted methodology aimed at achieving this objective including: a Business Case for Global Workforce Diversity & Inclusion, very visible internal diversity forums, a robust website, practical tools and training on inclusive leadership and mentoring, and internal partnerships with marketing and community affairs. Prior to Gillette, Ann led the development of work/life effectiveness programs at Fidelity Investments for sixteen years, including work/life programs, work climate surveys and relocation, and employee relations. Ann is a member of the board of the Boston-based Human Resources Council, sits on several client advisory councils, and is an advisor to the Greek Orthodox Youth Association.

Editors' Note: This month, Judi Casey and Karen Corday interview Ann Andreosatos on the business case for inclusion and diversity in the workplace.

An Interview with Ann Andreosatos

By Judi Casey and Karen Corday

Casey: Why are diversity and inclusion business issues?

Andreasatos: I think that it comes down to three things. First of all, there's talent and organizational performance. You can't expect to create and sustain a highly functioning organization unless you have employees with the relevant knowledge, experience and capabilities that are critical to your business. Relevance is important to the organization, but it's also important to the marketplace and customers. Employees need to represent your customers and the community. They need to understand products, know how and why the product might relate to a customer in a certain way, and what the differences are from one customer group to another. I think businesses have learned a lot over the last few years about focusing on the different perspectives of their customers. You can't get that relevance and understanding unless you have people in your workforce that represent different backgrounds. One example is products for male and female customers—you need to have male and female thinking in the workplace, but this applies to all kinds of diversity in the marketplace. You need to have employees who know the right questions to ask and even how to begin conversations with customers!

Secondly, you can't afford to have unenthusiastic employees—they must be as engaged as possible in order to move the organization forward. It's easy to underestimate how important that is; you need to have employees that are willing to take risks, speak up, and be involved. If they're not respected, valued or feeling included and they don't perceive that they're in an organization they can trust, they won't be engaged or take on personal leadership roles. That's what inclusion is—as much as possible, businesses must make sure that all employees feel respected and believe their managers fully support a diverse workplace.

Finally, businesses are members of the community and they must keep this in mind. You can't separate employees from customers; there's a business reason to reach out to people who can benefit the business, while at the same time showing how the business is valuable to the community.

Casey: Do you have definitions for diversity and inclusion?

Andreosatos: Yes, we have definitions for both and we view them differently. Diversity is recognition of all the differences that go into making people who they are. Inclusion is a demonstration of daily behaviors that encourages all employees to feel included and respected. It refers to a systemic way of thinking that leverages the richness and variety of a diverse workforce in order to fuel innovation and extraordinary business performance.

Casey: How are you leveraging diversity to meet your business goals?

Andreosatos: Gillette has customized marketing strategies to appeal to different minority groups; these products focus on a specific consumer group's needs. An example is the razor bumps experienced by many African American men. We conducted considerable research on this issue; we interviewed the men themselves, barbers, and other people in the personal care fields. In many cases, men were afraid to shave because they thought that razors created these razor bumps. Gillette, through its research, has been able to target a specific segment of the community with its M3 Power Razor by filling a need of this user group—we encourage African American men to use the razor and provide education on how to manage this unique challenge. We focused on an issue affecting one of our unique user groups, made a difference in their personal care, and have been very effective in selling this razor to this market. Another example is our oral care group through which we focus on Hispanic marketing in a variety of ways, looking at needs in other countries as well as in the U.S. We've addressed particular habits, worked closely with dentists, and have provided customized educational and marketing materials.

Casey: Does diversity affect hiring practices?

Andreosatos: Definitely. We've focused on how we can embed diverse hiring practices throughout our recruitment practices, focusing on attracting a diverse slate of candidates wherever possible. Managers are encouraged to consider what each candidate may bring from their different perspectives. Staffing is just one part of an integrated strategy that operates on several levels simultaneously: recruitment, retention, employee development, the work environment, and communication. As I mentioned, our external focus is on multi-cultural marketing and supplier diversity. All of these efforts have an impact on attraction and retention, either directly or indirectly.

Casey: What is the role of communication?

Andreosatos: Communication helps to inform employees that the company is invested in diverse practices even if these practices are not always visible in their work area. You need to make sure that the organization knows that there is an overall business strategy to create a diverse workforce and how the entire company has a role in achieving this goal. We communicate what we're doing in the area of marketing, as well as tools that we've created to improve and achieve more inclusive behavior. Finally, we communicate success stories and achievements across the organization to show the benefit of learning new practices. We have a very robust internal website where we try to keep everyone knowledgeable about diversity best practices within the organization. This is important because diversity means different things to different people.

