DIVERSITY WORKS HERE

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ABSTRACT

Representation of visible minorities in leadership roles goes beyond the paradigm of employment equity to that of ethno-cultural identity within an organizational context. Intercultural leadership competence at both the leader and organizational level is a key to contemporary leadership.

"Diversity works here." This is the recently introduced message of a Canadian bank. It's an interesting play on words with a dual meaning. "Diversity works" may represent the employee base, itself composed of diverse backgrounds, perspectives, and ways of life. The action statement also denotes diversity *is working* at the organization; in other words, the mix of employees works well together and the working environment is inclusive. Simply put, diversity is the mix. Inclusion is making the mix work together. "Diversity works here" might further suggest that diversity and inclusion are core values that differentiate and produce results; a statement that evokes the relationships between employees, clients, and communities. It's the kind of leadership and rallying call that ethical organizations have embraced. And with good reason. Not only are strong diversity policies and practices expected from a regulatory perspective, but they are also a talent and market reality in Canada today. However, does "Diversity work here" in leadership roles? This article will briefly explore diversity programs in corporate Canada and, in particular, the issue of visible minority leadership representation.

Corporate diversity programs have evolved in phases starting with the equity act of 1986 stressing fairness and equality through to a market based focus and finally expanding to consider both diversity and inclusiveness in social interactions (Ely & Thomas, 2001). The Royal Bank of Canada (RBC)hired its first equity employment opportunity coordinator in 1975. IBM made its first policy statement on diversity in 1953. Attention to diversity and inclusiveness has been slow to build, but it is essential to drive employee engagement across all groups. A structure of policies and practices needs to be integrated into talent management systems at the critical phases of recruitment, employee development, and succession planning. Best practices can be articulated and shared in explicit ways. Companies now compete for best employer awards and recognition, which has created some momentum toward positive change. Companies have also sponsored research and immigrant associations in an effort to bring about change in the broader community. The Top 50 Survey at Diversity Inc. indicates that successful companies start with expressed diversity values and stress the importance of diversity leadership councils and employee resource groups. Diversity and inclusion programs are associated with improved workplace experiences for visible minorities. In a study by Giscombe and Jenner, companies with mentoring programs saw a 22% higher satisfaction level in perceived opportunity for career advancement than companies without programs. If employee resource groups or effective employee networks are in place, perceived satisfaction of career advancement increased to 24%. Diversity training for managers or employees accounted for 20% higher scores in perceived advancement compared to companies that did not have these practices in place. (Giscombe & Jenner, 2009). However, diversity best practices are not as widely used as they could be. Of the employers in corporate Canada that took part in the study, only 65% stated a commitment to diversity in their mission, vision, and/or had a business case.

Visible minority leadership representation is an important hallmark of inclusiveness that has been an elusive goal for corporate Canada. The Diversity Institute of Management and Technology at Ryerson University is currently conducting a three-year study of minority employment in leadership roles. Final findings have revealed that of 3,330 leaders in the Greater Toronto Area only 14.5% are visible minorities, a number far below the percentage of visible minorities residing in the Greater Toronto Area, which stands at 49.5%. Furthermore, the study found that only 4.2% of senior executives in corporate sector companies are visible minorities. These findings validate the notion that the lack of visible minority representation in leadership roles is a Canadian trend for *both* new immigrants and the existing Canadian population (Cukier & Yap, 2011). Catalyst Canada, a research firm specializing in diversity, launched a multi-year study in 2007 focused

on visible minority executives, managers, and professionals, employed in large Canadian organizations. Over 17,000 survey responses in 43 firms were catalogued. The findings report that visible minorities are less satisfied with their careers than their white/Caucasian colleagues. They feel that their education and training are being underutilized in their current roles, that they have access to fewer career opportunities, and that talent management practices are not fair. Moreover, they feel they lack equal access to valuable networks and mentors. Some visible minorities feel that stereotyping poses a barrier to advancement. In order to "fit" and better match the image of a leader held by others in the organization, there is a need to "Canadianize." The report concludes that there is "imperfect execution" of diversity initiatives and goals as stated in the corporate objectives of Canadian companies (Giscombe, 2008). While this is a fair assessment, perhaps there is more at work in our social interactions that creates barriers to diversity and inclusion in leadership roles.

