

# Diversity and Its Discontents

Diverse workplaces require emotional maturity, and that means confronting "rankism."

by Art Kleiner

**F**or all the progress that has supposedly been achieved in promoting diversity in the workplace, mounting evidence shows that big companies aren't making progress as fast or as effectively as they could. I first became aware of this last May, when I began hearing that women and people of color in responsible positions in large corporations, despite the extra efforts made to recruit and retain them, were increasingly disinclined to stay. *Fortune* recently ran a cover story on the same phenomenon: "It's not that women can't get high-level jobs," wrote reporter Patricia Sellers. "Rather, they're choosing not to."

I also heard some skepticism about conventional diversity training, even from its practitioners. Frederick A. Miller, president and CEO of the Kaleel Jamison Consulting Group, one of the United States' longest-standing consulting firms focusing on diversity and inclusion, recently compared typical diversity training to etiquette class.

"I know a company where someone recently called a black per-

son an ape of some kind," Mr. Miller told me, "so they're sending him to an 'awareness' course. But all they're really doing is simply training him not to use that word."

Perhaps the most compelling recent indicator of discontent with the diversity movement was the release of several academic studies challenging the business case. It turns out that teams with varied gender and ethnic memberships do not necessarily perform better than more homogeneous teams, or even reach diverse customers more effectively. "If you were to draw a bell curve of performance," said Harvard Business School professor David Thomas at a conference in Boston last fall, "you'd find the more diverse teams at the two tails of distribution: either the very high end, or the low end. Homogeneous groups occupy the middle."

One might conclude from such data that there is a fading future for women and people of color in the workplace. Notwithstanding a few outliers like Carly Fiorina at Hewlett-Packard and Richard Parsons at Time Warner, management is still dominated by white, relatively upper-class, technocratically



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mined men — men with "executive-style hair," as Dilbert cartoonist Scott Adams calls them.

But if you came to that conclusion, you'd be wrong for at least two reasons. First, the demographic realities are shifting, particularly in the U.S., in ways that haven't yet been widely recognized. As Mr. Miller points out, the American baby boom generation will start reaching retirement age around 2008. By 2012 or so, unless women and people of color step in en masse, there will not be enough educated managers to fill the shoes of departing executives.

Second, a new kind of argument is emerging about the *reason* women and people of color might feel unwelcome, and the reason some diverse teams perform better than others. This argument is cropping up in several places, but it is most completely articulated in a book called *Somebodies and Nobodies: Overcoming the Abuse of Rank* (New Society Publishers, 2003). The author is Robert Fuller, a physicist and former Oberlin College president who spent most of the 1980s setting up informal contacts between Soviet and American scientists, and who has now resurfaced as a hopeful instigator of what he calls a *dignitarian* movement.

Perhaps this new perspective is just what companies need to finally appreciate the full value of diversity in creating high-performance workplaces, and the necessity of making diversity the top business priority it absolutely needs to be.

#### Rank as Value

To Dr. Fuller, racism and sexism are simply two symptoms (out of many) of ingrained human tendencies to ignore, abuse, and exploit

other people, particularly in highly stratified hierarchical structures like corporations. Until we crack that habit, which Dr. Fuller calls *rankism*, he says women and people of color will have difficulty fitting in at most companies. He believes rankism makes people feel undervalued and underused, and alienates them before they ever have a chance to make their mark.

Back in the 1980s and early 1990s, the quality expert W. Edwards Deming famously blamed the practice of rating and ranking people as a major source of productivity problems. Deming argued that most ratings were statistically invalid, and thus blamed or rewarded people inaccurately for results that didn't have much to do with their individual efforts; this endemic misperception, he said, led to poor management decisions. But Dr. Fuller isn't a Demingite; he's careful to insist that ranking people is fine. So is rewarding them according to merit and performance. The problem, he says, is less tangible; it's the predatorlike way in which "somebodies" (people ranking high in advantage and social prestige) exploit and overwhelm the "nobodies" who rank lower.

"Emotionally," says Dr. Fuller, "this kind of abuse of rank leaves the same scars that racism and sexism do." Among children, he says, rankism is manifested by bullying or cliquish behavior. In business, outrageously high salary gaps between top executives and other employees is one form of rankism; another is the garden-variety form of office politics in which bosses routinely, almost unconsciously, debase subordinates. In Dr. Fuller's view, these abuses exist not as necessary evils (which is how most of us see them, I

suspect), but as deliberate, albeit semiconscious, choices. In other words, those in positions of power don't mistreat women or people of color because of sexism or racism; they adopt sexism or racism as a convenient way to find someone to mistreat. In the modern workplace, when they can't do it overtly, they do it subtly; a rolled eye, a quiet but devastating snub, or a dashed expectation at just the right moment.