Casey: How do you involve different levels of the organization—employees, managers and senior leaders, for example?

Andreosatos: First of all, we created a very intentional path that we wanted to travel. Two years ago, we realized that we needed to actively increase communication, visibility, and understanding about diversity and inclusion. We have been fortunate to have very strong support from our chairman, who chaired a Diversity Steering Committee comprised of several senior leaders in the company. Our department has been responsible for reporting to the Diversity Steering Committee each quarter on our progress regarding diversity and the Committee provides guidance to the company on how to continue this momentum. This provides critical support as the senior leaders from different parts of the organization bring the message back to their own business units. As a foundation for our work, we felt it was important to create a readable, engaging business case that provides the rationale for all of our diversity initiatives. We communicated the business case to all employees at all levels. As a follow up, we sent a "Call to Action" to all employees with a list of FAQ's and suggestions for ways in which they can practice inclusive behavior. Managers received the Call to Action as well as a Managers' Presentation Guide with information about how and why diversity is relevant to their group.

Once that was done, we focused on building managerial capability and reached out to all employees with several sessions on "Inclusive Leadership." These sessions focused on gender differences, microinequities, and ways in which people could understand that their behavior is key to fostering an inclusive workplace.

These were voluntary sessions; we also had a separate managers' forum where we reviewed their leadership skills. We received great feedback from these sessions; they helped each person realize that they have a personal responsibility for making a difference. We also borrowed heavily from our own advertising campaigns, to make the message more meaningful and relevant to our employees—for example, our Duracell batteries brand uses "Trusted Everywhere." Borrowing on this tagline, we tried to create the connection between inclusion, trust and effective leadership.

Casey: How do you link diversity with work/life?

Andreosatos: I think that work/life policies and programs make sense as tools for managers and employees. If your objective is to create an inclusive workplace that supports people of diverse backgrounds, you must provide tools that help managers and employees to be effective in this environment. Flexible work arrangements are an excellent example. If someone aspires to be an effective manager in the twenty-first century, flexibility is one tool that you must be willing to use. Back-up child care is another terrific example. Many employees have unexpected child care problems, and back-up care helps them to be productive and be at work. Employee Assistance Programs and Resource and Referral services send the message that companies recognize that employees have diverse needs that require support. Work/life programs convey that employees are valuable assets and that companies understand the human factor in performance.

Casey: Have you talked about diversity with any companies that are less consumer product oriented? Are they also able to use the diversity process to support their work/life efforts?

Andreosatos: I'm always curious about how other companies address their unique markets, although I have not talked in detail recently regarding specific approaches they might use. However, there are lots of examples out there where companies have specifically developed products and services after learning about the different preferences of our very diverse marketplaces. I think it would be a straightforward connection for any organization to clearly link the objectives of their work/life efforts and diversity/inclusion, because they are really trying to achieve the same thing: to create a work environment that attracts, engages and supports a highly productive workforce.

Casey: Every business has customers, even if they are not selling products to consumers.

Andreosatos: That's right. It seems so simple when said out loud, but every business has customers and it's hard to conceive of situations where there would not be diversity of need that should be understood and leveraged in products and customer interactions. Financial services firms have a huge range of potential customers with different savings and investment needs; knowledge and service firms certainly have a wide range of customer needs. Whether large or small, every type of business or organization is likely to benefit from contemplating the true diversity of their customers, employees, or colleagues. However, exploring new growth opportunities is not going to happen if you haven't built a diverse workforce and then created an environment that encourages the application of diverse experiences and perspectives.

Casey: How do you differentiate between diversity as a business strategy and preferential treatment?

Andreosatos: I think you have to be purposeful to avoid creating the perception that you're making individual accommodations or preferential treatment. If a company starts with a solid business strategy for improving diversity, develops clarity on how to achieve this goal, and communicates the strategy to employees, the strategy can be embedded into all their practices. If thinking and strategy are built into your practices, you won't find yourself making ad hoc or reactive decisions.

Casey: This is such an important point. So often when we talk about diversity, people get derailed around the fact that it's such a "hot bed issue." If you just frame it as a business strategy, it simply becomes the way you conduct business.

Andreosatos: So true. It gives the practice intent; diversity is integrated into how business is conducted.

Casey: And then it links with work/life without having to justify the business case and convince senior leaders. It's just an approach to achieve the company's business goals.

