WHY FIRMS NEED DIVERSITY MANAGERS AND TASK FORCES

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Over the past decade, scholars have bemoaned the paucity of evidence concerning the efficacy of corporate diversity programs. We have a long tradition of work on the causes of race, ethnic, and gender inequality in the U.S. workplace, but know almost nothing about the efficacy of inequality-reduction efforts. Some of what we do know is discouraging. Hundreds of studies have now challenged the received wisdom that anti-bias training is the first step employers should take in promoting diversity. A review of those studies shows that anti-bias educational efforts produce negligible change in attitudes, and have never been shown to diminish workplace discrimination.1 The call for evidence-based management has been heard round the world of business,2 and the world of diversity management is no exception.

In this paper we explore the importance of assigning central, managerial responsibility for diversity to individual diversity managers, teams of managers serving on diversity task forces or councils, and to affirmative action plans and officers. Management theory calls for putting someone in charge of any organizational change or task. Quantitative evidence from a study of data on over 800 firms, covering 30 years, show that diversity managers and task forces have strong positive effects on managerial diversity in firms and that affirmative action plans have weaker effects. Historically underrepresented groups show significant gains in the average firm after a manager has been appointed, and after a task force has been appointed. The effects of these programs outpace those of most other diversity initiatives, such as diversity training, diversity performance

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evaluations, and affinity groups for underrepresented employee constituencies.\(^3\)\(^4\) Why is centralizing responsibility for diversity in a single manager, or in a cross-departmental task force, so effective? We draw on interviews with human resources, diversity, and line managers to illuminate the mechanisms behind the efficacy of these approaches.

We identify several features that make diversity managers and diversity task forces particularly effective means of promoting diversity.

First, firms that hire diversity managers or appoint task forces are assigning responsibility to monitors, and this has several effects. A diversity manager or task force stimulates “evaluation apprehension” in managers making hiring and promotion decisions. They know that someone may ask, “how is recruiting at historically black colleges going?” Or may say, “I wish I’d known you had that finance opening—Roberto would have been perfect for it.” Diversity managers and task forces lead people to think more about their own actions. Such monitoring has been shown in laboratory studies to motivate decision makers to take more care to avoid the appearance of bias.\(^5\) In simulated hiring situations, this reduces bias.\(^6\)

Second, by making managers responsible for diversity, firms ensure that someone oversees that new strategies for promoting diversity are carried out as designed. Diversity departments that come up with new ideas for recruitment, training, and promotion can work to put them to practice and follow through to make sure that business units are using them and as planned. On task forces composed of managers from different departments, and representatives of different identity groups, members who brainstorm for solutions can then bring them back to their own departments and implement them.


1. Assigning Responsibility for Diversity

For over a century, management theorists have argued that if you want to make change in a firm, it isn’t enough to announce a new policy. You have to make someone responsible for managing the change, for policy changes that are not built into the day-to-day operations of a firm, or overseen by experts, are often ignored by managers. In firms that do not assign responsibility for diversity goals to a specific office, person, or group, these goals may fall by the wayside as line managers juggle to meet competing demands, of production quotas, financial targets, workforce streamlining, and so on.

To explore the effects of diversity managers, task forces, and other interventions, we employ two methods. First, we present quantitative findings based on data for over 800 U.S. corporations, covering thirty years. The core question the analysis addressed: what happens to the diversity of the management team after a firm has appointed a diversity manager? What about a diversity task force? An affirmative action plan? We show that each such change leads to significant increases in managerial diversity. Second, we use follow up interview data to answer the question: why and how are diversity managers and task forces effective.

2. The Effects of Diversity Managers and Task Forces on Managerial Diversity

We examined the effects of appointing diversity managers, taskforces and having affirmative action plans and officers on the demographic makeup of the management team. We used information from three sources: an original survey of personnel policy in 816 U.S. firms, for 1971 to 2002, totaling at over 18,000 company-years of data, panel data on their

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management composition and federal data on labor market characteristics facing these firms. We present results from panel-data models with fixed effects for year and for establishment. We show the effects of diversity managers, task forces, and affirmative action plans on women and minorities in management, based on a full model of management diversity.

Below we present bar charts showing the percent change (over a 7-year period) in the percent of each of 8 groups in management following the appointment of a diversity manager, a taskforce, and creation of an affirmative action plan.

Fig. 8-1.

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12 Demographic data come from the Equal Employment Opportunity Commission (EEOC) data on workforce composition in private-sector workplaces. All private corporations with at least 100 employees are required to submit annual reports detailing the race, ethnicity, and gender of employees in nine broad occupational categories. We obtained the data from the EEOC through an Intergovernmental Personnel Act agreement.

Fig. 8-2. Percent of Managers who are White.

Fig. 8-3. Percent of Managers who are Black, Latino, and Asian-American.
Figure 4-1 shows the effects of the introduction of a diversity manager or department, a diversity taskforce, and an affirmative action plan on the percent of managers from each group. To make clear what those bar charts mean substantively, we also show the average percent of managers who come from each of 8 groups, white, African-American, Latino, and Asian-American men and women. Figures 2 and 3 display the percent from each group, in the average corporate workplace in our sample, across all observations of the 816 establishments between 1971 and 2002.