"When it's done to you," Dr. Fuller told a group of students at Mount Holyoke College recently, "your first impulse is to do it to

taken for nobodies," he said recently, "are more apt to be open to my message." Indeed, he conceived of his book after a sharp drop in his own status in the late 1970s. Having left the Oberlin presidency, seeking funding for some independent projects, he found himself suddenly treated as a freeloading supplicant. One day in 1978, his funds exhausted, waiting near a Manhattan pay phone for a promised call that never came, Dr. Fuller realized: "I'm in Nobodyland!"

As you might expect, it wasn't a simple matter to get *Somebodies and*

management at the Fielding Graduate Institute in Santa Barbara, Calif., strongly shows that the ability to create a diverse workplace depends on building up the mental and emotional health of the people who work there, from the executives on down. "Bob Fuller is right on target," says Dr. Gregory, "because his 'rankism' is one of the key blocks to what [AIMD founder] Roosevelt Thomas calls *diversity-maturity*: that emotional growth which a diverse workplace requires."

### Real-World Research

It's easy to forget how recent and tenuous a phenomenon the "rainbow workplace" is. After all, many of us have grown accustomed to workplaces with both women and men and with people of mixed ethnicity, in the same way that residents of New York, London, Paris, and San Francisco are used to seeing interracial couples on the streets. But if it hadn't been for the affirmative action movement of the 1970s, and the legal challenges posed to corporations like AT&T, Exxon, and Sears (especially by the Federal Equal Opportunity Employment Commission), many people of color and women would not have their professional jobs today.

"I hear it over and over," says Nancy Ramsey, coauthor of *The Futures of Women: Scenarios for the 21st Century* (Perseus, 1996). "If there weren't a diversity policy, I wouldn't be here."

That's why women and people of color often support affirmative action, even if they feel ambivalent about it. They know that without some kind of oversight system, as Ms. Ramsey puts it, "we'd still have white-bread companies." And that's why the pressure has been so great

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someone else. Preferably the guy who just did it to you. But you don't dare, because he holds rank over you, so you pass it down the totem pole. It feels better to wait for the moment when we can kick the dog, or beat up our little brother. Yes, most of us have been victimized in some contexts, but sadly, we have also been perpetrators in others."

Dr. Fuller doesn't yet have much of a corporate following. His most avid constituency tends to be made up of people on the lower rungs: teenagers, senior citizens, lower-level employees, and especially such much-maligned working groups as postal workers. ("Going postal," in the Fuller lexicon, is simply an extreme version of the indignation that postal workers feel because of the continual rankism they endure from their own bureaucracy.) "People who are currently

*Nobodies* published. Dr. Fuller spent 10 years gathering rejections, including this one from Simon & Schuster editor-in-chief Michael Korda, a well-known "somebody" in publishing circles: "I'm in favor of rank, just so long as I'm ranked high." Even now, it's hard to believe that any book like *Somebodies and Nobodies* could catch on at the executive ranks of most corporations, where a predatory instinct is often considered a primal source of business success — or else just an ordinary part of daily life.

But it's hard to dismiss Dr. Fuller completely. A growing body of academic work substantiates his ideas about the presence of rankism and its destructive impact. Research by Toni Gregory, formerly the research director of the American Institute for Managing Diversity (AIMD) who now teaches diversity

to prove that diversity policies do lead to better results.

Proof, alas, has been difficult to come by. In the early years of academic research — the 1980s and early 1990s — most studies tended, as MIT Sloan School of Management professor Thomas Kochan said recently, to “get a bunch of MBA students or college sophomores into diverse groups and homogeneous groups, and see which groups outperformed the other.” It wasn’t until the mid-1990s that researchers began to study diversity in real-world companies. Harvard Business School professors David Thomas and John Gabarro interviewed employees and managers in three Boston-based high-tech companies with a good track record for retaining high-level women and people of color. (The

this group of nine faculty members from Harvard, Wharton, Rutgers, Berkeley, and the University of Illinois set out to compare the performance of diverse teams and homogeneous teams in companies and organizations. The research project was funded by a nonprofit consortium called the Business Opportunities for Leadership Diversity (BOLD) Initiative, chaired by former Federal Reserve Chairman Paul Volcker and headed by activist Beatrice Fitzpatrick (who is best known for founding the American Woman’s Economic Development Corporation, which helps women entrepreneurs). The BOLD Initiative’s goal is to promote minorities and women into positions of leadership.

