Managing Diverse Organizational Environments for Strategic Advantage: Exploring the Value of Developing Business Diversity Curriculum in Higher Education

Roxanne Helm Stevens
Azusa Pacific University

Emmanuel Ogunji
Azusa Pacific University

This paper examines multiple perspectives on how and why diversity as a strategic business advantage has gained momentum, and explores the relationship between diversity and organizational performance. Through the review of numerous studies, the authors argue that effective management of diversity in organizational environments can used by companies for achieving competitive advantage and gaining strategic advantage in an increasingly global economic setting and market place. Additionally, this paper analyzes demographic trends and considers the potential challenges for future leaders in managing diverse work environments. This paper further explores the proposition that global business organizational workforces of today are blended and that managing those groups effectively will benefit the bottom line as noted in Esty, Griffin, & Hirsch (1997). The authors note that while there are a variety of benefits from having a diverse employee workforce, simply embracing the concept of diversity does not guarantee success; unless it is nurtured and integrated in a way that motivates employees and allows them to bring their specific skill sets and innovative ideas to the table, the organization is limited in it's ability to capitalize upon those benefits. They also argue that it is not enough for business leaders to increase their awareness of diversity or to think critically about issues of diversity; but that business and management programs have a unique responsibility to equip future leaders and managers with integrated diversity competencies to effectively leverage a diverse organizational workforce that can create value and benefits for business firms. The authors explore diversity competencies needed for future leaders to leverage a diverse workforce to create tangible benefits for their organizations. Finally, the authors propose diversity curricula as a component in graduate business school programs to equip students with the skills necessary to leverage diversity capital and the resulting cultural dexterity for strategic advantage.

INTRODUCTION

In the decades since the 1960's as global economies have grown increasingly diverse and technologically integrated, public policy and corporate workforce decisions have increasingly reflected attention to the impact of immigration on labor productivity and economic output. This increased attention to immigration has given rise to the view of diversity as an important component of organizational success based on the assimilation approach which considers the United States as a melting pot of diverse people from different nations, cultures, and backgrounds, with differing characteristics and varying skill sets. The metaphor of the melting pot implied that immigrants should become culturally indistinguishable from everyone else in order to be appropriately assimilated into the economy and within

the organizations in which they participate (Lockwood, 1999). Until recently, it was a commonly held belief that immigrants should assimilate into the culture of their new home country, and leave their own culture and heritage behind.

The melting pot metaphor, however, is outdated and in need of revision. This ethnocentric view is not only damaging to immigrant populations and minority groups, but it also limits organizational and workforce performance as well as overall economic output. According to Griffin and Moorhead, 'Today, instead of a melting pot, the workplace in the United States is regarded as more of a 'tossed salad' made up of different flavors, colors, and textures' (Griffin & Moorhead, 2007).

Rather than assimilating employees in their own corporate culture, organizations should utilize the unique differences of their diverse workforce as a strategic advantage. Thus organizations should go beyond what is required by the law and what is encouraged by social justice, to fully integrate every member into their corporate culture and leverage the strategic advantage diversity capital provides.

Effectively managing diversity allows a company to be more successful and to achieve competitive advantage over others who do not. In order to be successful in managing diversity, organizations must create a company culture that empowers people to be respectful, inclusive, and use their knowledge to expand the company's knowledge base (Lockwood, 2005). Conversely, if managers do not know how to manage diversity, organizational effectiveness is in jeopardy (Hubbard, 2007). This inability to effectively manage the diverse organizational environment would essentially limit the ability of firms to embrace the innovation that is absolutely essential for developing and maintaining sustainable competitive advantage in a global economy and market place that requires innovative product and service delivery processes and systems.

It is important to note that while published studies such as, Lauber (1998), point to research that indicates a correlation between a company's commitment to diversity and a positive influence on its bottom line, more detailed look at other research including, Boyette, 2009, indicate mixed results. While it is true that there are some companies that have made the commitment to diversity who have not seen any positive impact on their bottom line, as highlighted in, Ely & Thomas (2002), questions regarding the driving forces behind the mixed results remain unanswered.

In 1991, Roosevelt Thomas (1991) published 'From Affirmative Action to Affirming Diversity' which gave strong evidence for incorporating diversity initiatives into the workplace. The study found that while ethnic minorities, immigrants, and women now comprised more than half of the workforce, prejudice in workplace practices remained a widespread problem. The study also argued that the push for assimilation should be avoided as most immigrants wish to retain their cultural heritage and identity, even as they embraced the pursuit of their organizational goals of achieving and maintaining competitive advantage.