The absolute change in the average firm can be roughly calculated by multiplying the percent change from figure 1 by the proportion of managers at baseline, represented in figures 2 and 3. Figure 1 shows the effect after about 7 years. For instance, a diversity taskforce increases white women in management by about 15%. Thus white women would in the average firm hold about 20% of management jobs before the taskforce is introduced, and about 23% 7 years later, as a result of the taskforce alone (all other organizational features and changes are being accounted for in the full fixed-effects models). The bars represent effects that are statistically significant at the p. < .05 level. That is, there is less than a one in twenty chance that the effect in question appears at random. Diversity managers show significant positive effects on white women, black men and women, Hispanic women, and Asian-American women. Diversity taskforces show a significant negative effect on white men in management, and significant positive effects on all 7 historically underrepresented groups. Affirmative action plans have more modest effects, reducing white men in management and increasing white and black women.

The effects presented here are net of all other changes. In fact, many firms grew during the period, and many increased their managerial ratios. Thus it is rare to find a firm that actually reduced the number of white men in management over time, but in some firms, women and minorities win a growing share of management jobs. White men so dominate management jobs, as we see in Figure 4-2, that slowing their growth slightly, through the introduction of a task force for instance, opens up space for members of many other groups. In fact, multiplying the percent change from figure 1 with their average share in Figure 4-2 shows that even though the change in white men’s percent in management is statistically significant for taskforces and affirmative action plans, its magnitude in numbers is less than 1.
These findings corroborate what others have suggested with lesser and partial data (regarding diversity managers,\textsuperscript{14} regarding affirmative action plans\textsuperscript{15}). At the same time, previous work has shown other interventions to be largely ineffective.\textsuperscript{16} And so here we ask, what is going right with diversity managers, taskforces, and to a lesser extent, affirmative action plans. We zoom in on the practices shown to be effective in analyses of quantitative data and provide a qualitative exploration of the processes involved.

We take up the task of explaining these effects, drawing on history of the origins of diversity management positions, diversity taskforces and affirmative action plans, theory, and a series of interviews we conducted with line managers, HR managers, diversity managers, and affirmative action managers at 89 firms, drawn equally from the Atlanta, Boston, Chicago, and San Francisco regions. We randomly sampled employers in four sectors (insurance, electronics, food processing, and healthcare) in each city to achieve comparability across sub-samples, and a spectrum of different industries with different sorts of workforces. We conducted the interviews in person when possible, using a detailed set of open-ended questions that concerned diversity and affirmative action programs in use, implementation, efficacy, and experience.

Below we change the names of respondents and the companies they work for. Where we draw from the literature we use the real names of firms.

3. Diversity Managers and Departments

General Electric had long been a pioneer in equality of opportunity. In 1935, president Gerard Swope, who had worked his way up from dollar-a-day production helper in 1893, committed the company to fair employment: “There shall be no discrimination by foremen, superintendents, or any executives of the Company against any employee because of race, or creed.”\textsuperscript{17} In 1968, CEO Fred Borch made a film

advertising the company’s commitment to equality and set up a new Equal Opportunity/Minority Relations department. The new office was to pursue GE’s “new, intensified effort to hire and train and, more importantly, to provide upward mobility for the minority citizens of the United States.”

Soon after Washington ramped up equal opportunity enforcement in the early 1970s, experts advised companies to follow General Electric’s lead. The idea was that an equal opportunity office could focus on the problem of opening opportunity and work to counter managerial resistance to change, strengthening “the position of personnel managers in their dealings with operating managers.” As two consultants noted, leading firms were putting in such offices, and giving them close ties to other personnel units, “wage and salary administration, benefits administration, manpower planning, and training and development” to monitor decisions and policies.

When the Department of Labor encouraged federal contractors to establish workforce diversity goals in 1971, it suggested that contractors give someone responsibility for affirmative action: “He or she must have the authority, resources, support of and access to top management to ensure the effective implementation of the affirmative action program.” Companies hired affirmative-action managers, and often gave them departments within Human Resources (HR). One in twenty U.S. employers had an affirmative action office 1970; one in five had one by

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the late 1980s. By then, half of Tennessee manufacturing plants had offices.

In the early 1980s, as the Reagan administration planned to end affirmative action, equal opportunity and affirmative action officers rebranded themselves as diversity managers. Over time the compliance and reporting functions of these offices were relocated, in Compliance offices located outside of HR, often in the corporate counsel’s office. By 2000, the corporate landscape was peppered with Diversity Management, Inclusion Management, or Diversity and Inclusion offices, with Corporate Compliance located under another chain of command in most firms. Compliance offices increasingly focused on writing reports. Diversity and inclusion offices took over the reins, driving programs to promote equality and integration.

The appointment of a full-time diversity manager and departments leads to substantial increases in managerial diversity. What are officers doing? Respondents painted a clear picture, consistent across firms.

