Diversity & Inclusion in Corporate America: An Explanation

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"Diversity and inclusion" is a phrase heard in many U.S. companies these days. "Human diversity" is widely discussed in publications for American businesspeople, who address the advantages of "workplace diversity and inclusion" at conferences. What is this American preoccupation all about?

Diversity and inclusion – D&I – refers to efforts by U.S. business leaders to hire, promote, and retain on their payrolls people of every conceivable variety. The objective of these efforts is to move sharply away from the employment pattern that dominated American business for decades: virtually every white collar (professional and managerial) job was held by a native-born white male; many blue collar (manual labor) jobs were, too. Workers who were not native-born or not white males were relegated to the most menial, lowest paid types of work (if they held jobs at all).

This situation created a conflict of values for many Americans. They felt deep respect for the principles expressed in their Founding Fathers' Declaration of Independence of July 1776: We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness. It was very difficult to reconcile that ethical statement with a reality in which virtually all the interesting, influential, well-paying jobs were held by native-born white males.

The social and political history of the United States from World War II to the present is dominated by the efforts of citizens and government leaders to bring about fairer, more inclusive human resource practices. From the late 1960s through the 1980s, "Affirmative Action" was heard and discussed as often as D&I is today. Affirmative Action refers to a collection of laws, supported by litigation in the courts, that compelled employers to hire and promote people in addition to native-born white males. Women and African Americans benefitted most from AA legislation.

Unlike Affirmative Action, D&I has nothing to do with legislation or judicial process. Instead, it is a social movement organized and promoted by businesspeople and educators, including many white males. Their message to everyone else in U.S. business is this: Human variety in the workplace is good for business, and we should quickly move beyond the minimal requirements of Affirmative Action to include people of every type and background (in terms of national origin, ethnicity, gender, age, physical ability, and so forth) throughout all levels and functions of our companies.

"Good for business" means that profits will increase as a result of increasing human variety in the workplace. This "business case for diversity and inclusion" is grounded in three arguments:

1. Those available to work in the U.S. during the 1990s and beyond include more and more people who are not native-born white males. In demographic terms, white males are becoming scarce. Employers must hire other types of people. And many of the most highly educated, well trained potential employees are not native-born white males. Highly competent people may be difficult to find, but they come in every conceivable type and background.

2. The U.S. is a nation of high immigration, so purchasers of goods and services in the U.S. come from myriad backgrounds. In order to know how to produce, market, and sell things that diverse customers will want to buy, a firm needs employees whose backgrounds are similar to those customers. With globalization, this argument is easily extended to customers in other nations: To know how to attract purchasing power abroad, a firm needs employees at all levels and in all functions who are similar to, or at least deeply understand, the people to whom the firm is marketing.

3. Research shows that when decision-makers have similar backgrounds, their decisions are not very creative because they all view the world from similar perspectives. In a rapidly shifting business environment, a diverse mix of perspectives yields superior decisions.

These arguments are realistic, persuasive, and supported by research. But force of reasoning is not the sole explanation for why D&I is succeeding in U.S. business circles. Although the proponents of D&I avoid overt ethical appeals ("diversity and inclusion is the right thing to do"), the fact is that core American values strongly support the objectives of the D&I movement:

- **Egalitarianism:** People should compete on a "level playing field" to get ahead; equal opportunity and fairness should prevail in the workplace as in all other places.
- **Achievement:** People should get ahead in life on the basis of their own accomplishments, not on the basis of their ascribed traits (such as being a native-born white male).
- **Individualism:** People should be self-sufficient and self-expressive; businesses should give each employee an opportunity to productively use his or her best individual talents.

D&I is gaining ever broader acceptance among the U.S. population because it converts deep American values into action. This value-base helps to explain, too, why many proponents of D&I are earnest and full of zeal. They believe that they are doing the right thing, that they are promoting superior principles. Not surprisingly, their efforts to extend the benefits of these values to all people has spilled across the borders of the U.S. and into other countries.

Their attempts to export D&I raise an intriguing ethical question. By taking their “superior principles” abroad, advocates are transferring a Made-in-the-USA set of values and behaviors into regions of the world where egalitarianism, achievement, and individualism are not core values, or even clash head-on with local values. In some long-established cultures, hierarchical relationships are seen as more useful than egalitarian ones, ascription is thought a better way to sort people out than achievement, and collectivism is embraced while individualism is viewed as selfish.

There is genuine irony here. American D&I advocates often talk about how important it is to "respect the values of others." But in trying to export American-style diversity and inclusion, they seem to be making one exception to that rule. They seem to be advocating that, "People who value human variety differently from us should have their values changed to become like our U.S. values." How will this apparent value inconsistency be rectified?