Indeed, as shown in, Ely and Thomas (2002), research suggests that companies that only adopt an approach to diversity that values all differences (differentiation) or those companies that on the other hand take a "we are all the same" approach (assimilation) do not see positive impact to their bottom line. However, those companies that combine the two approaches (integration) do indeed achieve and enjoy the resulting positive impact on their bottom line as reflected by their increased innovation, profitability and value creation. Among other things, the research demonstrates that leveraging diversity is a necessary skill set that must be acquired if the organization is to be successful in its mission. But the question regarding how diversity can be leveraged remains and important area of inquiry.

If as the amicus brief in the University of Michigan case suggests, corporations depend on academic institutions to supply it with qualified people, then business and management schools are also in a very unique position to provide corporations with the people and knowledge needed to leverage diversity in the quest for sustainable positive impact on the bottom line.

In the article "Business Schools Expand Global Reach," Walker (2006) recounts how businesses are looking to business schools to fill their need for expertise in the use of business intelligence. Similarly, businesses looking to improve the return on their diversity investment could do worse than to look to business and management schools to produce executives and managers who have the knowledge and skill to leverage diversity in the drive for strategic competitive advantage.

HISTORY

Historically, the foundation for many employment related laws began with the Fair Labor Standards Act (FLSA). The Fair Labor Standards Act, enacted in 1938, applies to workers involved in interstate commerce or employed by an enterprise engaged in commerce or in the production of goods for commerce (US Dept of State, 2005). It governs applicable salary and overtime requirements set out by the federal government. Although faced with dramatic alterations over the years, the Fair Labor Standards Act still stands as the preeminent tool for enforcing and protecting the rights and wages of non-exempt employees in the American workforce. However, FLSA regulation does not address the changing American workforce but provides specifics on exactly what type of time was considered compensable work time including duration of work days and breaks an employer must provide.

Diversity and Public Policy

Executive Order 9981, July 1948, one of the first executive orders to address diversity, stated 'equality of treatment and opportunity for all persons in the armed services without regard to race, color, religion, or national origin' (Cunningham, pg.64, 2002). Executive Order 10590 followed in January 1955, prohibiting employment discrimination in the federal government. Although critical in addressing diversity matters, both these orders focused solely on employment discrimination by the United States Government.

Executive Order 10925, signed in March 1961, encouraging positive measures for employment opportunities in the federal government, was the first time the phrase "affirmative action" was used. In 1963, the Equal Pay Act declared equal pay for equal work regardless of gender. Initially all legislation dealt with race but gradually progressed to protect different groups, such as the disabled, genders, different national origins, and families (Cunningham, 2002). Affirmative Action was defined as 'positive steps taken to increase the representation of women and minorities in areas of employment, education, and business from which they have been historically excluded' (Fullinwider, 2009).

Affirmative Action, Title VII, the Civil Rights Act of 1964, extended Executive Order 10925 to include programs receiving federal funding and made it unlawful for business to refuse to hire or fire anyone based on their race, color, religion, sex or national origin. Affirmative Action ensured minorities were given the same opportunities in terms of career growth, financial stability and acceptance as Caucasians (US Department of State, 2005). Minority groups, historically discriminated against, were underrepresented in certain occupations and management- their representation disproportionate to members of majority groups. Affirmative action was seen as a way to balance disproportionate representation.

From this platform of prohibiting discrimination, stemmed additional anti-discrimination acts pertaining to equal employment and fair practices. Following the Civil Right Act, the Executive Order 11246 (September, 1965) amended Order 10925 to include gender in the protected group. The Age Discrimination in Employment Act of 1967 (ADEA) protects individuals who are 40 years of age or older from employment discrimination based on age. The Immigration Reform and Control Act of 1986 prohibits employers from discriminating against citizenship status. Enacted to prohibit discrimination against a person with a qualified disability, Title I of the Americans with Disabilities Act (1990) defines a disability as a physical or mental impairment that substantially limits one or more major life activities.

Executive orders and other legislative acts during this period were aimed at 'fixing' discrimination and creating employment opportunities. Indeed, the Equal Employment Opportunity Commission was formed in the 1960's to enforce different federal antidiscrimination efforts (Highland, 1999). Today, the Equal Employment Opportunity Commission (EEOC), an entity of the federal government, enforces Title VII as well as the above referenced anti-discriminatory pieces of legislation.