4. Monitoring: Do All You Can Do

According to our respondents, diversity managers keep line managers focused on the problem of diversity. That’s their main function. They also design programs, lobby top managers to fund those programs, and reach out to the community for help in hiring and retention of workers. But the main thing they do is to keep managers’ feet to the fire. At Silicon Systems Design, diversity-manager Becky Jackson has to walk hiring managers through novel recruitment strategies. Going through standard channels, she told us, you always get the young white guys. She brings in every resource she can think of, telling managers; “let’s talk about this menu of [programs we have to] support you in achieving your goal” of finding female and minority recruits. “So here are all of the programs we have in place for recruitment, why don’t you focus on some of these, here is the key”—you have to make it easy for them.”

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Becky makes sure they know how to proceed, and have support in hiring women and minorities: “You have to say, ‘here are all of the [recruitment] events you can attend, here are the networks you can tap into.’” She points to hard evidence of success, in the numbers of women and minorities. SSD hired her as its first diversity manager. The key, she tells us, is to follow up with managers so that they know they have support, but also know that someone is looking over their shoulder. Vigilance is her mantra, and hiring is only half of the battle, “you can get anybody hired, but you can’t keep them there unless you overcome other concerns” they have about the workplace, and their acceptance.

Women and minorities “will be first to go,” and so she works just as hard on promoting retention programs, like a council on women’s leadership.

Why do managers need monitoring? As Rachel Brown, the new diversity manager at Atlantic Computer Components explained, “as the organization started to grow, they realized they needed someone in there to really pay attention to […] efforts on diversity” because line managers have too much on their plates. At Global Electronics, business unit chiefs look for the expedient solution to every personnel decision, hiring the first person who fills the bill. By putting a diversity manager in each establishment, Global encouraged chiefs to take the time to look at female and minority candidates. This was less of a problem at headquarters, where executives are not on tight production schedules, and are hiring more senior managers. Headquarters executives “spend probably a good 10 to 15% of their time on diversity” and as a result “they have done a very good job.” But “in the value centers” where products are designed and built, managers “probably spend less than […] 3% of their time” thinking about diversity. Someone needs to keep them focused.

Because the value centers are trying to run their businesses and make money and the corporate level is much more strategic. [HQ] can look at how they are going to drive the change that they need to drive [rather than just], you know, day-to-day fire-fighting.

Local diversity managers make sure hiring managers leave no stone unturned. The diversity chief at a Boston-area electronics firm told us she asks managers to explain themselves when they neglect women and minorities who apply through the job-posting system:

[My] role is making sure that we have not overlooked anybody. [We get] pushback from managers when we have internal postings for jobs, but [my
job is] making sure [the manager] really thought through their decision. I would keep asking—why this person, why not that person?

Diversity managers also monitor suppliers of talent. At California InfoSystems, Kathleen O’Hara keeps open lines of communication between the talent acquisition team and the “HR Business Partners,” who are leaders of local churches and minority groups. The company sends managers to recruit at job fairs and local colleges, but she has to keep up the connection with local schools behind the scenes, to understand “what [local college] populations are made up of, and what the different campus groups” can do to help with recruitment.

At Nature’s Foodstuffs in California, a line manager emphasized how having a diversity officer looking over your shoulder “keeps you honest.”

If you’re a manager, and someone, comes in and they tell you that you had the opportunity to hire 6 females […] for class A license delivery drivers and you chose none of them—I think that’s a process that keeps you fairly honest. There may be all the right reasons for why those folks don’t work here. But I think it keeps you honest from the standpoint of “we just need to understand why, so we can explain it to [the higher-ups].”

Nature’s has built the job of data-gathering into its recruitment and personnel software systems, like a growing number of firms, making it easy to see bottlenecks for women, or dead-ends for minorities, and easy to identify managers who show a pattern of rebuffing female and minority candidates. Affirmative action plans are based on the same idea; look at data.

Such hard data are useful. As the diversity manager at Georgia Peach Foods told us, her job is to make managers look at the pattern of their decisions,

What I am tracking on a month to month to basis, it’s how we are doing on the professional workforce. Right now we are sitting at 50% women and 36% people of color. And so we think that’s the right thing to track because that’s where you are making […] discretionary decisions […]. And […] you know you got a plentiful pool but it’s what [managers] are doing to move folks continuously up the ladder, what [they’re] doing around growth and advancement […] so that’s really how we measure [progress].

The monthly metrics allow her to identify which Georgia units are failing to hire female or minority applicants, which have problems with retention, and which aren’t giving women and minorities a chance to move
up. She can also see which managers are doing a particularly good job and reinforce what they are doing.

So diversity managers monitor managers and keep them focused relative to other goals and pressures they face; have an insider knowledge and a broad view of the processes and pitfalls in the integration and retention of women and minorities; outreach to local community/schools and follow trend data over time. Diversity task forces provide monitoring as well, but they bring together business leaders every few weeks, and can’t provide the day-to-day monitoring of recruitment, hiring, promotion, and retention efforts of individual managers. Yet with good data, they too can see where problems begin, think of creative solutions, and bring those solutions back to their departments to be implemented.

