
Diversity in the workplace



By [Shellie Karabell](#)

Be it male-female or multi-cultural, diversity is an offshoot of today's global economy, the workforce more and more reflecting society's make-up. But with unemployment having increased since the economic crisis, corporate diversity targets - in the developed world, at least- are in jeopardy, with the remaining workforce left largely unmotivated, disillusioned, and prepared to jump ship at the next job offer. How can companies cope? And can maintaining workforce diversity be an asset or a liability to the bottom line in this environment?

INSEAD, Sodexo, and the Centre for Work-Life Policy addressed this issue in a panel discussion in Paris earlier this month, with INSEAD's Cora Chaired Professor of Leadership and Learning, Professor of Organisational Behaviour and Faculty Director of the school's Leadership Initiative, Herminia Ibarra; Sodexo CEO Michel Landel, recipient of the CEO Leadership Award for Diversity Best Practices and the CEO Advocate of the Year by Asian Enterprise Magazine; and economist-author Sylvia Ann Hewlett, founding President of the Centre for Work-Life Policy, where she chairs the 'Hidden Brain Drain'- a task force of 50 global companies committed to recognising female and multicultural talent.

“Because of the economy, companies have less tolerance for window-dressing, and focus on what works, where is the value-added,” says Ibarra, referring to the potential for diversity initiatives falling victim to cost-cutting.

“Companies now appreciate the business case for diversity,” adds Hewlett. “The connection between diversity and the bottom line is sufficiently well-known.”

That connection-bringing with it, innovation and creativity-a new approach to problem-solving and thinking outside the box-is well-known at Sodexo, an international company with French roots providing food and management services to restaurants, schools, hospitals, prisons, and government installations at some 31,000 sites in 80 countries. Their 380,000 global employees serve 50 million clients a day and, according to CEO Landel, “for us, matching the people we serve with workers, people who have the same ethnicity or similar background or cultures is indispensable to us.” Landel, a 25-year veteran with the company, adds: “For us, diversity and inclusion are essential, and we have implemented policies and processes; we have appointed a Chief Diversity Officer (Rohini Anand) but it’s a journey, of course.”

The overall talent pool today is de facto diverse. “If you look at everyone working in the world today with a BA degree or higher, only 17 per cent of that pool is composed of white men,” points out Hewlett. “Everyone else is either a woman or a multi-cultural person. And in the US, the number of working women is now higher than the number of working men.”

“More than 50 per cent,” chimes in Ibarra. “But there is a disparity between salary and satisfaction (between men and women) almost from the start of work,” she adds, referring to research to be published in March in the Harvard Business Review, in which INSEAD took part. “Basically, women earn less, are hired at lower positions, and are less satisfied with their work than men right from the start. At INSEAD, our negotiations classes are very popular, because this is an important skill that you need to make sure that you’re coming into a company at the right level, at the right salary, and at the right package. I don’t think the current situation helps anyone: it doesn’t help graduates or workers or the companies themselves, who could get a reputation for practices which are just inequitable.”

Add to that the layers of uncertainty created by the current economic crisis and you have a recipe for flight risk-high-performers defecting: leaving for, or being lured away to, greener pastures. “What the research in my book (Top Talent: Keeping Performance Up When Business is Down) shows is there’s disengagement and tremendous flight risk because top performers are being neglected: they’re not being focused on or developed by companies, by their organizations,” says Hewlett. “The dangers (of flight risk) are particularly acute around women. And I want to stress: they’re not going home! They’re crossing over into sectors that are less risky or a better value proposition for them, or they’re becoming entrepreneurs.”

Both Hewlett and Ibarra point to current research showing that work teams, in which around half are women, are overall more productive; however, in the working world, there is not likely to be a woman leading that team. There is a palpable absence of women in the executive suites of the world’s businesses.

“We recently did a study of the top global CEOs of the decade,” says Ibarra, “and very few of them were women: just 29 out of 2,000 considerations. But that was kind of expected because it’s been a relatively short time that we’ve seen women heading large corporations. But of the 29 women, the majority (more than half as many as men) were placed in the CEO position from the outside.”

That seems to imply the ‘old boy network’ is alive and well, despite all this talk of diversity and corporate change. No arguments from the panel on that point. “Women are not making it in their own company’s internal tournament for CEO,” adds Ibarra. “The men are likely to be insiders, and being an insider gives you an edge.”

Speaking as an ‘insider’ himself (he was promoted to CEO from inside Sodexo), Landel explains the phenomenon: “At the end of the day, when you hire people, you hire people like yourself,” he says. “And you have to admit, it’s a man’s world,” he opines, placing himself squarely on the defensive. “If we don’t force ourselves to think differently, change will take a long time...So I believe in setting objectives and being very determined, pushing things, because what gets measured gets done € I think diversity in all its dimensions is absolutely essential for companies today because it really brings creativity and innovation to a company.”

But is today's 'diversity' any different from yesterday's affirmative action? The same issue with a different title? Hasn't anything changed since the 1970s?

"It's no longer a conversation from a position of weakness," Hewlett says of the 'olden days.' "It's a conversation from a position of numbers, of strength, of demand, or talent innovation. Diversity isn't something on the edges; it's not some kind of side issue. It is the mainstream."

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