Affirmative Action

Antidiscrimination acts and affirmative action are credited as positives step in discouraging discrimination and increasing the representation of women and minorities in areas of employment,

education, and business - respectively. Certainly, Title VII was milestone legislation; however, even today, affirmative action generates intense controversy.

Title VII, Affirmative Action, led to a torrent of discrimination lawsuits filed with the Equal Employments Opportunity Commission (Anand & Winters, 2008). Between 1990 and 2001, thirty-four companies paid at least $10 million to settle lawsuits based on gender or racial discrimination (Bradford, 2005). In 1994, two of America's best known companies settled discrimination lawsuits for close to $200 million each: Texaco settled a high profile racial discrimination lawsuit for $176 million; five months later Coca-Cola settled a racial discrimination lawsuit for $192.5 million (Bradford, 2005).

Not surprisingly, many corporations implemented diversity initiatives, including diversity training programs (Hutchens, 2007). During this time, an overwhelming amount of organizations turned to diversity training to help with adherence to legislation. Executives, managers, supervisors, and employees attended seminars or workshops of varying lengths to learn how to eliminate or overcome their reliance on stereotypes (Dobbin, Kalev, & Kelly, 2007).

During this era, organizations viewed diversity in the workplace as simply an issue of compliance to the legislative rules and regulations. According to Dipboye and Jayne (2004) companies spend an estimated $8 billion dollars on diversity training. These training sessions were typically short and simple, primarily a list of do's and don'ts. This, however, didn't resound well with the majority (white males) who felt excluded and that preferential treatment was given to minority groups. Additionally, the majority group had difficulty seeing how diversity would benefit business (Anand & Winters, 2008).

Diversity consulting firms may have made money during this process but did companies increase their diversity competence? A study published by Dobbin, Kalev, and Kelly (2007) declares that this type of training is ineffective; concluding that training which focused on trying to address an individual's use of stereotypes to make decisions had little if any effect on increasing the diversity of a company's management ranks. The research analyzed decades of federal employment statistics provided by companies on forms submitted to the Equal Employment Opportunity Commission. Analysis found no significant change in the representation of females and minorities after companies sent their employees through diversity training (Dobbin, Kalev, & Kelly, 2007). The study concluded that diversity training is not worth the millions of dollars spent on it (Dobbin, Kalev, & Kelly, 2007).

Indeed, it is argued that Title VII did not cause the use of affirmative action in the private sector workplace; but, rather, whatever progress in racial and gender diversity was made in the workplace was mostly due to the efforts of employers. "Affirmative action policies adopted by federal contractors and public colleges were government products, but this was not the case in private employment (Williams, 2005, Abstract, pg. III)." Rather, large, powerful firms voluntarily adopted affirmative action due to business need - in response to their needs for predictability in human resources, marketing to minorities and women, and a desire to be good corporate citizens (Williams, 2005).

DEFINTION

Simply, diversity is about the differences we all have as humans (Parvis, 2003). Diversity, rooted in social justice philosophy and civil rights legislation, can elicit an array of emotional responses and a collection of meanings. Recently, in 2008, a survey of human resources and diversity managers by the Society of Human Resources Management asked how they defined diversity; and, at least eight definitions surfaced (Anand & Winters, 2008). Out of these respondents, 71% said that the organization they work for did not have an official definition of diversity.

Unfortunately, many individuals limit their view of diversity to specific or narrow attributes, such as, race or ethnicity, but modern definitions of diversity have expanded beyond simply gender or race. Researchers have greatly expanded the definition of diversity to include a vast array and variety of cultures, ethnic groups, physical features, languages, opinions, socio-economic backgrounds, religious beliefs, gender identity, and thought processes within any single population. Cox (1991), author of Creating the Multicultural Organization, defines diversity as 'the variation of social and cultural identities among people existing together in a defined employment or market setting.' Cox and Smolinksi (1994), co-authors of Managing Diversity and Glass Ceiling Initiatives as Nation Economic Imperatives, defined diversity as 'the representation of people of different group identities in the same organization social

system.' The more encompassing the definition, the more apt it is to capture the meaning behind diversity.