5. Diversity Task forces

At General Electric, Frank Toner, head of the 1969 Equal Opportunity/Minority Relations Office, set up an executive policy advisory panel, a panel of middle managers, and a panel of minority professionals to oversee equal-opportunity efforts “from the point of view of minority interests.”26 Those panels put together 27 different task forces charged with evaluating what other companies were doing, reaching out to community leaders, writing guidelines for dealing with federal affirmative action oversight, tracking current equal opportunity law, setting up management training in “social awareness,” and evaluating affirmative action programs.27 Toner’s task forces did much of what diversity managers do today.

From the early 1980s, personnel consultants promoted diversity task forces composed of department heads and representatives of different groups to identify problem areas—recruitment of minority nurses, retention of female engineers—and brainstorm for solutions. Task forces are typically charged with studying the problems of recruiting, retaining, and promoting workers from different groups; recommending remedies; and monitoring implementation and progress toward goals. Thus the diversity task force at the accounting and consulting giant Deloitte &


27 Ibid. p. 934.
Touche set up a series of ongoing groups responsible for analyzing the gender gap, recommending remedial steps, and establishing systems for monitoring results and ensuring accountability.\textsuperscript{28}

Initiated by management, most task forces are on-going, but some are charged with a task and given a deadline. In 1995 IBM CEO Leon Gerstner created 8 task forces, to study problems faced by Asian, Black, Gay and Lesbian, Hispanic, Native American, Disabled, Women, and White Male employees, and gave each six months to recommend solutions.\textsuperscript{29} Most firms staff task forces with executives alongside representatives of different workforce groups, but some have external task forces. In 2000, Coca Cola’s $192.5 million settlement of a race discrimination class-action suit called for 7-member external task force, chaired by former Labor secretary Alexis Herman, to hold the firm’s feet to the fire.\textsuperscript{30} Deloitte’s Cook set up an external task force under former labor secretary and Glass Ceiling Commission head Lynn Martin to monitor the firm’s progress. Martin argued that an outside monitor plays an important role: “Because I’m outside the firm, employees can say things to me that they wouldn’t necessarily say to their bosses […]. Partners listen to me in a different way.” External diversity committees are few and far between, and hence we cannot assess their effects quantitatively.

Most diversity task forces are formed by the CEO, with executive members recruited by the CEO and representatives of different constituencies who volunteer or are similarly recruited. At Gant Electronics, the CEO relied on leaders of an internal social movement. Young black workers began to meet to discuss inequities by 1970, and in 1971 sales representatives brought a suit against the company.\textsuperscript{31} Pleased with corporate response they dropped the suit, but self-help group members in different divisions were integrated into the management-led Diversity Advisory Councils, charged with proposing solutions.

Most task forces include department chiefs with a broad view of the firm who have the clout to implement changes. Many of them white men. FedEx’s Corporate Diversity Council is typical -- an agglomeration of unit

heads and representatives of minority groups. American Airlines has an unusual structure; its Diversity Advisory Council is more of a United Nations of resource groups, made up of 30 representatives of American’s different groups. IBM’s eight 1995 task forces had a novel structure.

Each group focused on issues faced by a particular constituency, and had a senior executive sponsor who was a direct report to the CEO, at least 2 co-chairs from the constituency group, and 15-20 executives from the constituency representing different business units.

Task forces maintain close connections to HR, and keep close tabs on HR data. The IBM task forces could see current workforce composition, as well as retention and recent hires, by business group. Most task forces meet monthly, and review personnel regularly, if not at each meeting.

By the late 1980s, leading consultants were recommending task forces as a miracle drug. When Du Pont Merck Pharmaceutical faced reports of discrimination in 1988, division manager Kurt Landgraf set up a 10-member task force to look into the matter. When Wall Street firms faced a series of discrimination lawsuits and a round of bad press in the early 1990s, consultants prescribed task forces. In “Is Wall Street Finally Starting to Get It?” Business Week noted that firms like Merrill Lynch, Goldman Sachs, and Solomon Brothers had poor records of keeping and promoting women and minorities, and pointed to diversity task forces as the most promising remedy. Morgan Stanley hired a full-time diversity consultant, and created a diversity task force headed by William M. Lewis Jr., an African-American managing director. By 1991, one-third of

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America’s biggest firms had task forces. Today the Association of Diversity Councils sponsors regular meetings, reports, and studies that help companies to set up diversity task forces.

6. Business Leaders on Diversity Taskforce: Making Managers Responsible

What do task forces do? Much of what diversity managers do, but with less capacity to monitor everyday implementation and with greater capacity to brainstorm and develop site-specific solutions.

In 1991, Mike Cook, Chairman and CEO of Deloitte and Touche noticed a discrepancy in retention between men and women. For 10 years, half of Deloitte’s rookie professionals had been women. But retention rates for men and women diverged sharply. Cook realized that “since 50% of the best hires were women, [Deloitte’s] disproportionately low promotion and retention [rates for women] were diluting the quality of the partnership.” Deloitte set up an ongoing Task Force on the Retention and Advancement of Women, charged with solving the turnover problem.

Cook himself was the ever-present task force chair, and brought on board leaders from across the business. The task force’s first study showed that women were not being mentored, did not get the plum assignments (they were clustered in non-profit, low-profit-margin work), and suffered from work/life conflicts due to the 24/7 expectations of clients.