Andreosatos: It makes so much sense, and therefore is a very exciting framework. In the long run, if these policies and practices are well integrated into your business culture, and you have leadership that ensures they become part of all of your business systems, we may actually move away from discrete functions that have "diversity" in their title. Everyone will own diversity at this point and good diversity/ work life endeavors will just become accepted as good business practice.

Casey: If researchers could provide metrics for you about diversity, what types of information would be the most helpful?

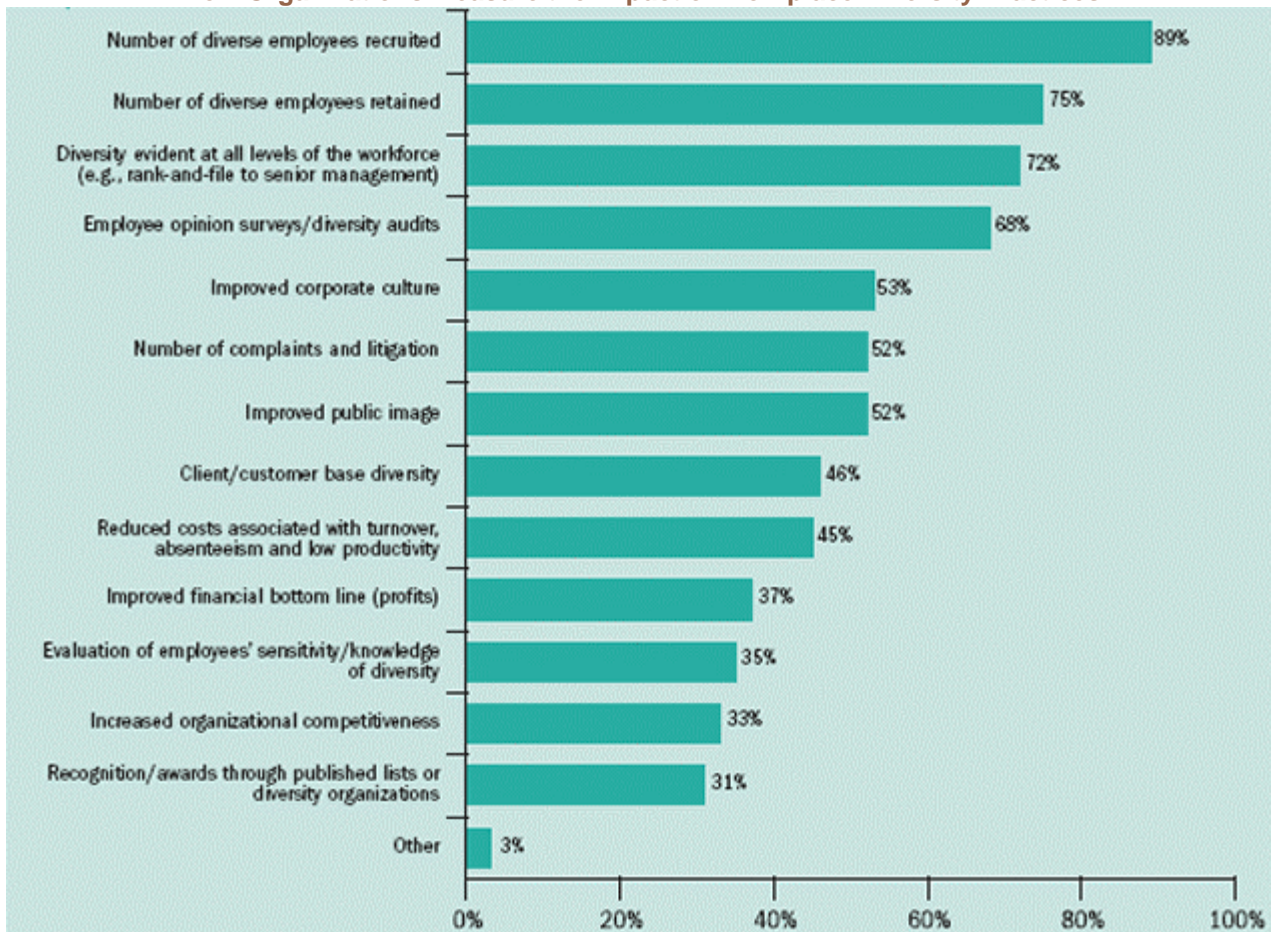
Andreosatos: We always need help in understanding the link between improved diversity in the workforce and improved business performance. It would be nice to have a foundation about the benefits of devoting time to diversity. So much of the work we do focuses on learning, and I've been looking for ways in which people learn most quickly and effectively. Businesses need to focus on leadership and business practices that provide a direct return on investment, and have a practical reason for being wary about work that takes us away from this purpose. We know, however, that we're talking about value-added business practices, but if there was some way to continue to validate that our efforts are effective, this would help a great deal.