Another view of diversity stems from utilization. Certain scholars view diversity as more of an active verb, and less of a noun. Plummer (2003), author of the Handbook of Diversity Management: Beyond Awareness to Competency Based Learning, states the key to diversity is the 'valuing and managing of differences in such a way that the results lead to inclusion' (Plummer, 2003, p.10). This definition, although slightly vague, is extremely important in attempting to define and analyze diversity as it applies to strategic advantage within an organization. 'In an organizational framework, diversity refers to making use of and leveraging human differences toward organizational effectiveness and productive business goals' (Plummer, 2003, p.13). This view is concerned primarily with organizational benefits that diversity can supply and less with foundational differences between people.

Loden and Rosener (1991), authors of Workforce America! Managing Employee Diversity as a Vital Resource, outline categorical differences between primary and secondary dimensions of diversity. Loden and Rosener (1991) defined primary dimensions of diversity as 'those immutable human differences that are inborn and/or that exert an important impact on our early socialization and ongoing impact throughout our lives' (p.18). Primary dimensions of diversity would include age, ethnicity, gender, physical abilities/qualities, race and sexual orientation. Secondary dimensions of diversity contain elements of control and are things that can be changed such as educational background, geographic location, income, marital status, military experience, parental status, religious belief and work experience. Both dimensions carry significant weight in analyzing individual diversity, and how each person defines their understanding of the world including how they socialize and react to others.

MacLearen (2010) further expanded the dimensions of diversity to include visible, secondary, and work diversity. MacLearen defined visible dimensions as personality and work style; secondary dimensions include religion, socioeconomics and education; and work diversity includes job classifications such as supervisory or staff and union or non-union. Indeed the Dimensions of Diversity established by Gardenswartz (2003), define 24 dimensions of diversity. The four broad categories of the dimensions are: personality, internal (such as: race, age, gender, sexual orientation, and ethnicity), external (such as: income, marital status, and religion), and organizational dimensions (such as: management status, union affiliation, and seniority).

For the purpose of this paper, which is focused around diversity in the workplace, diversity can be defined as a "collective mixture characterized by differences and similarities that are applied in pursuit of organizational objectives" (Magazine Publishers of America, 2000). In this organizational context, diversity is managed by planning, organizing, supporting and directing these shared differences in a way that adds measurable value to organizational value and performance.

DEMOGRAPHICS

Early in the 1990's organizations began to realize that the face of the general workforce was rapidly changing due to increased patterns of migration. This amplified interest was largely due to vast publications of literature stating that the workforce in 2000 would be completely different demographically than it was at the time (Walton, 1999). Norma Tombari, Royal Bank of Canada acknowledges that, 'Now everyone has access to global talent; you have people coming from various parts of the world. We like to say global is local (Sankey, 2009, p 14).' Indeed, in 2002, there were over one million immigrants to the United States from over 48 countries, representing a four-fold increase during the past forty years. An estimated 10 percent of Americans speak a language other than English at home (United States Census Bureau, 2000; United States Citizenship and Immigration Services, 2003).

Table 1, US Government Census Data, American Community Survey (2006-2008) illustrates origin demographics in the United States. The concept of race as used by the Census Bureau reflects self-identification by people according to the race or races with which they most closely identify. These categories are socio-political constructs and should not be interpreted as being scientific or anthropological in nature. Furthermore, race categories include both racial and national-origin groups.

In the United States demographic trends point to a multi-cultural environment (Stevens, Wallace & Hunt, 2009). Certainly, the 2008 Census Bureau projections acknowledged that the nation will be more

racially and ethnically diverse by midcentury (Berstein & Edwards, 2008). Minorities are expected to become the majority in 2042, with the nation projected to be 54 percent minority in 2050.

By 2050, the minority population is projected to 235.7 million out of a total US population of 439 million. From 2008 to 2050, the Hispanic population is projected to almost triple, from 46.7 million to 132.8 million - nearly one in three U.S. residents will be Hispanic. Conversely, the non-Hispanic, single-race white population is projected to be only slightly larger in 2050 than in 2008 (Berstein & Edwards, 2008). As population migration increases, firms will be able to hire from a diverse employee pool.

TABLE 1
US GOVERNMENT CENSUS DATA, ORIGIN DEMOGRAPHICS, AMERICAN COMMUNITY SURVEY, 2006-2008

U.S. Census Bureau	United States	
	Estimate	Margin of Error
Total:	301,237,703	*****
White alone	223,965,009	+/-63,750
Black or African American alone	37,131,771	+/-28,694
American Indian and Alaska Native alone	2,419,895	+/-14,633
Asian alone	13,164,169	+/-17,493
Native Hawaiian and Other Pacific Islander alone	446,164	+/-6,518
Some other race alone	17,538,990	+/-58,473
Two or more races:	6,571,705	+/-45,246
Two races including Some other race	1,338,960	+/-20,598
Two races excluding Some other race, and three or more races	5,232,745	+/-33,900

Source: U.S. Census Bureau, 2006-2008 American Community Survey. Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to non-sampling error. The effect of non-sampling error is not represented in these tables.