The task force planned a Women’s Initiative to solve these problems, but insisted on two things. The firm wouldn’t have a one-size-fits-all solution, and implementation would reside with line managers, not with HR. Cook’s solution team gave operational managers at each location the job of figuring out site-specific solutions. Each was asked to produce: an annual plan for the Women’s Initiative, including its status in relation to a number of benchmarks such as number of women, gender gap, female promotions, female partner promotions, and flexible work arrangements.

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39 http://www.diversitycouncilconference.com/agenda.html;

Offices were asked to complete a self-assessment of their achievements in the past year, and set goals for each benchmark for the coming year. In addition each office described in detail the actions it planned to take to achieve each of its stated goals.\(^{41}\)

The company found that decentralization and local accountability were the key to the program’s success, “we didn’t know how Dallas was different from Denver was different from Des Moines. Instead we said, ‘Here is the goal. Here are a bunch of ways to get there. How you get there is up to you. Any help you want, we’ll give you.’”\(^{42}\)

Local offices were encouraged to learn from each other and to compete: “Offices were compared to one another, as well as to their progress in relation to their own goals. […] The results of the office plans were distributed firm wide.”\(^{43}\) The Women’s Initiative was followed by a sharp increase in success for women at Deloitte. By 1995, women made up 23% of senior management. Between 1993 and 1999, the ranks of women partners in the U.S. rose from 88 to 246. The program reduced turnover significantly for men and women alike, which Cook credited with a 30% increase in Deloitte’s size and increased industry competitiveness.\(^{44}\)

At Global Electronics, as at Deloitte, the HR Director argued that the group’s success was a result of the strategy of appointing task force members who were business unit leaders, responsible for change. Those leaders have the authority to make changes, and they can take recommendations back to their units and put them to work: “each of us who are representatives for our business bring that—whatever the actions are—back to the business. We support the different initiatives” in the firm’s different establishments and business units. The diversity manager at Global Electronics put her task force’s success in developing these initiatives down to “brainstorming.” They look at the data to identify areas of weakness, but everyone in the company knows that the weakness is in finding female, black, and Latino engineers. Eighty percent of managers are promoted from within. Non-professional workers are not the problem, for production lines are majority-female and in many locations, majority-minority. The problem is engineering. The Global Diversity Task Force began tracking data on each establishment in March of 2007, when it was set up. Recruitment was identified as priority number one. Global had a

\(^{42}\) Ibid.
\(^{43}\) Ibid.
\(^{44}\) Ibid. p. 498.
strong college recruitment program, but the data showed that Global wasn’t making lateral hires of women and minority mid-career engineers.

The taskforce identified professional associations as a possible source, and began work with the Society of Hispanic Professional Engineers (SHPE) and the Society of Women Engineers (SWE), sending a cadre of Global female and minority, as well as white men, engineers to meetings around the country setting up special events. Soon Global was hiring female and Latino mid-career engineers to fill out the ranks.

At Atlanta Hospital the diversity steering committee, chaired by the diversity chief officer, is composed by “everybody”, clinical leaders “we have representation for both the in-patient, the ambulatory, our physician partners”, as well as “our compliance officer, you have marketing, IT [...] legal, everybody who kind of would have a different perspective of what you know”. The 22 person committee “[...] created this full strategy”, looking at the organization and identifying 4 areas of focus:

We said what are we going to do around community outreach. So again as we think about what the community of Atlanta looks like, we need to be sensitive to that community. We looked around about employee and organizational development so again every employee needs development and what are the different types of things that we need to focus on because again if you look at minorities in general, minorities a lot of times tend to get in a low work level jobs and so what are we doing around helping them to grow in advance and develop so that they can get out of those jobs and again emerge within our system so we really focused on that. Then we looked at internal communications and again just that whole messaging and what is our messaging going to be around. And so we really came up with the strategy around the different types of things we wanted to reinforce [...].

The committee evaluated the Hospital’s recruitment and developed new recruitment strategies including outreaching to veterans “we said the military is I mean that's they say the most diverse organization in the country right so the military is a great place to really go after diversity.”

And to Masters in Healthcare Administration programs in 20 colleges and 7 states, instead of their past recruitment from a single college in Georgia. Developing site-specific solutions was also key: Global has over 100 locations worldwide, each with its own set of challenges.

In many consumer-facing industries, task force members told us that they could get buy-in from business leaders by making the case that diversity was key to the firm’s success. In the words of LifeForce Insurance’s HR Chief, the council “leverages” diversity to help make LifeForce “a vibrant and effective contender” in markets. When he
initiated the councils in 2005, that was their charge. For the headquarters council, the CEO appointed, “19 senior managers … who represent all branches of the organization.” Part of their strategy is to ensure that diversity is integrated in everything we do, in marketing when it relates to the products that we sell, and in communications. It relates to the talent we bring in, leveraging our employee network groups. It includes the programs and the processes that we provide for our employees, and the results for building and growing up our brand.