Scholars have investigated the existence of gender bias in leadership and have noted the importance of gender in our understanding of leadership. Less has been said about how intercultural leadership can be integrated. Zweigenhaft & Domhoff (2006) claim that diverse leaders are "willing to join the game as it has always been played" (Chin, 2010, p. 151) by reducing visible signs of their ethnic origins. This occurs because stereotypes about a social group are incongruent with the attributes they believe are required for success in leadership roles (p. 217). These social constructs sometimes surface in general and subjective statements like "they just don't have what it takes" for successful leadership. The remedy is to understand how people think about leadership. Ideas of leadership are influenced by situational and organizational contexts; however, beliefs weigh more heavily in the judgment of leadership quality. Eagly & Chin (2010) claim that common leadership beliefs sustained in North American hegemonic constructs are strongly correlated to masculine qualities; for example, women are not seen as particularly agentic (p. 218), and Asians are seen as quiet and unassertive (Madon et al., 2001, pp. 999-1000). Both negative and positive beliefs are constructed. A more recent stereotype, described as the model minority myth, asserts that Asians have overcome all the barriers to success because of their hard work and high levels of education. This myth creates unrealistic pressure on Chinese Canadians and also ignores the realities of subtle discrimination in the workplace (Cheng & Thatchenkery, 1997; Hyun, 2005). This is an example of a positive stereotype that can still disadvantage Chinese Canadians. Such beliefs are held as subconscious mental models and thus stereotyping is denied as a practice (Dovidio, 2001). Thus, fully qualified individuals from outsider groups have reduced access to leadership roles (Heilman & Eagly, 2008). Stereotype threat also contributes to the problem. In such cases, minorities come to believe the stereotype ascribed to them and therefore personal doubts about their leadership ability prevent them from pursuing leadership positions (Davies, Spencer & Steele, 2005).

Leadership practice in organizations has evolved as a function of the broader cultural landscape and thus our perspective on leadership remains mostly western-based (Dickson, Den Hartog & Castano, 2009; Parry & Bryman, 2006). However, notable scholars have introduced empirical works on cultural differences in leadership practice (Hofstede, 2001; House et al., 2004; Triandis, 1989). The GLOBE study identified and linked culturally specific leadership behavioural styles from upwards of 62 cultures at the national, organizational and individual levels among 17,370 mid level managers and three industries (House et al., 2004). As Bhawuk, Landis and Munusamy observed, "all cultures socialize people to become ethnocentric" (2009, p.8). Culture is shaped by ecology, history, and leadership. Leaders are compatible with culture but can also bring about change. Therefore leaders have a reciprocal relationship in shaping human behaviours (p.8). Organizations are micro cultures and contain subcultures such as diversity. Schein (2010) argues that learning organizations make a commitment to diversity and that "diversity increases adaptive capacity" (p. 284). Connerley & Pedersen (2005) note that people who have lived in unfamiliar cultures posses more intercultural awareness and learn to respond in unique ways; therefore, promotion of ethnocultural individuals may help to foster an inclusive culture, build the skills of the organization, and enhance leadership depth (p. 41). Bennett (2009) asserts the current view in the diversity field has shifted from celebrating, appreciating or managing diversity to inclusion and intercultural competence (p. 124). She further posits that intercultural competence is a prerequisite for addressing racial, class, and gender issues. In an increasingly multicultural urban Canada, it is unknown whether new "fusion" styles of leadership could reflect bicultural and even multicultural identities, and whether this could conflict with more static leadership practices held by organizations. Eagly & Chin (2010) argue the paradigm shift to recognize ethnic identity in leadership practice will make leadership and organizations more inclusive.