Changing demographics of the workforce, coupled with equal opportunity laws, signify that diversity in the workplace is increasing and, sooner or later, will percolate up through management (Simmons & Pelled, 1999). With demographic shifts, global workforces are created and they must be recognized and managed (Barak, 2005).

In light of these trends and projections, it will become a necessity for organizations to at least acknowledge diversity, if not embrace it. By not adhering to diversity driven hiring, businesses and corporations may also be short on talent as a multitude of workers with exceptional capabilities and qualifications might be overlooked. With the current focus on human capital as a competitive advantage, diverse talent has become increasingly important because it allows for companies to have a wider range of knowledge and understanding (Friday & Friday, 2003). Along with this, competing corporations with diverse workforces may hire overlooked employees, resulting in their increased competitive advantage (Slater et al., 2008).

In companies that leverage diversity, the process does not end with recruitment. In addition to a diverse labor pool, business will continue to see increased changes in their customer base. Leading companies are shifting from just focusing on recruitment to including diverse perspectives in developing

business strategy. In Moving toward Diversity, Barbian notes, "The fact that corporate globalism is here to stay turns diversity into a management issue that can make or break your business, and internal harmony within the company walls, with regard to race, gender, disability, age, or economic status, is just as vital as external accord with clients and customers (Barbian, 2003, p 45)."

It is critical that companies consider their workforce structure carefully as the United States is becoming more heterogeneous, which means customer bases are also becoming more heterogeneous (Cunningham, 2002). The Chief diversity officer for Hewitt Associates, Andres Tapia notes, 'Today's biggest trend around multicultural marketing is the awakening that employers have to do it (Choradas, 2009, p 47).' Further, he states, that is not enough; and that they can translate something perfectly and still completely miss the mark because of the inherent messaging trying to be communicated (Choradas, 2009). With a global, diverse customer base, it becomes evident that a diverse workforce will produce a distinct global advantage.

As globalization gains momentum, the necessity for firms to work with diverse groups of people in order to compete in a globally inclusive market becomes increasingly apparent. Employing a diverse group of individuals with knowledge of cultures at both the local and global levels creates a competitive advantage for a number of reasons.

DIVERSITY CAPITAL

As firms began to make a connection between diversity and organizational effectiveness, scholars began to note the power of workforce. In Valuing People! How Human Capital Can Be Your Strongest Asset, Aldisent (2002) noted that human capital, the collective value of the workforce, had become recognized by organizations as the strategic value of the human assets. Human capital became known as the collective value of the diverse capabilities, knowledge, skills, life experiences, and motivation of the workforce (Aldisent, 2002). Also called intellectual capital to reflect the thinking, knowledge, creativity, and decision making that people in organizations contribute, human capital became regarded as intangible assets and possible source of strategic advantage (Kaplan & Norton, 2004).

Levi (2007) echoed the economic self-interest of firms by explaining that diversity increased by design as well. In order to improve relations with customers, organizations began to recruit a more diverse workforce. Products were no longer designed for one group or gender; instead products were developed for all potential customers. By increasing workforce diversity organizations were able to be more sensitive to diverse markets.

With the realization that diversity can bring about strategic advantage, companies have discovered that it's about more than filling quotas. Specifically, firms began shifting their focus to leveraging the benefits that can be derived from employees with different background and perspectives. Cunningham (2002) noted that diversity capital can bring about increased productivity, improved decision making, creativity and innovation along with more effective problem solving, adaptability, learning and performance.

CULTURAL DEXTERITY

The increasing purchasing power of developing countries, such as China and India, cannot be disputed. As the world becomes more integrated, developing countries have seen a rise in purchasing power and income. In addition to China and India, numerous other countries, such as Brazil and Russia, have experienced a significant increase in income over the last decade. Countries such as these represent a huge opportunity for corporations to market and sell their goods and services through exports, and to expand into new markets through joint ventures, as well as entertain direct foreign investment opportunities.