LifeForce’s task force was charged with increasing female and minority sales associates, to appeal to new groups of life insurance consumers, and with diversifying product development, marketing, and actuarial groups with the mantra that life insurance companies need to look like their clients. At Atlanta Hospital the diversity committee included marketing and internal communication representatives

marketing is all about how we are branding Children’s as an organization both in Atlanta as well as nationally and so they have to be thinking about their advertising and what they are dealing. Then you have got our internal communications and what does the messaging need to look like and new brand, our big focus this year for us is our branding to employees, to future employees where do we want to position [Atlanta Hospital].

LightCo provides another example of a broad diversity committee that takes responsibility for change and examined specific problems and solutions. The LightCo diversity council consists of “…about 25 people on the council and across the company, across different business units… so we’ve got people from director level down to frontline level, different locations […] we need business people [on the committee]. This is not an HR-owned initiative, this is a business initiative. It’s kept the business people educated and involved”. The team has initiated a mentoring program affinity groups and supplier diversity programs but it also tackles issues and challenges that come up and are specific to the firm “We’ve taken a look at work/life balance issues. At the moment, we are tackling some of the differences between hourly vacation policy and salaried vacation policy, issues come forward. At the moment, there is the question about, at one of the plants, the hourly population has been offered three vacation days in their first year whereas the salary employee gets two weeks. It’s a big difference…”. Another issue that came up by the LGBT network was domestic partner benefits

We had a marketing person, a finance person and myself and we did a lot of research and we put a presentation together to take to the executive
committee requesting that the company support domestic partner benefits. This is a company that had said repeatedly over the past five years, we will never do this. We’ve got the presentation in front of them. We’ve laid it out, look, you’ve got $641 billion of spending power out there, you’ve got these changes in country wide statistics in terms marriage, you’ve got, blah-blah-blah. And by the way here are these three slides of logos from other companies, these are your customers, these are your competitors and these are your partners. Now what do you think? We made the business case for providing domestic partner benefits.

The research and framing as a business case was successful and the company approved domestic partner benefits.

7. Tracking Success

Respondents told us that diversity managers, and task forces, shared one real strength—the focus on tracking success, and adjusting course when adjustments are needed. The diversity manager at Atlanta Hospital summed a long list of initiatives by saying

And then we kind of just looked at over the last 5 years based on the things that we are doing, are we doing anything better and you can kind of say back from 2002, our Caucasian population of the employee was 64% and now it’s 56% which tells us we have spread into other areas which is good. And then on the leadership, you can see again back in 2002, we only had 16% of our leaders were black and now at the end of 2006, we were up to 23%.

The key to success, says an HR manager who sits on the diversity task force at multinational Global Electronics, is not just to have the right people on the task force, but to track data so that the council can assess progress and adjust course. “We call it our diversity metrics, how we measure how we are improving diversity at [Global]. Each ‘value center’ has two metrics that they follow. One is to improve gender representation […] And the other is up to the value center” to choose. The second metric depends on the site; “in Asia and Europe [the second metric] is international experience or country of origin.” For the two metrics, the local diversity council gets monthly progress reports so that it knows when its innovations are working and when it needs to go back to the drawing board. U.S. operations also get reports on the number of women and minorities on candidate slates for hires, by rank, and success in appointing women and minorities. The worldwide council holds monthly conference calls and quarterly meetings to assess progress and develop new strategies.
Good data on diversity at the unit and job level permitted Global’s worldwide diversity committee to push diversity metrics down to individual facilities; “so we rolled it out […] about 20 questions [on] where your baseline is” in terms of diversity programs and policies “we don’t do this, we do this […] you measure yourself—anything from staffing to mentoring to different activities of support.” The rubric includes an analysis of workforce diversity by rank, to assess the corporate goal of improving “overall performance on our [workforce diversity] score card by 10%.”

The global task force tried to get local managers on board by letting them choose strategies to use, and set intermediate goals; “Initially the managers were very reticent because it was new, and they are like ‘you know this isn’t my job’ […] but its gaining buy-in” over time. HR helps them to think through implementation, “‘I can see how this could help you’ […] or ‘you know this is what this is for.’” The local managers get diversity targets, and a tool-kit of strategies to implement. The buy-in has worked, “our results [show it]. We have achieved our results every quarter, which was a 10% improvement” in diversity.

Across the managers we interviewed, these themes appeared consistently. What made diversity taskforces successful was their approach of making business leaders and line managers responsible for change rather than giving all of the heavy lifting to HR, and capacity to use site-specific knowledge to develop local plans for diversity and the focus on tracking change.

8. Affirmative Action Plans

The precursors to today’s diversity managers, taskforces, and the blueprints for promoting diversity that they develop, were affirmative action officers and the written affirmative action plans they put together.

Most of the plans were found in federal contractors, for contractors alone were subject to federal affirmative action edicts. But many non-contractors, and aspiring contractors, developed their own affirmative action plans. We argue that although these plans and the officers behind them provide the kind of data tracking that contribute to the success of diversity managers and taskforces, their effects have been weakened by three things; a tendency to outsource plan production, the isolation of the affirmative action function outside of the personnel function, and the corporate tendency to bury formal affirmative action plans.

