

Seminar report - Professor Quinetta Roberson: Developing Organizational Capacity through Diversity and Inclusion

The Centre for Labour, Employment and Work (CLEW) recently hosted a seminar ***Developing Organizational Capacity through Diversity and Inclusion*** with Professor Quinetta Roberson, from the **School of Business, Villanova University, Pennsylvania**. Professor Roberson has the unusual combination of finance and human resources and was thus able to explore the impact of diversity and inclusion on organizational performance. The talk was part of the Centre for Labour, Employment and Work (CLEW) 2017 Seminar Series and was presented in partnership with the Human Resources Institute of New Zealand (HRINZ).

Professor Roberson opened with the phrase “diversity does not drive firm performance” and encouraged the audience to think about how diversity was connected to performance. Analyses from the McKinsey Global Institute and Morgan Stanley showed how gender and ethnically diverse organisations outperformed, and brought more return, than not so diverse organisations. She also presented the results of one of her own studies showing that organizational performance initially declines as the representation of racial minorities in leadership increases, but once that increase passes a certain point, that diversity starts to be related to increases in performance (Quinetta & Park, 2007). The Professor related the inflection point in this study to the percentage of critical mass necessary to implement actions based on thinking/solution diversity.

Diversity conforms to the well-known ‘iceberg model’. There is diversity that is easily seen (e.g. gender, ethnicity) and diversity that is not so easily accessible (e.g. skills, background, tenure in different types of organization). The latter accounts for a deeper, intricate, inner diversity. It is not only about representation to ensure organisations are gender and ethnically diverse, but also making the most of their skills and attributes, and bringing in other employees with diverse skills, backgrounds, knowledge and other diversity characteristics. This broader and deeper diversity enhances organizational competitive advantage. The diversity of skills and knowledge required to gain competitive advantage vary according to each organization and thus cannot be easily copied. Professor Roberson argued that the mix of skills and knowledge in a team, and the team relationships, are the glue that connect diversity and performance.

Professor Roberson emphasized that it is important to have an infrastructure that facilitates diversity. This requires capabilities that foster attraction, engagement, retention and productivity supported by collaborative and inclusive processes. Moreover, for a team to be successful, it is important not only to have members with the necessary mix of skills and knowledge, but also to make sure there is: trust among team members; no communication barriers; team objectives are clear and goals of team members are aligned (Govindarajan & Gupta, 2001). In this sense, in order for a team (diverse or not) to be successful, it is important to discuss ideas in a healthy way (storming) and to establish rules about how the team should work (norming).

Finally, Professor Roberson provided a three-step checklist to implement diversity and inclusion in organizations:

- 1) A diversity strategy needs to be put in place and this has to be connected to the people and business strategies;
- 2) A climate for diversity has to be created with employees being valued as full contributors of the organization; and
- 3) Diversity-related progress has to be measured in order to show how diversity is connected to increases in performance. The balanced scorecard technique can be useful in this step and it is important to establish manageable steps of performance improvement in order to maintain employee and organizational motivation.

Professor Roberson finished with a challenge to move beyond, the first step of the diversity path - representation based on ethnicity, gender. Further progress starts by examining underlying diversity (e.g. skills, knowledge, different world views) and appreciating how that diversity can help to achieve organizational goals. Creating an organization that understands and facilitates all people working together moves closer to the vision that “the capabilities developed through diversity drive firm performance”.

References:

- Govindarajan, V., & Gupta, A. K. (Summer, 2001). Building an effective global business team. *MITSloan Management Review*.
- Roberson, Q. M., & Park, H. J. (2007). Examining the link between diversity and firm performance: The effects of diversity reputation and leader racial diversity. *Group & Organisation Management*, 32 (5), 548-568.