



Diversity pays off for everyone

It doesn't matter how you translate diversity -- broadening demographics are a fact of business life.

This is dramatically spelled out in a recent U.S. Department of Labor report, called "Futurework: Trends and Challenges for Work in the 21st Century":

"By 2050, the U.S. population is expected to increase by 50% and minority groups will make up nearly half of the population. Immigration will account for almost two-thirds of the nation's population growth. The population of older Americans is expected to more than double. One-quarter of all Americans will be of Hispanic origin. Almost one in 10 Americans will be of Asian or Pacific Islander descent. And more women and people with disabilities will be on the job."

What does this mean to you? Any company that wants to stay competitive must come to terms with diversity -- inside and outside the organization.

Of course, the legal and moral arguments for diversity are indisputable. Discriminatory hiring practices not only demean the human spirit, they've been against the law for decades. Nonetheless, employers have been notoriously slow to change.

No one thought much about making the business case for diverse employment until reports of the changing workforce and consumer demographics added up to a new math.

At the same time, social and political policies like "minority quotas" and "affirmative action" turned controversial for advocates and critics alike, and even ran afoul of the law, as with university admissions policies.

Nowadays, companies are busy recruiting diverse work groups because of profit motives. It's good for business. Small and mid-tier firms would be smart to follow that example.

Here are five key business reasons to develop a diverse organization.

1. All business is now international. There's no such thing as a local company anymore "the internet has influenced all commerce".

Every business, whether small-town retailer or international marketer must be savvy about the future generations and how we will trade goods and services across national borders and in multiple languages.

2. Conflict is a good thing. Small-business owners may hesitate to hire qualified candidates different than themselves or the rest of the staff because of worries about resulting tension. But think about it. New ideas only emerge from friction and need. Innovation only arises out of conflict. Comfort zones are hardly the birthplaces of creativity. Plus, a company's values and culture begin at the top.

Small businesses often grow up around a founder and lots of family members "It's hard for outsiders to come into such a cozy environment. You either fit in with them or you don't fit in at all. But that makes the resulting business extremely inflexible." Diverse groups of people will have better antenna to see opportunities that you will miss.

3. Small pools run dry. With competition fierce and markets international, why narrow your search for skilled help to shallow areas of the talent pool? "We often hire people because we 'like' them, and we 'like' them because they look like us." Instead, take away the screen of 'liking.' Focus on precise skills, competencies and experience to do the job you need done.

4. Diversity drives sales. It is estimated that nearly 80% of Fortune 500 companies now have some kind of diversity efforts in place, "Increasingly, government and corporate vendors will contract only with suppliers that can demonstrate "cultural readiness".

The world is changing "If it's not on your doorstep now, it will be soon."

5. Stable staffs are cost-effective. Suzanne and James Faustlin purchased their Tucson, Ariz., franchise for the Maids Home Service in the late 1990s. The business then had 13 employees and \$250,000 in revenues, says Suzanne. Within a few years, the couple had grown the staff to 34 and revenues to \$750,000.

Like many home cleaning services, the staff is all female and more than 50% minority, in this case Hopi Native American and Hispanic. But unlike many such services, the Faustlins play up the cultural differences. She credits those management policies with low staff turnover and easier recruitment.

Creating an inclusive company culture that values and respects individual difference is likely to yield tangible, bottom-line results. Nobody can afford a work force that doesn't contribute its best work, "Why settle for a sprint when you can win the marathon?"