Corporations began to develop written, affirmative action plans in 1971, in response to Department of Labor guidelines requiring federal
contractors to prepare plans. Every corporate affirmative action plan would include a “workforce analysis” detailing the race, ethnic, and gender composition of every job in every department. An “underutilization” analysis was to compare the firm’s labor composition with the area labor pool and identify employees who could be upgraded through training and reassignment. Management experts championed the workforce goals and timetables required by the plans as a way to focus attention on the issue. Affirmative action plans were developed by the unit that oversaw equal employment opportunity and affirmative action compliance, typically the personnel department in small firms and the equal opportunity office in larger firms. That unit looked at progress toward goals annually in preparing the plan.

By most reports early affirmative action plans, overseen by affirmative action officers, were successful among federal contractors. As a veteran manufacturing manager argued, affirmative action plans with concrete goals were key, for managers are trained to work toward a goal: “You have to understand the sort of climate you’re working in. We have all sorts of priorities and unless you give us numbers and dates, nothing will ever get accomplished. It’s just easier to fill a job with a male applicant than to go out of your way to look for a woman.” But in the 1980s, the Reagan administration walked back federal oversight of affirmative action, lessening government pressure. In 1981 Labor Secretary Raymond Donovan proposed that only the biggest federal contractors should have to write affirmative action plans. The threshold would rise from 50 employees and $50,000 in federal contracts to 250 employees and $1 million, reducing the number of companies covered from 16,767 to 4,143. Reviews of contractors in advance of large awards would be cut. These changes would have gutted the affirmative action system designed by the Nixon administration. While opposition from the EEOC and Congress led Reagan to scuttle the plan in 1983, the effect of the change in atmosphere was evident. Employers reframed their equal opportunity and affirmative action plans with the language of diversity management.

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and stopped talking of federal regulation as the driving force behind the programs.  

Thus while affirmative action plans might be expected to have effects similar to those of diversity managers, their power has been sapped by the retrenchment of affirmative action enforcement. That retrenchment has caused firms to back away from the regulatory rationale for promoting equality of opportunity, and to reduce the authority and power of affirmative action compliance administrators. Weakened enforcement contributed to three important changes in the corporate administration of affirmative action.

The three changes, detailed below, have meant that those responsible for affirmative action no longer monitor day-to-day personnel decisions, because they are located outside of personnel; they do not assign responsibility for change to executives and line managers, as diversity task forces do; they do not engage line managers and executives in brainstorming, as task forces do. The plans involve the tracking of progress on diversity, but progress is tracked only at the time of the creation of the plan, and because the plans remain confidential and are often written by outside experts, tracking progress does not translate into increased scrutiny of the efficacy of new innovations.

First, the affirmative action function was removed from the diversity management unit in most firms, and put in a compliance office or in the chief counsel’s office. At Intercontinental Pharma, we asked who was charged with writing the affirmative action plan: “That would be our Vice General Counsel” who has nothing to do with hiring and promotion, except for when there is a lawsuit. At National Machinery Corporation, the diversity manager told us, “Affirmative action is not really part of the diversity program, although these things are related. But the affirmative action plan is not part of the diversity plan, or not what NMC considers when looking at diversity.” In large firms, those responsible for affirmative action compliance are seldom part of the HR decision-making process and are seldom on the diversity team. Often the affirmative action officer is located at the main office, and has never visited the firm’s biggest establishments. An HR manager at the Boston office of Comprehensive Foods told us, “in the corporate office, there is a full-time compliance officer,” but she is halfway across the country. The affirmative action plan is administered from afar, with the local diversity manager providing whatever information the compliance officer needs. When we

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asked the Chief Diversity Officer at a leading California high technology firm for the name of the affirmative action officer, she replied, “You know, I’m not really sure who that is right now, but I can find out for you.”

Second, the job of producing an affirmative action plan has been outsourced in many firms. Employment law firms now specialize in writing affirmative action plans, and when they do, they write generic plans that do not address the firm-specific problems. Most of the diversity managers at firms we contacted between 2007 and 2012 told us that they now outsourced affirmative action plan preparation. The diversity chief at Comprehensive Foods told us that the plan for each establishment was written by a law firm on retainer to HQ: “We have a legal firm, Preston Harris, that handles writing our plans. We feed them the data. They write the plans. We actually just fed them the data for last year.” At National Packaged Foods, the diversity manager told us that it only made sense to outsource to a single entity: “you have to have them for different facilities or different what-they-call functional business streams so we have about 30 of them,” carbon copies of the original.

Third, the affirmative action plan itself is now frequently a confidential document, not made available to the managers who are supposed to be implementing changes. Firms have become wary of making their underutilization analyses public, for these highlight inequality, and provide fodder to plaintiffs seeking to prove a pattern of discrimination and muckraking journalists. At Country Farms Foods, we asked the diversity manager who has access to the plan:

Interviewer: When you get the affirmative action plan back from the company that you use to put it together, who is in charge of looking it over?

Diversity Manager: The HR director.

Interviewer: And do they ever meet with management to talk it over?

Diversity Manager: I don’t think that is done.