Contrary to expectations, however, the researchers found (in part

and profits. Yet in the end, although the studies differed in particulars, a common theme ran through all of them. Terrific, high-performing, diverse teams all seemed to consist of people with the same root quality: The capacity, whether preexisting or deliberately developed, for treating oneself, and the people around one, as worthy of respect regardless of background or role.

Thus, for example, Catalyst in 1998 and 2003 found that 40 percent of the men surveyed said that they disliked reporting to a woman boss. “Some men think that women really aren’t listened to in their organizations,” said Sheila Wellington, who until recently was the president of Catalyst, and is now a faculty member at New York University’s Stern School of Business. “So they ask themselves: ‘Will I pay a price for having a woman boss? Does she have the clout to advance my career?’ Or, ‘I have a wife at home. Must I have one at work, too?’”

Only when men can transcend this attitude do women tend to feel at home as bosses. In Ms. Wellington’s view, one of the most hopeful factors is that many CEOs have working daughters today. Those CEOs now have a visceral reason to respect (and bestow legitimacy upon) the experience of women making their way in the hierarchy.

Similarly, in the BOLD study, there is this intriguing finding: Teams seeking to achieve fairness or balance as an end in itself frequently flounder. Teams that consciously aim for “integration and learning,” in which the work group members are genuinely interested in their teammates’ insights, skills, and experiences, tend to flourish. Most companies’ senior management would probably argue that they do

## High-performing, diverse teams share one root quality: They treat people with respect.

results appeared in their 1999 book *Breaking Through: The Making of Minority Executives in Corporate America*, published by Harvard Business School Press). Then, the New York-based Catalyst Group, founded by the late Felice N. Schwartz (best known for coining the phrase “mommy track”) published an ongoing set of studies called *Women in Corporate Leadership*. These studies analyzed the careers of high-level women executives and the attitudes that helped shape their success.

Then in 2003 came the controversial research published by the Diversity Research Network. Convened by MIT’s Professor Kochan,

by reviewing other researchers’ findings) that diverse workplaces tend to have more conflict and turnover than homogeneous ones. Their own research also determined that managers and employees don’t necessarily do better at serving or selling to their ethnic peers — Latino salespeople don’t necessarily do better at reaching Latino customers, for instance.

All of these studies took years to pull together. At those few companies willing to invite researchers in, the data was obscure and difficult to cross-correlate. For instance, breakdowns of employees by race and gender rarely matched the contributions of various groups to revenues

promote integration and learning, but in practice, they put their Chinese-American marketing manager in charge of Asian customers only, and then ignore what he says to the rest of the team. Or they subtly look down on the woman who leaves at 3 P.M. every day to pick her kids up from school. No matter how open and enthusiastic they were when they came in, people who feel "out-ranked" often leave the company eventually.

#### Predators Lose

The problem with the rankism concept, of course, is its expansiveness — just about anything, from excessive CEO salaries to revealing waitress uniforms, can be condemned as "rankist." Sooner or later, the tendency to find rankism everywhere one looks for it can lead to absurdity.

But there is also a danger in ignoring the idea, because it offers not just a label, but a remedy, which we might call *workplace dignitarianism*. To Fred Miller of Kaleel Jamison, for example, the only companies that successfully maintain a diverse and inclusive work force over time are those that make all their employees feel they belong and are taken seriously. "I don't feel included when people pick up a newspaper, roll their eyes, or turn away when I speak. I feel included when I'm in an environment where I can do my best work."

The most effective teams seem to be those that have instilled a culture where terrorizing, predatory behaviors are minimal; where people find it easy to learn what others are thinking and to care about understanding them. And that raises a question that will truly be difficult for many of us — much more difficult than confronting mere

racism or sexism. What if, to solve the problem of diversity, we had to eschew the predatory part of ourselves? And what if corporations had to instill an ethic whereby predators, even subtle ones, don't automatically win?

That's not the kind of shift that comes from conventional corporate training. It's cultural, even psychological. Corporate leaders, in particular, would have to confront their own feelings of respect and disrespect for others, in a way that goes much deeper than "etiquette." That's why the diversity movement is at a turning point. Either its advocates must wait for a new generation of people to enter the workplace, or they must somehow foster organizational forms and structures that persistently promote human behaviors that nourish dignity and diversity — so that eliminating rankism comes to feel as natural as floating downstream. ↗

Reprint No. 04102

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