Casey: What is the takeaway for state public policy makers?

Andreosatos: Policy makers should be careful to avoid burdening organizations with work that interferes with our goals, understanding that we have extraordinary business challenges. We need to generate revenue, grow organizations, compete globally, get people to work, and keep them engaged, and so on, and we only have a certain amount of time to do that. By that same token, the government can help lay a foundation. FMLA is a good example; it's a pain in the neck in many cases to manage and monitor, but I believe it's been extremely helpful in making social progress on some critical work/life issues. State policy in particular can help at the community level and lay a foundation without a lot of mandates or compliance requirements. The government's ability to say "Listen, you guys aren't going to do this on your own, so we're going to help you," is important, but if the company has other things in place that demonstrate their effectiveness, it would make sense to be able to opt out of the state's requirements.

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How Organizations Measure the Impact of Workplace Diversity Practices



Source: Society for Human Resource Management. (2005). *2005 Workplace Diversity Practices: Survey Report*. Retrieved January 30, 2006, from http://www.workforcediversitynetwork.com/docs/SHRM_2005WorkplaceDiversityPracticesSurveyReport.pdf

Additional Resources Related to Workforce Diversity



Global Perspectives – A Business Case for Diversity: An extremely in-depth report by Dr. Jeffrey Gandz of the University of Western Ontario, London, Ontario, Canada. It includes specific benefits stemming from a diverse workplace, recommendations for achieving diversity goals, several case studies, and an extensive bibliography. The document is featured on the Accessibility Directorate of Ontario's Paths to Equal Opportunity web site. The Directorate "works for a more accessible and inclusive Ontario for people with disabilities."

- Access the report at: http://www.equalopportunity.on.ca/eng_g/documents/BusCase.html.
- To access the Paths to Equal Opportunity web site, click here:
http://www.equalopportunity.on.ca/eng_g/index.asp

Career Journal Reports: Diversity Hiring: Careerjournal.com is the online executive career site of *The Wall Street Journal*. They have an entire section devoted to the topic of diversity hiring, featuring thirteen pertinent articles.

- Access the articles at: http://www.careerjournal.com/reports/diversity/?cjpos=home_bricks.

Diversity Resource Center: "This is the demonstration version of a product available from Diversity Resources (<http://www.diversityresources.com/intranet-index.htm>). There are many valuable articles, best practices, and statistics available in the demo. Two especially pertinent sections are "The Case for Diversity" and "Multicultural Marketing."

- Access the demo's menu here: http://www.diversityresources.com/rc_sample/index.html.
- Access "The Case for Diversity" here:
http://www.diversityresources.com/rc_sample/menu_casefordiversity.html.
- Access "Issues in Multicultural Marketing" here:
http://www.diversityresources.com/rc_sample/menu_marketing.html.



Global Perspectives – FuSION: Equality and Diversity: This is a section of the web site of the Careers and Student Employment department at the University of Westminster, London, England. "The University of Westminster is a metropolitan university with a wide range of students of different ethnic origins and backgrounds coming from the UK and 135 other countries. This diversity provides for a dynamic learning environment. Careers and Student Employment recognizes such diversity as an asset in our society and proudly promotes this to employers who seek to recruit University of Westminster graduates." The site includes job hunting tips, career advice and business cases for hiring women, mature college graduates, ethnic minorities, people with disabilities, and gay and lesbian workers.

- Access the web site here: <http://www.wmin.ac.uk/page-886>.

Hispanic Organization on Corporate Responsibility: "Founded in 1986 as an association of some of the most prominent national Hispanic organizations, the Hispanic Association on Corporate Responsibility is a nonprofit organization, headquartered in Washington, D.C. HACR strives to ensure that there is an equitable participation of the Hispanic community in corporate America commensurate with Hispanic purchasing power. Through the HACR Research Institute, HACR publishes annual studies on the state of the Hispanic community and corporate best practices in governance, philanthropy, procurement and employment. The HACR Leadership Institute prepares highly experienced Hispanic leaders for corporate directorship appointments. Moreover, the HACR Corporate Index ranks FORTUNE 100 corporations in the United States relative to their total Hispanic inclusion practices."

- Access the web site here: <http://www.hacr.org>.

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