In 2000, world trade was up by 12 percent highlighting the importance of the global customer (Cunningham, 2002). World Wealth Report notes that, "Both GDP and market capitalization gains, particularly in Brazil, Russia, India, and China were strong, capping another impressive year for growth and investment opportunity (Merrill Lynch, 2008, p 2)." By having a diverse group of employees able to "accurately relate" to foreign cultures and countries, a competitive advantage for the corporation is created.

As the world becomes globalized, organizations able to utilize and connect with varying and diverse cultures both locally and globally will have a huge competitive advantage over rivals (Selko, 2008). With customer populations becoming increasingly diverse, business opportunities arrive daily. Diversity capital provides organizations with the ability to reach a more diverse customer base; organizations gain competitive advantage when they are able to map where to market different products because they have the knowledge to understand cultural buying habits (Cunningham, 2002). If a company has diverse talents that understand how their different customer bases and trading partners work they will possess an advantage over companies that do not possess that knowledge (Cunningham, 2002).

Indeed, diversity has been hailed as a means to develop more responsive and adaptive organizations in the globalized business environment (Simmons & Pelled, 1999). In The Business Case for Diversity, Selko (2008), writes, "Cultural dexterity is essential. Leaders and managers must have the ability to move between various cultures and tailor their communications and problem-solving skills in a way that is comfortable for each culture." (Selko, 2008, pg. 50) From a business perspective, being "comfortable" for an individual culture means having an acute awareness and understanding of their traditions, customs, and backgrounds. One reason is the level of familiarity created between employees and customers when both derive from the same background since similar demographic characteristics improve employees' understanding of customers' preferences. Employees who are demographically similar to customers may have an easier time understanding customer preferences and how they change over time (Leonard, Levine, & Joshi, 2004).

In 2005, Turner Broadcasting defined diversity as a core operating principle. This commitment influenced programming and is credited with the highly acclaimed documentaries Black in America and Latino in America allowing Turner to increase their viewer reach and attract an array of new advertisers (Love, 2010). Pfizer also expanded its diversity focus to include relationship building with customers. Using a pioneering effort combining focus groups and career development to support the development and retention of women in India, Pfizer found a platform for both strengthening customer relationships and building community networks (Love, 2010).

Certainly, having diversity within a firm's workforce will provide benefit in entering global markets and overcoming barriers to trade. Access to diverse talent will offer companies unique insight and understanding when expanding abroad. Different countries are motivated differently – cultural aspects of work -which Americans may not understand. An example is Spain where extended (as much as 2 hours) lunch breaks are common, while in the US they take thirty minutes to an hour lunch break. If a US based company were to expand into Spain they would need to understand the culture. Another workplace example of cultural differences is Japan. Corporate position in Japan is mainly focused on establishing brand name and international marketing channels, while the US is heavily focused on quarterly earnings reports (Parkhe, 1991). Companies with a more diverse employee base may find it less difficult to recognize and respond to different cultural norms.

Furthermore, as consumers become increasingly aware of the economic impact corporations have in their communities, they are insisting that corporations hire and do business with people in their communities - that includes utilizing minority business enterprises as suppliers. As a result, supplier diversity has become a business necessity (Brathwaite, 2002).

RECRUITING TO MAXIMZE THE ADVANTAGES OF DIVERSITY

Organizations able to recruit diverse upper management personnel often times are able to improve performance, strategy, strategic change, management turnover and organizational innovation in the organization (Flood, Knight et. al. 1999). The Business Case for Leadership Diversity in Health Care (Dotson, 2008) examines hospitals with diversity in their leadership. These hospitals had higher rates of patient discharges, were able to tend to patients and solve their medical problems more quickly and effectively than other hospitals – thus saving money and contributing to a better financial bottom line. In Industry Week, Director of Leadership Organizational Effectiveness Alfonso Gonzales cites the establishment of a diversity council and the use of inclusion by management as increasing production and innovation (Selko, 2008).

By hiring and making employees from diverse cultures a part of the decision making process, new ideas and recommendations will not be stunted or withheld. As a result, more minds, especially those with

an understanding of other cultures, will be used in the innovative process. Finally, as noted in The business case for commitment to diversity, 'When innovation occurs at the intersection of different fields, cultures, disciplines, activities, and people, diverse workforces can be rich sources of innovation' (Slater et al., 2008, pg. 204). Organizational workforces today are blended and managing those groups effectively will benefit the bottom line (Esty, Griffin, & Hirsch, 1997).