EMERGING COSMOPOLITANISM AND ETHNOCULTURAL IDENTITY

Within our changing global environment, there is increasing evidence of a cosmopolitan identity that is more fluid in nature. Kim (2009) asserts that individuals are adopting more complex notions and thus embracing a more refined intercultural personal identity. She further argues that the degree to which individuals feel secure in their identity adds to their overall intercultural competence. Overall, the notion is that more inclusive and secure individuals demonstrate more intercultural competence.

Beck (2002, 2004) argues that the growth of individualism has given rise to new ways of thinking about identity formation and multiculturalism. More importantly, it resists the broad stereotypical categories that are ascribed to people in the absence of a better understanding of the individual. The risk of individualism is that individuals must form their own networks and that resources to do so may not be equally accessible or readily available (Beck, 2002).This failing could be an important consideration relating to concepts of social capital, power and class structures. Putnam (2007) defines social capital as "social networks and the associated norms of reciprocity and trust worthiness" (p. 137). Putnam has already determined that social capital networks are weakened in diverse communities. Intercultural exchange could be better understood using concepts of bonding, bridging, and linking social capital. Bonding social capital is a social tie that links people together with others who are primarily like them along some key dimension. Bridging social capital is a social tie that links people together with others across lines that typically divide society (like race, class, or religion). Linking social capital is a social tie (often a bridging social tie) to those with power that provides one with the capacity to gain access to resources, ideas, and information from formal institutions beyond the community (The Saguaro Seminar, 2009). Racial discrimination systematically excludes employees from valuable networks and this uneven access is a risk. Communication and creation of bridging and linking networks, both on a formal mentoring basis and in creating relationships, may be precursors to intercultural competence.

INTERCULTURAL LEADERSHIP

Intercultural leadership is at the intersection of practice, leadership and intercultural competence. As Schaetti, Ramsey and Watanabe state: "intercultural practice for contemporary leaders is the intention to develop a personal intercultural practice; developing from ethnocentric to ethnorelative competence as part of personal leadership development"(2009, p. 129). I have differentiated the term *intercultural* to describe leadership, rather than other terms that might be considered synonymous, such as multicultural, cross cultural or diverse. Intercultural leadership implies diverse representation and ethno-cultural qualities but also refers to the social relations between people. Intercultural leadership competence is differentiated by inclusiveness and interaction that seeks to leverage different world views. Kim (2009) defines intercultural competence as "an individual's overall capacity to engage in behaviours and activities that foster cooperative relationships in all types of social and cultural contexts in which culturally or ethnically dissimilar others interface" (p. 62). While intercultural leadership competence is thought of as an individual skill, *companies* also need to be interculturally competent. Individuals, not groups, act within organizational cultural norms. The extent to which individuals act within a context makes an interaction intercultural (Deardorf, 2009, p. 7).

Diversity management within corporations has largely been driven by programmatic goals based initiatives. However, organizational culture and discourse regarding expectations for effective intercultural leadership are equally important factors. What are the most successful diversity management practices? They are those with measurable results that both increase cultural competence and deliver strong results aligned with the company's business goals and values (Diversity Inc., 2011). Thus, diversity 3.0 could be about leadership engagement that is shaped by authentic personal identity and experience. Diversity management within corporations has largely been driven by programmatic goals based initiatives. However, organizational culture and discourse regarding expectations for effective intercultural leadership are equally important factors. What are the most successful diversity management practices? They are those with measurable results that both increase cultural competence and deliver strong results aligned with the company's business goals and values (Diversity Inc., 2011). Thus, diversity 3.0 could be about leadership engagement that is shaped by authentic personal identity and experience. In summary, intercultural leadership competence, at both the leader and organizational level, is a key to success in contemporary leadership.

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