At Bay State Processed Food, the diversity manager told us that the affirmative action plan goes in a filing cabinet when it comes back from the outside consultants:

We’ll have an outside company that actually puts the plan together. So they do all of the analysis and everything so all I do is pull all the data with our HRIS (Human Resources Information System) person and send it over to them. Then they put the plan together. The affirmative action plan doesn’t really drive anything, it doesn’t drive strategy, it doesn’t drive our business, it doesn’t direct really anything; it’s kind of we have to have it
because we have government contracts and we have to have a copy of it on
file here in the office in case we get audited.

Many more companies have affirmative action plans than diversity
managers or diversity committees. But affirmative action plans have, in
effect, been gutted since the 1980s and replaced with more ambiguous
diversity mission statements in many companies. Thus they no longer play
the driving role in equal opportunity efforts that they were reputed to play
in the 1970s.

Unlike diversity managers, affirmative action plans and those
responsible for them no longer monitor hiring and promotion processes.
Unlike diversity task forces, affirmative action plans do not engage
managers in brainstorming for ways to increase diversity and do not assign
responsibility for progress to department heads and middle managers.
Unlike task forces, affirmative action plans and their administrators do not
engage managers in regular review of progress, for while the plans
document progress, they are increasingly prepared by outside experts, and
then filed away.

9. Conclusion

Equal opportunity and diversity experts have been hawking new
structures and practices to promote workplace integration for half a
century now, since passage of the Civil Rights Act of 1964. Yet few
studies have assessed the efficacy of competing strategies for promoting
diversity. In this chapter we seek to understand why select innovations are
effective, first by examining quantitative data on the consequences of
select interventions for the gender, race, and ethnic composition of
management jobs. In our analyses of data from more than 800 firms, over
more than 30 years, the appointment of a diversity manager significantly
increased the representation of five of seven historically disadvantaged
groups in management, and the appointment of a diversity taskforce
significantly increased the representation of all seven groups. The creation
of an affirmative action plan promoted the representation of white women
and black women. Previous studies have also shown that identity-group
affinity networks, diversity training, and diversity performance evaluations
for managers have negligible effects on the diversity of management
positions,51 52 making these positive effects all the more striking.

Assessing the Efficacy of Corporate Affirmative Action and Diversity Policies.”
Next we drew on interviews with line managers, human resources managers, and diversity managers in 89 firms from Atlanta, Boston, Chicago, and San Francisco to understand how diversity managers, diversity task forces, and affirmative action plans function in firms, and why they are so exceptionally effective in promoting managerial diversity. These interviews reinforce some arguments found in the scholarly literature. First, time and again we heard that diversity managers are effective because they monitor the implementation of diversity programs, and oversee hiring and promotion decisions. Second, a number of respondents told us that diversity task forces are effective because they are composed of business leaders and line managers who engage in brainstorming for site-specific solutions to site-specific problems. If the firm is having trouble recruiting minorities, the task force identifies the problem and develops local solutions. Many respondents told us that diversity managers serve a similar function. One thing that diversity task forces can do that diversity managers cannot is to distribute responsibility for implementing innovations, and promoting diversity generally, to managers across the firm. That is precisely what diversity task forces, composed of leaders of departments and business units do. We also heard that diversity task forces are effective because they track progress, and adjust course when progress seems to slow or stall.

Task forces typically look at hiring, promotion, and retention data on a regular basis, by job category and location, to identify problem areas and develop solutions. Diversity managers similarly track changes with data, and this may contribute to their success in promoting diversity as well.

Finally, diversity managers and task forces know the firm well enough to be able to make a business case for the diversity initiative.

We posed the question: Why are affirmative action plans, and the officers responsible for them, not as effective as diversity managers or diversity task forces? We tie their relative lack of efficacy to three changes in how affirmative action planning has worked. First, affirmative action has been separated from the diversity management function in many firms, often situated in the counsel’s office or in a back office reporting to HR.

The result is that the affirmative action officer no longer monitors day-to-day personnel decisions, and no longer oversees diversity programs.

Second, the preparation of the affirmative action plan is frequently outsourced now, the task given over to a consulting firm or law firm that specializes in mass-producing the underutilization analyses that identify

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problem areas, and rubrics for increasing diversity. This means that internal brainstorming is not sparked by or reflected in, the production of affirmative action plans; internal knowledge of the firm is not used to create site-specific solutions; and responsibility for plan implementation is not dispersed among unit leaders and division chiefs across the firms, as it is when a task force is in charge. Finally, in response to concerns about lawsuit and negative press reports, firms typically suppress affirmative action plans, filing them away, or white-washing them to eliminate statistics that would reflect badly on the firm. The result is that executives and line managers often know nothing of the plans, and know little about what they are supposed to do to promote equality of opportunity.

Diversity task forces and managers are no panacea. Even the programs that work best have modest effects, particularly for African-Americans who are poorly represented to begin with. Diversity committees raise the proportion of black women in management by a remarkable 30% on average, but from a baseline of only 1.4%. Appointing full time diversity staff raises the proportion of black men by a healthy 14%, but from a baseline of 2.1%. These programs alone will not soon change the look of management. But through the careful implementation of innovations that have proven effective, and through support for the processes that make them effective we have documented here, managers can contribute to achieving Congress’s vision of equality of opportunity from half a century ago.

References