Beyond being a legal mandate and moral imperative, corporate decision makers are recognizing that diversity throughout the organization provides competitive advantage. Yet, finding and retaining qualified employees remains a challenge facing all organizations. This is increasingly true for organizations seeking managers who understand how to maximize the productivity of each person. Focusing on what the employee does well and what they have to offer the organization proves to be more difficult than focusing on what an employee cannot do. Firms able to successfully manage diverse human talents will have major competitive advantage over companies and organizations that do not effectively do so (Cunningham, 2002).

Organizations are finding it difficult to recruit managers equipped with the knowledge, skills and ability to take the essential strategic approach to managing a diverse workforce. Indeed, most companies still find it necessary to train and reinforce managers with the benefits diversity can bring to the organizations.

Diversity is an excellent tool for strategic competitive advantage, when managed appropriately it can set an organization ahead of its competitors. But, where do organizations find leaders and managers equipped to handle the multifaceted issues of diversity facing firms today? Unfortunately, it seems they cannot rely on business and management schools.

EXAMINATION OF DIVERSITY CURRICULUM IN BUSINESS SCHOOLS

Not surprisingly, business school curricula are filled with classes on finance, economics and accounting. With the increasingly narrow focus of MBA programs, students are proficient in the hard skills. However, students, competent in quantitative skills, are finding that using spreadsheets does not always produce good decisions. In a disturbing trend MBA degrees have eliminated strategic issues of leadership, teamwork, and decision-making. Relational and talent-development management skills have been eliminated from most programs. In response to this disturbing trend, business schools have increasingly begun to offer management degrees and management related concentrations. However, conspicuously missing from the curricula offerings is the emphasis on diversity.

Research has begun to surface on the lack of diversity curricula offered by higher education. Helm and Hunt (2009) surveyed 28 universities in California accredited by the Association for the Advancement of Collegiate Schools of Business that offer undergraduate degrees in business and/or management. None of the universities surveyed offered diversity as a concentration or area of specialty, only nine include a course in diversity, and none offer more than one course (Helm & Hunt, 2009).

Again in California, a second study assessed diversity curriculum offerings (Stevens, Hunt & Wallace, 2009) in higher education schools with student enrollment of 0-1000, 1000-9999, and 10,000 and beyond. The results for schools with less than one thousand students indicate that none of the universities included in the survey offer either a diversity concentration or degree. Results for schools with enrollment of 1,000-9,999 indicate that none of the universities surveyed offer a diversity degree. But, one southern California school, Azusa Pacific University, offers a diversity concentration. Finally, results of the survey for schools having 10,000 or more students, show that none of the schools surveyed offer either a diversity concentration or degree (Stevens, Hunt & Wallace, 2009).

If California is any indication, diversity is not a skill that is being widely taught in business schools. California is one of the most diverse states in the United States. If any state would be home to business schools with a strong emphasis on teaching diversity skills, it would appear to be California.

LIMITATIONS

One of the most significant limitations of the research analyzed was the limited size of the sample. Additionally, both research studies cited were limited geographically. Since the research of American Association of Collegiate Schools of Business accredited universities was restricted to Southern

California, the research data may or may not be representative of AACSB universities in the United States or of other international business schools. Likewise, the research study of all higher education schools in California faced the same confines.

Additional research is recommended to determine if the findings presented here are also prevalent in other academic environments. Further research to include other geographical areas would provide a more comprehensive examination of diversity curricula offerings. Additionally, future research may include the effectiveness and competitive advantage of diversity curricula.

FRAMEWORK FOR DEVELOPING DIVERSITY CURRICULUM

If business schools were to develop a concentration in diversity, offerings should strive to develop managers who can be successful at capitalizing on diversity by developing a robust and comprehensive strategic framework, with the recognition that today's organizational workforces are blended and managing those groups effectively will benefit the bottom line (Esty, Griffin, & Hirsch, 1997). It is important for business and management curriculum to reflect the understanding that beyond being a legal mandate and moral imperative, diversity throughout the organization provides competitive advantage.

Indeed, in other for business schools to remain relevant in this changing global business environment, it is crucial that the development of the curriculum for business school programs be geared towards equipping corporate leaders and business managers for success in this evolving global economic environment and market setting. Business school curriculum should therefore incorporate the lessons from the studies discussed earlier, indicating that companies are most successful when they adopt the corporate diversity approach which values the integration of differences and the assimilation of diverse individuals and ideas. In essence, the relevant business school curriculum must emphasize the integrated diversity approach which has been shown to provide the opportunity for companies to reap enormous benefits in value creation and profitability for their stakeholders.

To this end, an on-line course offered by Cornell University provides some guidance with the following course description: "The management of diversity and inclusion has evolved from handling day-to-day compliance issues to leveraging diversity for competitive advantage. Organizations that no longer see diversity as a legal or moral requirement, but as a competitive advantage, have an opportunity to improve performance at the financial, employee, customer, and community levels. Diversity and inclusion practices must be embedded in an organizational culture to make a positive impact on performance. This course summarizes the evolution of diversity and inclusion management; outlines key management practices for improving performance, contextualizes diversity in terms of current challenges, and provides direct linkages between diversity and the bottom line at the organizational and functional levels."

RECOMMENDATIONS

Certainly, a diversity concentration should start with a basic understanding of diversity and the approach to diversity in management decision making. However, if meeting the needs of business is a priority for business and management schools, then diversity concentrations should include such business focus as: recruitment, sales and marketing, and improved team performance. Additionally, diversity can deliver bottom-line benefits for some companies – but only if an organizational culture exists that explicitly acknowledges differences and encourages people to bring all relevant insights and perspectives to their work and decision making framework.

To begin the conversation of designing diversity concentrations, the following types of course descriptions are offered:

TABLE 2
DIVERSITY CONCENTRATION IMPERATIVES

Course Name	Course Description
Diversity for Strategic Advantage	This course introduces the major goals, principles, and concepts of multiculturalism with particular emphasis on its impact on organizational effectiveness. It explores cultural, linguistic, and socioeconomic factors influencing the workplace. This course offers concepts to improve learning and working environments and interaction among employees, businesses, and communities.
Leveraging Diverse Community Partnerships	Students gain an in-depth understanding of the recruitment and retention of diverse workforces. This course gives students practical methods for recruiting employees from diverse backgrounds through the development of culturally sensitive marketing and recruiting materials. It also addresses issues regarding the management, retention, and advancement of employees from diverse backgrounds.
Managing in a Multi-Cultural Context	This course focuses on developing an understanding of diversity and cultural difference. Students examine effective and ineffective management techniques and learn helpful approaches to conflict resolution in multi-cultural work environments.
Cultural Explorations in Global Business	Future business leaders engage their own and others' cultures in the context of a global marketplace while understanding how those cultures may impact the bottom line. Students also investigate the complexities of company demands to increase compliance with international business standards.
Recruiting and Retaining a Diverse Workforce	In leveraging diverse community partnerships, students learn practical methods for developing culturally sensitive marketing campaigns for the purpose of recruiting diverse employees into multiple areas of industry. Also, issues regarding management and retention of employees from diverse backgrounds are examined, including glass ceiling issues.

In keeping with the ever changing global business environment and market place, diversity concentrations should also be designed to incorporate the latest trends, risks and challenges faced by businesses is various strategic decisions and operational processes. Additionally, the curriculum should develop and incorporate measures of inclusion, integration and best practices for building diversity as a core operating principle.

CONCLUSION

Most organizations in the United States of America view diversity in one of two ways; one way is the view of diversity as a way to assure legal compliance. This view limits the opportunity for organizations to reap the benefits of diversity and is more suited to the areas of equal opportunity and affirmative action. On the other hand, some organizations view diversity as 'sensitivity training.' In organizations taking this view, diversity is undervalued because it is viewed as 'soft' and as not contributing to the bottom line. As a result, in many instances, professionals attending diversity training and certification sessions are simply assessed on a pass/fail basis and are deemed competent and/or proficient in diversity issues upon completion of such courses, with no clear indication as to the benefits of such exercises in adding value to the organization. These approaches limit the strategic benefits that the adoption of an integrated diversity approach to management can provide organizations.

The solution proposed here is a more pro-active approach to diversity issues in business organizations. The broad solution is a call to higher education business schools to develop diversity curriculum that will provide future business leaders the diversity competencies they need to manage blended organizational workforces in a continuously changing global economic environment and market place.

The specific recommendation is the development of diversity concentrations as part of business school programs. If business schools were to develop concentrations in diversity, offerings should strive to develop managers who can successfully capitalize on the blended organizational workforce and create diversity capital by developing robust and comprehensive integrated diversity focus and part of the corporate strategic and operating decision framework. Learning outcomes should teach students key aspects of managing a diverse group of employees and the knowledge tools to leverage the talents of a diverse workforce to create tangible benefits.

Many of America's future leaders are developed in its business schools. Thus, the best place to launch a practical diversity curriculum is in the school of business and management.

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